

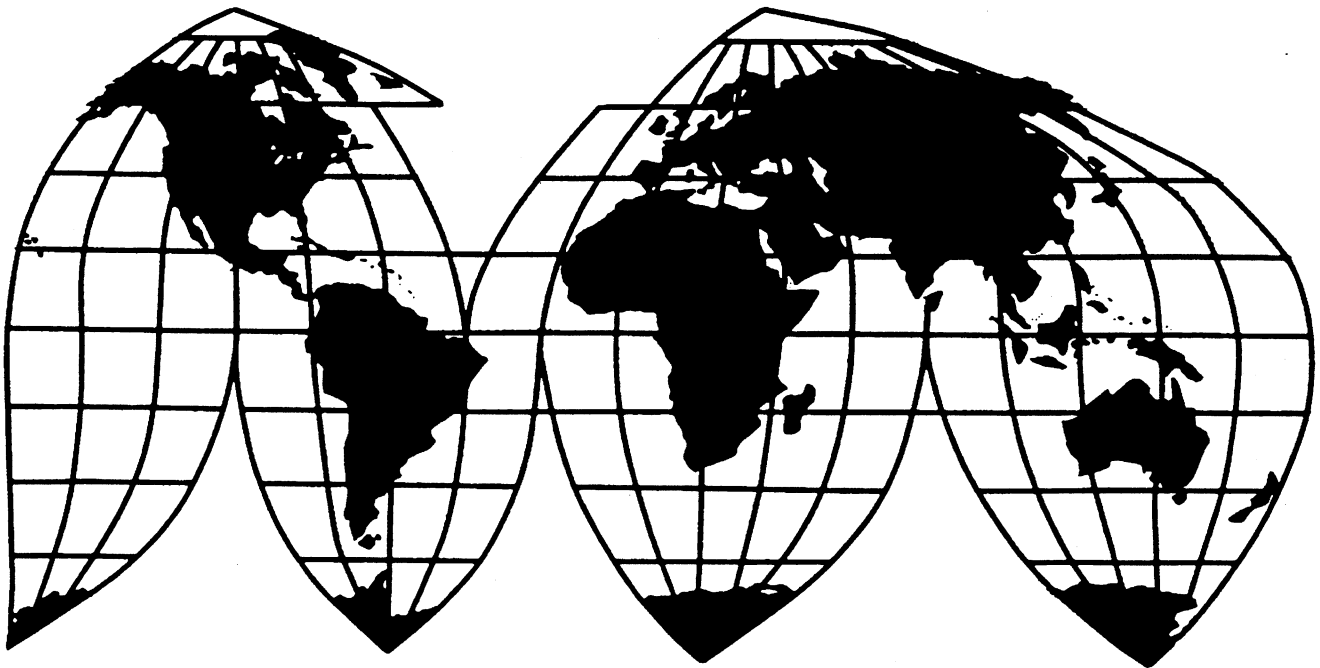
Color Picture Tubes From Canada, Japan, Korea, and Singapore

Investigations Nos. 731-TA-367-370 (Review)

Publication 3291

April 2000

U.S. International Trade Commission



Washington, DC 20436

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NOTE

Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

GLOSSARY OF ABBREVIATIONS

ATSC	Advanced Television System Committee
CDT	Computer display tube
CIT	Court of International Trade
CPT	Color picture tube
CRT	Cathode ray tube
CTV	Color television receiver
DTV	Digital television
FAS	Free alongside ship value
HD	High definition
HDTV	High definition television
HTS	Harmonized Tariff Schedule
NAFTA	The North American Free Trade Agreement
NTR	Normal-trade-relations (formerly most-favored-nation)
NTSC	National Television System Committee
PAL	Phase Alternating Line
SDTV	Standard definition television
SECAM	Sequential Color and Memory
TIB	Temporary in Bond
TR	Transcript of the Commission's hearing
VLS	Very large screen

Industry and Labor Association Abbreviations

CEA	Consumer Electronics Association
CEMA	Consumer Electronics Manufacturers Association
EIA	Electronic Industry Alliance
FCC	Federal Communications Commission
IBEW	International Brotherhood of Electrical Workers
IUE	International Union of Electronic, Electrical, Salaried, Machine & Furniture Workers (AFL-CIO/CLC)
NAB	National Association of Broadcasters
NCTA	National Cable Television Association

Company Abbreviations

Daewoo Electronics	Daewoo Electronics Corp. of America
Hitachi	Hitachi, Ltd.
Hitachi ED	Hitachi Electronic Devices (USA), Inc.
Hitachi HEA	Hitachi Home Electronics America
Hitachi Singapore	Hitachi Electronic Devices (Singapore) Pte., Ltd.
LG Electronics	LG Electronics, Inc.
LG Electronics, USA	LG Electronics, U.S.A. Inc.
Matsushita	Matsushita Electronics Corp.
American Matsushita	American Matsushita Electronics Co.
Matsushita Kotobuki	Matsushita Kotobuki Electronics Industries of America, Inc.
Matsushita T&N	Matsushita Television & Network Co.
Panasonic Industrial	Panasonic Industrial Co., a Division of Matsushita Electric Corp. of America

GLOSSARY OF ABBREVIATIONS—Continued

Company Abbreviations—Continued

Mitsubishi	Mitsubishi Electric Corp.
Mitsubishi CEA	Mitsubishi Consumer Electronics America, Inc.
Mitsubishi DEA	Mitsubishi Digital Electronics America, Inc.
Mitsubishi Canada	Mitsubishi Electronics Industries Canada, Inc.
Orion	Orion Electric Co., Ltd.
Orion America	Orion America, Inc.
Orion ESI	Orion Engineering & Service Inc.
Philips Display	Philips Display Components Co.
Samsung	Samsung Display Devices Co., Ltd.
Samsung DD	Samsung Display Devices, Inc.
Sanyo	Sanyo Manufacturing Corp.
Sharp	Sharp Electronics Corp.
Sony	Sony Corp.
Sony Electronics	Sony Electronics Inc.
Thomson-ATO	Thomson Consumer Electronics-Americas Tube Operations
Thomson CEI	Thomson Consumer Electronics, Inc.
Thomson-SBUA	Thomson Consumer Electronics-Strategic Business Unit Americas
Toshiba	Toshiba Corp.
Toshiba DD	Toshiba Display Devices, Inc.
Toshiba AEC	Toshiba America Electronic Components
Toshiba ACP	Toshiba America Consumer Products, Inc.
Zenith	Zenith Electronics Corp.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-367-370 (Review)

COLOR PICTURE TUBES FROM CANADA, JAPAN, KOREA, AND SINGAPORE

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on March 1, 1999 (64 F.R. 10014) and determined on June 3, 1999 that it would conduct full reviews (64 F.R. 31609, June 11, 1999). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on July 19, 1999 (64 F.R. 38690).² The hearing was held in Washington, DC, on February 17, 2000, and all persons who requested the opportunity were permitted to appear in person or by counsel.

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

² Pursuant to a request by parties in support of continuation of the orders, the Commission revised and extended its schedule for these reviews on November 30, 1999 (64 F.R. 68116, December 6, 1999).

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders covering color picture tubes (“CPTs”) from Canada, Japan, the Republic of Korea (“Korea”), and Singapore would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

In December 1987, the Commission determined that an industry in the United States was being materially injured by reason of less than fair value (“LTFV”) imports of CPTs from Canada, Japan, Korea, and Singapore.¹ Commerce issued antidumping duty orders with respect to CPTs from these four countries in January 1988.^{2 3}

On March 1, 1999, the Commission instituted reviews pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore would likely lead to continuation or recurrence of material injury.⁴

In five-year reviews, the Commission initially determines whether to conduct a full review (which generally includes a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties -- domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments) -- demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.⁵ If the Commission finds the responses from both groups of interested parties to be adequate, or if other circumstances warrant, it determines to conduct a full review.

¹ Color Picture Tubes from Canada, Japan, the Republic of Korea, and Singapore, Inv. Nos. 731-TA-367-370 (Final), USITC Pub. 2046 (Dec. 1987) (“CPT Final”).

² See 53 Fed. Reg. 429 (Jan. 7, 1988) (Canada); 53 Fed. Reg. 430 (Jan. 7, 1988) (Japan); 53 Fed. Reg. 431 (Jan. 7, 1988) (Korea); and 53 Fed. Reg. 432 (Jan. 7, 1988) (Singapore).

³ One of the respondents, Sony Corporation of America (“Sony America”), challenged two aspects of the determination in the U.S. Court of International Trade (“CIT”), arguing that the Commission erred by including Sony’s Trinitron CPTs with other CPTs in a single domestic like product, and that Sony’s Trinitron CPTs should have been excluded from the Commission’s affirmative injury determination because they occupy a “discrete and insular segment of the market” that is not in competition with other CPTs. The CIT sustained the determination on both questions. Sony Corp. of America v. United States, 712 F. Supp. 978, 983-84 (Ct. Int’l Trade 1989).

This opinion also refers to Sony Electronics, Inc., the current U.S. Sony affiliate that produces CPTs, as “Sony America.” See table I-3, confidential version final staff report (“CR”) at I-22 and public version final staff report (“PR”) at I-17. During the original investigations, Sony’s domestic CPT-producing affiliate was Sony Manufacturing Corporation of America. Confidential final staff report in the original investigations (“original staff report”) at A-32.

⁴ 64 Fed. Reg. 10014 (March 1, 1999).

⁵ See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

In these reviews, the Commission received responses to the notice of institution from: (1) Thomson Americas Tube Operations (“Thomson”) and Philips Display Components Company (“Philips”) (domestic CPT producers); (2) the International Brotherhood of Electrical Workers (“IBEW”) and the International Union of Electronic, Electrical, Salaried, Machine & Furniture Workers (AFL-CIO/CLC) (“IEU”) (unions whose workers produce CPTs in the United States); (3) the Electronic Industries Association of Japan (“EIAJ”), Matsushita Electronics Corporation (“Matsushita”), Mitsubishi Electric Corporation (“Mitsubishi”), and Toshiba Corporation (“Toshiba”) (the last three being Japanese CPT manufacturers); and (4) the Electronic Industries Association of Korea (“EIAK”). The Commission determined that neither EIAJ nor EIAK were interested parties because producers, exporters, or importers of the subject merchandise do not make up a majority of the members of either association.⁶ The Commission received no response from any producer, importer, or exporter of subject merchandise from Canada or Singapore. On June 3, 1999, the Commission determined that the domestic interested party group response was adequate in all reviews, and that the respondent interested party group response was adequate for the review concerning CPTs from Japan.⁷ Pursuant to section 751(c)(5) of the Act,⁸ the Commission decided to conduct full five-year reviews for all four orders in the group.⁹

After the determination to conduct full reviews, three Korean CPT producers entered appearances: Orion Electric Co., Ltd. (“Orion”); Samsung Display Devices Co., Ltd. (“Samsung”); and LG Electronics, Inc. (“LGE”). On November 22, 1999, domestic producer Philips withdrew from the reviews, indicating that it no longer sought to “extend/renew” the orders on CPTs. On February 17, 2000, the Commission held a hearing in these reviews, at which appeared representatives of Thomson, the IBEW, and the IUE (the “domestic parties”); Matsushita, Mitsubishi, and Toshiba (the “Japanese parties”); and LGE, Orion, and Samsung (the “Korean parties”). The domestic parties filed briefs in support of continuation of the antidumping duty orders, and the Japanese and Korean parties filed briefs urging revocation of the orders.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

1. Background

In making its determination under section 751(c), the Commission defines “the domestic like product” and the “industry.”¹⁰ The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation

⁶ 19 U.S.C. § 1677(9)(A). See Explanation of Commission Determinations of Adequacy in Color Picture Tubes from Canada, Japan, Korea, and Singapore at 1, nn. 1&2 (June 1999) (“Explanation of Adequacy”). CR and PR at App. A.

⁷ 64 Fed. Reg. 31609 (June 11, 1999). The Commission did not vote on the adequacy of the individual responses of the noninterested parties EIAJ and EIAK. See Explanation of Adequacy at 1 & nn. 1&2.

⁸ 19 U.S.C. § 1975(c)(5).

⁹ See Explanation of Adequacy. The Commission, Commissioner Crawford dissenting, decided to conduct full reviews concerning CPTs from Canada, Korea, and Singapore notwithstanding the inadequate respondent interested party group response in these reviews, to promote administrative efficiency in light of its decision to conduct a full review concerning CPTs from Japan. Id.

¹⁰ 19 U.S.C. § 1677(4)(A).

under this subtitle.”¹¹ In a section 751(c) review, the Commission must also take into account “its prior injury determinations.”¹²

In its final expedited five-year review determination Color Picture Tubes from Canada, Japan, the Republic of Korea, and Singapore, Commerce defined the subject merchandise as:

[C]athode ray tubes suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing. Where a CPT is shipped and imported together with all parts necessary for assembly into a complete television receiver (*i.e.*, as a “kit”), the CPT is excluded from the scope of these orders. In other words, a kit and a fully assembled television are a separate class or kind of merchandise from the CPT. Accordingly, the Department determined that, when CPTs are shipped together with other parts as television receiver kits, they are excluded from the scope of the order. With respect to CPTs which are imported for customs purposes as incomplete television assemblies, we determined that these entries are included within the scope of these investigations unless both of the following criteria are met: (1) the CPT is “physically integrated” with other television receiver components in such a manner as to constitute an inseparable amalgam and (2) the CPT does not constitute a significant portion of the cost or value of the items being imported.¹³

The imported products covered by these reviews thus include CPTs shipped individually or as part of incomplete television assemblies, unless the CPT is both physically integrated with the other components of the assembly and the CPT is not a significant portion of the cost or value of the items being imported. The scope excludes CPTs when shipped in complete television receiver kits or in assembled television receivers.¹⁴

The starting point of our like product analysis in a five-year review is the like product definition in the Commission’s original determination.¹⁵ In the original investigations, the Commission defined the

¹¹ 19 U.S.C. § 1677(10). See NEC Corp. v. Department of Commerce, 36 F. Supp. 380, 383 (Ct. Int’l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹² 19 U.S.C. § 1675a(a)(1)(a).

¹³ 64 Fed. Reg. 48354 (Sept. 3, 1999) (footnote omitted).

¹⁴ The scope excludes picture tubes used in projection televisions, which are monochrome picture tubes rather than color picture tubes. See 64 Fed. Reg. 48354 (Sept. 3, 1999) (setting out the scope listed above) and CPT Final at 4 n.8. and original staff report at A-15 n.1 (projection televisions use monochrome picture tubes).

¹⁵ In the like product analysis for an investigation, the Commission generally considers a number of factors, including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer or producer perceptions; and, where appropriate, (6) price. See The Timken Co. v. United States, 913 F. Supp. 580, 584 (CIT 1996). No single factor is dispositive, and the Commission may consider other

(continued...)

like product to be domestically produced CPTs.¹⁶ In so doing, it rejected arguments that large CPTs (those with a viewable portion of the screen that is 30 inches or more when measured on the diagonal) and Sony Trinitron CPTs should each constitute separate domestic like products.^{17 18}

The domestic and Japanese parties argue that the Commission should adopt the original like product definition in these reviews. The Korean parties contend that the Commission should find separate domestic like products consisting of conventional CPTs and high definition (“HD”) CPTs.¹⁹ Although domestic production of HD CPTs has not yet reached commercial quantities, we find consideration of the product appropriate here because in five-year reviews we must make determinations about events occurring within a reasonably foreseeable time, and because domestic production of *** HD CPT units for commercial sale is projected for 2000.²⁰

2. Analysis and Finding

Although conventional and HD CPTs differ in various particulars, we find the similarities between them more significant. CPTs of both types create an image by scanning a beam of electrons across the inside of the faceplate of the tube, inside which are embedded a perforated mask and thousands or millions of picture elements, which in turn are made up of red, blue, and green phosphor dots or stripes.²¹ The electrons pass through the mask and strike the phosphors, which then emit light.²² Although domestically produced conventional and HD CPTs differ in screen dimension, the electron gun and masks used, and the size and number of phosphor dots, the essential physical characteristics of the two CPT types are the same.²³

¹⁵ (...continued)

factors relevant to a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. See, e.g., S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington, 747 F. Supp. at 748-49.

¹⁶ CPT Final, at 3-6.

¹⁷ The Commission found that, although larger CPTs are somewhat more technologically advanced, CPTs of all sizes “are made of the same essential materials[,] . . . perform the same function[,] . . . [and] are a product of similar manufacturing processes.” Id. at 5-6. The Commission also found that Sony Trinitron CPTs differ from other domestic and foreign CPTs in some respects, but that they perform the same function as other merchandise subject to the investigations. Id. at 6 n.16.

¹⁸ The Commission’s determination regarding Sony Trinitron CPTs was sustained on appeal. Sony Corp. of America v. United States, 712 F. Supp. 978, 983-84 (Ct. Int’l Trade 1989).

¹⁹ The Korean parties did not raise this argument until their Prehearing Brief. Therefore, the Commission’s questionnaires did not seek all the information that would be required to separately analyze the domestic HD CPT industry if a separate like product were found. However, as discussed below, the facts do not support a separate like product finding for HD CPTs.

²⁰ CR at III-5 and PR at III-4. Only Thomson projects production of HD CPTs in the United States in 2000. Id.

²¹ CR at I-15 to I-18, PR at I-12 to I-14.

²² CR at I-15 to I-18, PR at I-12 to I-14.

²³ CR at I-15 to I-16, PR at I-12 to I-13, and corrected and revised transcript of February 17, 2000 hearing (“tr.”) at 59 (testimony of Thomas M. Carson, Vice President of Thomson).

Both CPT types are used primarily in color television receivers (“CTVs”).²⁴ They are not always interchangeable, however. Wide screen HD CPTs produced in the United States have an aspect ratio, or width to height ratio, of 16:9, whereas conventional CPTs produced in the United States have a 4:3 aspect ratio.²⁵ As a result of this shape difference, HD and conventional CPTs cannot be employed in the same CTV. Nearly all CPTs are sold directly to CTV makers.²⁶ About one-quarter of conventional U.S. CPT production is sold to unaffiliated CTV makers in the United States, while *** percent of HD CPT production is projected to be sold to unaffiliated U.S. CTV producers.²⁷ About one-quarter of conventional CPT production is sold to affiliated U.S. CTV makers, *** HD CPT production is projected to be sold to such affiliates.²⁸

Conventional and HD CPTs are made domestically on the same production line, by the same production employees, and in the same facility.²⁹ An investment of approximately \$20 million is required, however, to enable a line to produce HD CPTs, and switching from the production of either conventional or HD CPTs to the other entails a delay of about a day.³⁰ Production of HD CPTs requires more care and time than production of conventional CPTs, but involves the same steps.³¹ Prices for HD CPTs are expected to be much higher than for conventional CPTs (based on the price of imported HD CPTs), a difference expected to diminish but not disappear in the future.³²

Based on the foregoing, we discern no clear dividing line between conventional and HD CPTs, and therefore find a single domestic like product consisting of all CPTs.³³

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the “domestic producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”³⁴ In accordance with our domestic like product determination, we determine that the domestic industry consists of all producers of CPTs.

²⁴ CR at II-35, PR at II-21.

²⁵ CR at I-14 and PR at I-11.

²⁶ CR at II-35, PR at II-21.

²⁷ CR at II-6 and III-5, PR at II-4 and III-4, and tr. at 140-41 (Carson).

²⁸ CR at I-19, II-6, III-5, III-8 (table III-5) PR at I-15, II-4 and III-4, III-7 (table III-5) and tr. at 140-41 (Carson). Exports make up the remainder of shipments, accounting for about 50 percent of conventional CPT production and a projected *** percent of HD CPT production. CR at I-20, II-6, III-5, III-8 (table III-5) PR at I-15, II-4, III-4, III-7 (table III-5) and tr. at 140-41 (Carson).

²⁹ CR at I-18, PR at I-14, and tr. at 58-59 (Carson).

³⁰ Tr. at 58-59 (Carson) and Notes from February 23, 2000 field trip to Thomson in Marion, Indiana at page 2.

³¹ CR at I-18, PR at I-14.

³² CR at I-20, PR at I-16.

³³ Commissioner Askey notes that the starting point for her like product analysis is the like product definition contained in the original determination. Because the purpose of a sunset review is, literally, to review an existing order, the like product definition analysis in a review is different from that in an original investigation, where the Commission begins with a fresh record. She is, therefore, inclined to retain the original like product definition unless the existing definition(s) present a substantial impediment to arriving at a likelihood of injury determination.

³⁴ 19 U.S.C. § 1677(4)(A).

C. Related Parties

We must further decide whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B), which allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or that are themselves importers. Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.³⁵

In these reviews, five of the seven domestic producers either import the subject merchandise, or are related to an exporter or importer of the subject merchandise.³⁶ We find that appropriate circumstances do not exist to exclude any of these producers from the domestic industry. The primary interest of each company is in domestic production rather than importation. None of these producers imports substantial quantities of subject merchandise in relation to its domestic production.^{37 38}

³⁵ See Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude such parties include:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and
- (3) the position of the related producer vis-à-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry.

See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interest of the related producer lies in domestic production or importation. See, e.g., Sebacic Acid from the People's Republic of China, Inv. No. 731-TA-653 (Final), USITC Pub. 2793, at I-7 - I-8 (July 1994).

³⁶ *** and *** imported the subject merchandise. Table III-3, CR and PR at III-4. *** and *** are related to importers of the subject merchandise. Table III-3, CR and PR at III-4. American Matsushita Electronics Co. ("American Matsushita"), Hitachi Electronic Devices (USA), Inc. ("Hitachi ED"), Sony America, and Toshiba Display Devices, Inc. ("Toshiba DD") are subsidiaries of Japanese exporters of the subject merchandise. Table I-3, CR at I-22 and PR at I-17. Zenith Electronics Corp. ("Zenith") became a subsidiary of LGE, a Korean producer of the subject merchandise, according to a bankruptcy plan approved on November 5, 1999. CR at III-13 n.10 and PR at III-11 n.10 (bankruptcy plan approved November 5, 1999), and CR at IV-19 and PR at IV-16 (LGE is a Korean producer). Previously, however, Zenith had ceased production of CPTs. CR at III-13 n.10 and PR at III-11 n.10 (Zenith ceased production in March 1999), and CR at IV-19 and PR at IV-16 (Zenith production facilities closed December 1998). Because Zenith was not owned by the foreign producer during the time it produced the domestic like product, we do not consider it to be a related party on this ground. As indicated above, however, ***.

³⁷ Table III-3, CR and PR at III-4 (showing that subject imports did not exceed five percent of any producer's production in 1997, 1998, or January through September of 1999).

³⁸ For the reasons discussed later in this opinion, Vice Chairman Miller, Commissioner Hillman, and Commissioner Koplán also do not find that American Matsushita, Hitachi ED, Sony America, and Toshiba DD are likely to import significant volumes of subject merchandise if the order is revoked. Therefore, they conclude that the primary interest of these companies will continue to be in domestic production. They note that Zenith ceased production by March 1999 and, therefore, Zenith is no longer a domestic producer.

Additionally, nothing in the current financial performance of these producers suggests that appropriate circumstances exist to exclude any of these companies from the industry.³⁹

III. CUMULATION⁴⁰

A. Framework

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.⁴¹

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.⁴² Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.⁴³ With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.^{44 45}

³⁹ In general, the ratio of operating income to net sales was lower for these five producers than for the other domestic producers, suggesting that imports of subject merchandise did not skew the results of the five companies in a favorable direction. Table III-11, CR at III-17 and PR at III-13. Although the results of Zenith diverged strongly from those of the other producers, we do not attribute the difference to *** because of ***. Tables III-3 and III-11, CR at III-4 and III-17 and PR at III-4 and III-13.

⁴⁰ Chairman Bragg does not join section III of the opinion. See Separate Views of Chairman Lynn M. Bragg.

⁴¹ 19 U.S.C. § 1675a(a)(7).

⁴² 19 U.S.C. § 1675a(a)(7).

⁴³ SAA, H.R. Rep. No. 103-316, Vol. I (1994).

⁴⁴ For a discussion of Vice Chairman Miller’s and Commissioners Hillman and Koplán’s analytical framework regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings From Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review). For a further discussion of Commissioner Koplán’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review) and 731-TA-262, 263, and 265 (Review) (Views of Commissioner Stephen Koplán Regarding Cumulation).

⁴⁵ Commissioner Askey notes that the Act clearly states that the Commission is precluded from exercising its discretion to cumulate if the imports from a country subject to review are likely to have “no discernible adverse

(continued...)

The Commission has generally considered four factors intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product.⁴⁶ Only a “reasonable overlap” of competition is required.⁴⁷ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission’s traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.⁴⁸

In these reviews, the statutory requirement that all of the reviews be initiated on the same day is satisfied.

B. No Discernible Adverse Impact

The domestic parties argued that the subject imports from Japan, Korea, and Singapore would each have a discernible adverse impact on the domestic industry, and urged the Commission to cumulate the subject imports from the three countries. The Japanese and Korean parties argued that subject imports from their respective countries would likely have no discernible adverse impact on the domestic industry. They also argued that, even if it were to find a discernible adverse impact, the Commission should decline to cumulate imports from their respective countries with subject imports from any other country.

We find that subject imports from Canada are likely to have no discernible adverse impact on the domestic industry if the order is revoked. Production of CPTs in Canada ceased in December of 1996,

⁴⁵ (...continued)

impact on the domestic industry” upon revocation of the order. 19 U.S.C. § 1675a(a)(7). Thus, the Commission must focus on whether the imports will impact the condition of the industry discernibly as a result of revocation, and not solely on whether there will be a small volume of imports after revocation, *i.e.*, by assessing their negligibility after revocation of the order. For a full discussion of her views on this issue, see Additional Views of Commissioner Thelma J. Askey in Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999).

⁴⁶ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: 1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; 2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; 3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and 4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁴⁷ See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F. 3d 1352 (Fed. Cir. 1996).

⁴⁸ See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission’s determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int’l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int’l Trade 1988).

and the production machinery and equipment were sold or scrapped.⁴⁹ There is no indication that CPT production in Canada is contemplated in the reasonably foreseeable future. The domestic parties conceded that the order on subject imports from Canada should be revoked.⁵⁰

We also find that subject imports from Singapore are likely to have no discernible adverse impact on the domestic industry if the order is revoked.⁵¹ The volume of subject imports from Singapore has been very small in recent years, at 1,024 units in 1997, 504 units in 1998, and 1,093 units in January through September (“interim”) 1999.⁵² Subject imports from Singapore were also small prior to the imposition of the orders, never exceeding 1.3 percent of U.S. apparent consumption during 1984-86.⁵³ Hitachi Electronic Devices (Singapore) Pte., Ltd. (“Hitachi Singapore”) ceased CPT production in Singapore in 1996, leaving Sony Singapore as the only producer in Singapore.⁵⁴ Although Sony Singapore is believed to have significant CPT capacity, quantities exported to the United States have been very small, as indicated above.

The record indicates that the volume of subject imports from Singapore is not likely to increase significantly in the future. The record indicates that all subject CPTs from Singapore are Sony Trinitron CPTs.⁵⁵ Sony Trinitron CPTs differ in certain respects from other CPTs, and are purchased in the United States only by Sony’s affiliated CTV makers, which in turn use only Sony Trinitron CPTs in their CTVs.⁵⁶ As a result, subject CPTs from Singapore compete only with Sony Trinitrons produced in the United States, or in other countries, such as Japan.⁵⁷ Sony America has considerable Trinitron CPT production capacity (approximately *** million units in 1998), including capacity to produce flat screen Trinitron CPTs and Trinitron CPTs with screens measuring 32 and 35 inches.⁵⁸ The record indicates that approximately *** percent of Sony’s CTV production in North America takes place in Mexico, making it likely that any potential future increase in exports from Sony Singapore to North America will go mainly to Mexico, not the United States.⁵⁹ Because of the corporate affiliation among Sony operations in the United States, Mexico, and Singapore, and the size and diversity of Sony America’s production, we

⁴⁹ CR and PR at IV-8.

⁵⁰ Domestic parties’ Prehearing Brief at 6 n.1.

⁵¹ Commissioner Okun does not join the finding that subject imports from Singapore are likely to have no discernible adverse impact if the order is revoked. Because Sony Singapore, the sole producer of the subject merchandise in Singapore, has not responded to the Commission’s request for information in this review, Commissioner Okun has chosen not to draw the favorable inferences she believes are necessary to support the conclusion that subject imports from Singapore are likely to have no discernible adverse impact on the domestic CPT industry if the relevant order is revoked.

⁵² Table IV-1, CR and PR at IV-2. CPTs with screens smaller than 19 inches account for about 90 percent of that volume. Table H-1, CR and PR at H-3. As discussed below in the conditions of competition section, the domestic industry has not produced CPTs smaller than 19 inches since before the original orders. CR at I-15, PR at 12. The subject imports from Singapore have not exceeded 0.2 percent of imports in 1997, 1998, interim 1998, or interim 1999. Table IV-1, CR and PR at IV-2.

⁵³ Table I-1, CR and PR at I-3.

⁵⁴ CR at II-22 and IV-24, PR at II-13 and IV-18.

⁵⁵ CR at II-9, II-14 n.41 and PR at II-6, II-9 n.41, tr. at 135 (Carson).

⁵⁶ CR at II-9, II-14 n.41 and PR at II-6, II-9 n.41, tr. at 135 (Carson).

⁵⁷ CR at II-14 n.41 and PR at II-9 n.41.

⁵⁸ Tables III-2 and IV-4, CR and PR at III-3 and IV-7.

⁵⁹ Sony America’s domestic producer questionnaire response at II-11 (indicating that Sony exported *** percent of its CPTs to Mexico for incorporation into CTVs in 1998, and *** percent in interim 1999).

believe it unlikely that Sony Singapore would increase subject exports to the United States to the detriment of Sony America, or to the extent of having a discernible adverse impact on the domestic industry as a whole.

For the reasons indicated in following sections of this opinion regarding the likely volume, price effects, and impact of the subject imports from Japan and Korea if the orders are revoked, we do not find that subject imports from those countries, respectively, are likely to have no discernible adverse impact on the domestic industry if the orders are revoked.

C. Reasonable Overlap of Competition

The record indicates that several of the factors on which the Commission relied in finding a reasonable overlap of competition among the subject imports and between the subject imports and the domestic product in the original investigations have changed with respect to subject imports from Japan and Korea. CPTs smaller than 19 inches accounted for the bulk of subject imports from Korea in recent years, and a significant portion of subject imports from Japan as well, particularly in interim 1999.⁶⁰ However, the small CPTs from Japan were primarily ***, at least in interim 1999.⁶¹ *** are not fungible with *** CPTs.⁶²

The profile of present production capacity in Japan and Korea shows limited likely competitive overlap of subject imports upon revocation of the orders. Sony Japan, which produces only Trinitron CPTs, accounts for about *** percent of Japanese capacity, while no Trinitron CPTs are produced in Korea.⁶³ All of the capacity of the two other Japanese producers, Matsushita and Toshiba, is now in flat screen CPTs, while only *** percent of current Korean production capacity is used in the production of flat screens.⁶⁴ Similarly, wide screen CPTs made up *** percent of Japanese production capacity in 1999, but only *** percent of Korean production capacity that year.⁶⁵ Approximately one-third to one-half of Matsushita's and Toshiba's combined capacity is for the production of HD CPTs, while there is no Korean capacity for HD CPTs.⁶⁶ All of Matsushita's and Toshiba's present production capacity is for

⁶⁰ CR at II-20, IV-7 (table IV-3), and H-3 (table H-1); and PR at II-12, IV-7 (table IV-3), and H-3 (table H-1).

⁶¹ Compare table III-3, CR and PR at III-4 with table IV-1, CR and PR at IV-2 (showing that imports by *** likely accounted for nearly *** imports from Japan in interim 1999); CR at II-16 and H-3 (table H-1) and PR at II-9 to II-10 and H-3 (table H-1) (high percentage of subject imports from Japan in interim 1999 had screens smaller than 19 inches); and CR and PR at III-1 (***) listed as an importer of CPTs under 19 inches).

⁶² CR at II-9, II-14 n.41 and PR at II-6, II-9 n.41, and tr. at 135 (Carson).

⁶³ Compare CR at IV-12 and PR at IV-11 (estimates of Sony Japan's capacity) with table IV-5, CR and PR at IV-9 (capacity of other Japanese CPT producers). The record indicates that current Sony production consists only of Trinitron CPTs, and indicates that Sony sells them in the United States only to its affiliated CTV makers. CR at II-9, II-14 n.41 and PR at II-6, II-9 n.41; tr. at 135 (Carson). Sony Japan produces an unspecified number of ***. See CR at II-18 n.52 and PR at II-11 n.52. Such CPTs are not fungible with CPTs produced in Korea, which has no capacity to produce ***. CR at IV-22, IV-24 and PR at IV-17 and IV-18.

⁶⁴ CR at IV-14 n.14, IV-16 (table IV-8), IV-21 (table IV-11) and PR at IV-12 n.14, IV-14 (table IV-8), IV-15 (table IV-11).

⁶⁵ Tables IV-8 and IV-11, CR at IV-16 and IV-21 and PR at IV-14 and IV-15.

⁶⁶ CR at IV-17 and PR at IV-14, and compare tables IV-7 and IV-9, CR at IV-15 and IV-18 and PR at IV-13 and IV-14 (on Japanese HD CPT capacity); and CR at IV-22 and IV-24 and PR at IV-17 and IV-18 (on the lack of Korean HD CPT capacity).

CPTs with screen sizes of 25 inches or greater, whereas that size range accounts for about half of Korean production capacity.⁶⁷

For all these reasons, we conclude that there are serious questions as to the likelihood of a reasonable overlap of competition between subject imports from Japan and Korea. Moreover, other factors weigh against a cumulated analysis.⁶⁸

D. Other Considerations

The record indicates that subject imports from Japan and Korea have been competing, and in the future will likely compete, in the U.S. market under different conditions of competition. First, since the imposition of the orders, production capacity in Japan has declined substantially, while Korean production capacity has increased.⁶⁹ Current Korean CPT capacity is five to *** times higher than CPT capacity in Japan.⁷⁰ Second, the Korean producers have no U.S. affiliates that produce CPTs, while domestic producers affiliated with Japanese producers accounted for about a *** of domestic production during 1998.⁷¹ Likewise, each of the Japanese producers have affiliated U.S. CTV producers, while the Korean producers do not.⁷² Consequently, the Korean producers compete, and are likely to continue to compete, to a much greater extent in the U.S. merchant market for CPTs than are the Japanese producers.

⁶⁷ Tables IV-8 and IV-11, CR at IV-16 and IV-21 and PR at IV-14 and IV-15.

⁶⁸ Commissioner Okun finds that, although the record casts doubt on whether there is likely to be a reasonable overlap of competition between subject imports from Japan and Korea, no such doubt exists with respect to the likely existence of a reasonable overlap of competition between subject imports from Japan and Singapore. Because Sony Singapore is the only producer of subject CPTs in Singapore, all subject production in Singapore consists of Sony Trinitron CPTs, which do not compete directly with other CPTs for sales to CTV assemblers. Japanese parties' Prehearing Brief, Exhibit 2 at 3-4, and Exhibit 4 at 5. As noted above, Sony Japan accounts for *** percent of Japanese CPT production capacity and accounted for nearly all subject imports from Japan in interim 1999. Compare CR at IV-12 and PR at IV-11 with table IV-5, CR and PR at IV-9; compare table III-3, CR and PR at III-4 with table IV-1, CR and PR at IV-2. Moreover, there is an overlap in the types and sizes of Trinitron CPTs that Sony Singapore and Sony Japan can produce. See Table H-1, CR and PR at Appendix H (U.S. shipments of imports from Singapore by screen size); Japanese parties' Prehearing Brief, Exhibit 2 at 3 (estimated 1999 production of Sony Japan by screen size); id. at Exhibit 4 at 4 (noting flat screen CPT production at Sony Singapore beginning in 1998). Commissioner Okun therefore finds that there is likely to be a reasonable overlap of competition between subject imports from Singapore and Japan if the orders are revoked. Moreover, in light of these facts and based on Sony Corporation's common ownership and control of Sony Singapore and Sony Japan, she cannot conclude that subject imports from Singapore and Japan face different conditions of competition in the United States sufficient to warrant a decision not to cumulate such imports. Accordingly, she cumulates subject imports from Singapore and Japan in these reviews. Because no Trinitron CPTs are produced in Korea, however, she further finds no likely reasonable overlap of competition between subject imports from Singapore and Korea.

⁶⁹ Table IV-5, CR at IV-10 to IV-11 and PR at IV-9 to IV-10.

⁷⁰ Compare table IV-7, CR at IV-15 and PR at IV-13 with table IV-8, CR at IV-16 and PR at IV-14.

⁷¹ Tables I-3 and III-2, CR at I-22 and III-3 and PR at I-17 and III-3; CR at IV-19 and IV-22 and PR at IV-16.

⁷² CR at II-9, II-36 and PR at II-5 to II-6 and II-21 (U.S. CTV affiliates of Japanese CPT producers) and CR at IV-19 and IV-22 and PR at IV-16 and Korean parties' Prehearing Brief at 2-3, 27 (no U.S. CTV affiliates of Korean CPT producers).

Third, the average unit values (“AUVs”) of subject imports from Japan in recent years ranged from five to twelve times higher than the AUVs of recent subject imports from Korea.⁷³

Based on the foregoing, we decline to exercise our discretion to cumulate subject imports from Japan and Korea in these reviews.

IV. WHETHER REVOCATION OF THE ORDERS IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME⁷⁴

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁷⁵ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation [of the order] . . . and the elimination of its restraining effects on volumes and prices of imports.”⁷⁶ Thus, the likelihood standard is prospective in nature.⁷⁷ The statute states that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”⁷⁸ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations].”^{79 80}

⁷³ Table IV-2, CR and PR at IV-5. Although footnote 1 to the table indicates that the data captures Korean CPTs not subject to the CPT antidumping duty order, figures for 1997 and 1998 are believed to include only subject merchandise. See Korean parties’ Prehearing Brief at 26-27.

⁷⁴ Chairman Bragg joins the remainder of this opinion.

⁷⁵ 19 U.S.C. § 1675a(a).

⁷⁶ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry).” SAA at 883.

⁷⁷ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁷⁸ 19 U.S.C. § 1675a(a)(5).

⁷⁹ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

⁸⁰ In analyzing what constitutes a reasonably foreseeable time, Commissioner Koplan examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length
(continued...)

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked.”⁸¹ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.^{82 83}

We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties’ suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.”⁸⁴

In evaluating the likely volume of imports of subject merchandise if the order under review is revoked, the Commission is directed to consider whether the likely volume of subject imports would be significant either in absolute terms or relative to the production or consumption in the United States.⁸⁵ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product-shifting if production facilities in the foreign country,

⁸⁰ (...continued)

of time it is likely to take for the market to adjust to a revocation. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

⁸¹ 19 U.S.C. § 1675a(a)(1).

⁸² 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁸³ Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings “the findings of the administrative authority regarding duty absorption.” 19 U.S.C. § 1675a(a)(1)(D). Commerce has not issued any duty absorption determinations in the instant reviews.

⁸⁴ SAA at 869.

⁸⁵ 19 U.S.C. § 1675a(a)(2).

which can be used to produce the subject merchandise, are currently being used to produce other products.⁸⁶

In evaluating the likely price effects of subject imports if the order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of the domestic like product.⁸⁷

In evaluating the likely impact of imports of subject merchandise if the order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁸⁸ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.⁸⁹ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order is revoked.⁹⁰

⁸⁶ 19 U.S.C. § 1675a(a)(2)(A)-(D).

⁸⁷ 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

⁸⁸ 19 U.S.C. § 1675a(a)(4).

⁸⁹ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

In its expedited review concerning Korea, Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping, at a margin of 1.91 percent both for Samsung Electric Devices Company, Ltd. and for all other Korean producers. 64 Fed. Reg. 48354, 48357 (Sept. 3, 1999). In its expedited review concerning Japan, Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping, at margins of 22.29 percent for Hitachi, Ltd.; 27.46 percent for Matsushita Electronics Corporation; 1.05 percent for Mitsubishi Electric Corporation; 33.50 percent for Toshiba Corporation; and 27.93 percent for all other Japanese producers. Id. In its expedited review concerning Singapore, Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at a margin of 5.33 percent for Hitachi Electronic Devices, Pte., Ltd. and for all other Singaporean producers as well. Id. In its expedited review concerning Canada, Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping, at a margin of 0.63 percent for Mitsubishi Electronics Industries Canada, Inc. and all other Canadian producers. Id.

⁹⁰ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

In these reviews, the domestic parties argued that the Commission must make an affirmative determination as long as any reasonable interpretation of the facts of record will support such a conclusion.⁹¹ As we have stated in prior determinations, to the extent that the domestic producers seek to constrain the Commission's discretion by means of this argument, they misconstrue the cited SAA language, which simply underscores the predictive nature of five-year reviews and recognizes that the Commission's determination will not be deemed erroneous as long as it is reasonable in light of the facts of the case.⁹² The guidance offered by this passage of the SAA thus is not a mandatory instruction for the Commission to rule a certain way, nor is it intended to affect the Commission's obligation to reach a reasonable determination based upon the facts of the case.⁹³

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic CPT industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."⁹⁴ A number of conditions of competition are pertinent to our analysis, some of which have changed significantly since the original investigations.

Demand for CPTs is derived almost entirely from demand for CTVs.⁹⁵ Apparent consumption in the United States for CPTs is lower now, at around 10 million units in 1997 and 1998, than during the years examined in the original investigations (1984-86), when it fluctuated between 13.1 and 14.4 million units.⁹⁶ The overall reduction in demand masks strong increases and decreases in demand for various types of CPTs. Demand for CPTs with screen sizes of 19 inches and under has fallen, while demand for larger CPTs has increased.⁹⁷ The domestic industry has not produced CPTs with screens smaller than 19 inches since before the original investigations.⁹⁸ Demand for CPTs with these smaller screens is instead

⁹¹ Domestic parties' Posthearing Brief at 3, *citing* SAA at 883. The referenced language of the SAA states:

The determination called for in these types of reviews is inherently predictive and speculative. There may be more than one likely outcome following revocation or termination. The possibility of other likely outcomes does not mean that a determination that revocation or termination is likely to lead to continuation or recurrence of dumping or countervailable subsidies, or injury is erroneous, as long as the determination of likelihood of continuation or recurrence is reasonable in light of the facts of the case. In such situations, the order or suspended investigation will be continued.

⁹² See, e.g., Synthetic Methionine from Japan, Inv. No. AA1921-115 (Review), USITC Pub. 3205 at 8-9 (July 1999).

⁹³ Commissioner Askey notes that the statute requires that the Commission find that revocation is "likely" to lead to the continuation or recurrence of material injury, not that it is "possible" that revocation would have such a result, as counsel for the domestic industry implies. See domestic parties' Posthearing Brief at 3.

⁹⁴ 19 U.S.C. § 1675a(a)(4).

⁹⁵ CR at II-7, II-35, and V-1; PR at II-5, II-21, and V-1.

⁹⁶ Table I-1, CR and PR at I-3.

⁹⁷ CR at II-4 and II-24, PR at II-3 and II-14.

⁹⁸ CR at I-15, II-6 n.7, App. H at H-3 and PR at I-12, II-2 n.7, and App. H at H-3.

met entirely by imports.⁹⁹ CPTs with screens of 25 and 27 inches are currently very large volume products for the domestic industry, and domestic sales of CPTs with very large screens (over 27 inches) (“VLS”) are already significant, and likely to continue to grow in the reasonably foreseeable future, although they may encounter increasing competition from projection televisions, which do not employ CPTs and are outside the scope of these reviews.¹⁰⁰

Another new CPT product being introduced is CPTs employing flat screens, rather than the standard curved screens. Increased sales of flat screen CPTs are likely in the reasonably foreseeable future, although they presently account for only a small percentage of CPTs and may remain relatively unimportant compared to curved screen CPTs.¹⁰¹ With the recent advent of digital broadcasting, demand for new types of CPTs -- those with a wide screen and/or high definition characteristics -- has appeared, although it remains very small.¹⁰² We discuss below the industry shift from analog to digital television, along with projections for growth in demand for wide screen and high definition CPTs in the reasonably foreseeable future.

CPT production is capital intensive, with construction of a new CPT facility estimated to require two years and \$70-\$332 million, with facilities for larger and more advanced CPTs falling at the high end of that range.¹⁰³ Adding capacity at existing facilities can require six months to two years, and \$70-\$160 million.¹⁰⁴ Because of high fixed costs, domestic producers must achieve high capacity utilization rates in order to be profitable.¹⁰⁵ Although some producers have switched from the production of CPTs to computer display tubes, they describe the change as very expensive and indicate that shifting back to CPTs would be even more expensive due to the larger screen sizes involved.¹⁰⁶

Despite the considerable expense involved, U.S. CPT capacity has increased nearly 50 percent since the original investigations, from 16-17 million units per year in 1984-86 to 23-25 million units in

⁹⁹ CR at I-15, II-6 n.7, App. H at H-3 and PR at I-12, II-2 n.7, and App. H at H-3.

¹⁰⁰ Tr. at 27, 31 (P. Kevin Trompak, General Manager, Marketing, Sales, and New Business Development, Thomson) (25 and 27 inch CPTs make up over 70 percent of Thomson’s U.S. production), 61 (Carson) (25 and 27 inch CPTs are Thomson’s “bread and butter”), CR at I-15 and PR at I-12 (domestic industry moving to larger sizes), CR at II-24 and PR at II-14 (increased demand in larger sizes), CR and PR at App. H (showing domestic production by size range); domestic parties’ Posthearing Brief at Exh. 2.2, page 9 (page numbers for the domestic parties exhibits provided in these views correspond to the number appearing on the page, not to the order in which the page appears in the exhibit) (demand for VLS CTVs expected to grow), and CR at E-6 and E-7 and PR at E-4 and E-6 (pages supplied in INV-X-062 and INV-X-066) (demand for VLS CTVs projected to grow).

¹⁰¹ Tr. at 147 (Neils Bray, Assistant General Manager, American Matsushita), 153 (Thomas Behringer, Business Development Director, Toshiba EC).

¹⁰² Tr. at 147 (Bray) (about 400,000 flat screen CPTs sold in 1999, few of which were wide screen) table E-3 (revised), CR at E-8 and PR at E-7 (HD CTVs estimated to account for 0.02 to 0.8 percent of total direct view CTVs sold in 1999); tr. at 56-57 (Carson) (HD CVT market “very small”). Both flat screen and wide screen CPTs present a superior image to the viewer than conventional curved screen CPTs, particularly in larger sizes. CR at I-16 and PR at I-13 (HD CPT produces a picture with higher definition) and tr. at 147 (Bray) (flat screen CPTs provide a better picture).

¹⁰³ CR at II-11 and PR at II-7. Thomson reported that re-tooling an existing large screen production line to the production of wide-screen HD CPTs required a \$20 million investment. Tr. at 59 (Carson). American Matsushita reported its intention to invest \$80 million to create a production line for flat screen CPTs. Tr. at 148-49 (Bray).

¹⁰⁴ CR at II-11 to II-12 and PR at II-7.

¹⁰⁵ CR at II-10 to II-11 and PR at II-6 to II-7.

¹⁰⁶ CR at II-15 to II-16 and II-19, PR at II-9 and II-11.

1997-98.¹⁰⁷ Domestic production increased from 11.7 million units in 1986 to 20.4 million units in 1998.¹⁰⁸ Domestic producers affiliated with Japanese CPT producers accounted for a vast majority of the growth, as their aggregate production rose from a yearly average of just under *** million units during 1984-86 to more than *** million units in recent years.¹⁰⁹ The U.S. affiliates of the Japanese producers now account for about *** of domestic production.¹¹⁰

Greatly increased export shipments allowed domestic capacity and production to grow despite falling domestic demand. While export shipments accounted for less than 5 percent of all shipments of domestically produced CPTs in the original investigations, they exceeded 50 percent in 1997 and 1998.¹¹¹ Mexico absorbed over 80 percent of domestic CPT exports, as a number of CTV makers have relocated operations to that country.¹¹² Most CTV production in Mexico is in turn directed toward the United States.¹¹³ Mexican CPT capacity has also grown sharply since the original investigations, with further expansion ongoing.¹¹⁴

Investment in CPT production capacity in North America by overseas producers reflects in part a global trend by CPT producers to create production capacity nearer to markets.¹¹⁵ Evidence of regionalization predates the orders under review here, although the imposition of the orders appears to have hastened the process in North America.¹¹⁶ Producers in Japan and Korea have tended to upgrade declining home country capacity to larger and more advanced CPTs, with overseas capacity generally

¹⁰⁷ Table I-1, CR and PR at I-4.

¹⁰⁸ Id.

¹⁰⁹ Table 4 of the original staff report at A-43 and table III-2, CR and PR at III-3.

¹¹⁰ Tables I-3 and III-2, CR at I-22 and III-3 and PR at I-17 and III-3.

¹¹¹ Table I-1, CR and PR at I-4; CR at II-6 and PR at II-4.

¹¹² Table III-5, CR at III-8 and PR at III-7; CR at IV-19 and IV-22 and PR at IV-16; tr. at 140 (Carson).

¹¹³ CR at II-6, II-23, PR at II-4, II-13; tr. at 114 (Clifton L. Smith, President and CEO of Corning Asahi Video Products Company).

¹¹⁴ CR at II-12, IV-19 and IV-22 and PR at II-7, IV-16, and tr. at 163 (Jin Seung Kim, Sales Manager for Daewoo of Mexico) (increases in Korean-affiliate CPT capacity in Mexico in 1990s); table IV-12, CR at IV-23 and PR at IV-17 (Korean-affiliated CPT production in Mexico growing from *** million units in 1997 to *** million units in 1998, and to a projected *** million units in 1999); CR at III-11, PR at III-6, and tr. at 137 (Carson) (Thomson to produce 31 and 32-inch CPTs in Mexico); tr. at 167-68 (S.W. Lee, Manager, Sales Division of Samsung SDI Company Limited) and 172 (Daniel W. Klett, economic consultant on behalf of LGE) (Samsung projected to switch from production of smaller CPTs to 25 and 27-inch CPTs in Mexico in August of 2000); tr. at 163 (Kim) (Daewoo of Mexico making provisions for production of 25 and 27-inch CPTs); Korean parties' Posthearing Brief at Appendix A, page 5.

¹¹⁵ CR at IV-12 to IV-13, IV-19 and PR at IV-11, IV-12, and IV-16. The Japanese CPT producers now have far less CPT capacity in Japan than during the original investigation, but far greater capacity in other countries closer to markets. CR at II-17 and PR at II-10, tables IV-5 and IV-6, CR and PR at IV-9 and IV-11; and CR at IV-12 to IV-13, and PR at IV-11 and IV-12. The capacity of Korean producers is higher now both in Korea and in their overseas affiliates than during the original investigation, although capacity in Korea has declined in recent years. CR at II-20 and PR at II-12; tables IV-5, IV-6, and IV-12, CR at IV-10, IV-11, and IV-23 and PR at IV-9 to IV-11, and IV-17; CR at IV-19 and IV-22 and PR at IV-16.

¹¹⁶ CR at I-21 and I-22 (table I-3), II-6, IV-19, IV-22 and PR at I-16, I-17 (table I-3), II-4, IV-16; tr. at 163-66 (Kim), 168 (Lee).

concentrating on smaller and less advanced CPTs.¹¹⁷ North American investment was also spurred by the North American Free Trade Agreement (“NAFTA”).¹¹⁸ Under that agreement, NAFTA-originating CPTs enter any NAFTA country free of duty, whereas a 15 percent *ad valorem* tariff applies to CPTs over 13.5 inches that are not NAFTA-originating.¹¹⁹ Similarly, NAFTA-originating CTVs enter NAFTA countries free of duty, whereas in general CTVs over 14 inches that are not NAFTA-originating are subject to a 5 percent *ad valorem* duty.¹²⁰ In general, the CPT must be NAFTA-originating in order for CTVs larger than 14 inches to also qualify as NAFTA-originating.¹²¹ These benefits of North American production provide a significant incentive for localized CPT (and CTV) production. Besides the investment in the United States discussed above, Mexico has attracted investment due to NAFTA, favorable labor costs, and proximity to the U.S. market.¹²²

Of the domestic industry’s domestic sales, about half are to CTV makers affiliated with the CPT producers, and half are to unaffiliated CTV makers.¹²³ Although CPT producers may favor affiliated CTV makers in times of shortage, reported prices for sales to affiliates were not consistently different from prices reported for sales to nonaffiliated buyers.¹²⁴ This is consistent with the relatively small profit margins generated by CTV makers, which engenders strong price competition between them for CPTs and other inputs.¹²⁵ CTV makers are increasingly driven to minimize costs due to strong price competition among nationwide electronics retailers.¹²⁶

¹¹⁷ CR at II-17 and II-20 and PR at II-10 and II-12; CR at IV-14 and PR at IV-12; table II-2, CR at II-39 and PR at 24, and CR at II-40 and PR at II-25; compare table IV-11, CR at IV-21 and PR at IV-15 with tr. at 66 (Mary T. Staley, counsel for domestic parties), 163 (Kim), 167 (Lee), 172 (Klett) (showing that CPT capacity in Korea includes larger sizes than current CPT capacity of Korean affiliates in Mexico, although also showing investment in capacity to produce larger sizes in Mexico); and CR at IV-14 and PR at IV-12 and compare table IV-8, CR at IV-16 and PR at IV-14 with CR at III-5 and III-7 and PR at III-4 and III-5 (showing that CPT capacity in Japan includes more flat screen, wide screen, and HD CPT capacity than the CPT capacity of Japanese affiliates in the United States). Japanese affiliates in the United States are upgrading capacity, however. CR at II-37 n.88, III-5, III-7 and PR at II-23 n.88 and III-4, and III-5.

¹¹⁸ CR at IV-13, IV-19, IV-22 and PR at IV-12, IV-16.

¹¹⁹ Non-NAFTA-originating CPTs of 13.5 inches or less enter at a 7.5 percent *ad valorem* duty. Harmonized Tariff Schedule of the United States (“HTS”) (2000), subheadings 8540.11.10 to 8540.11.48. In general, CPTs qualify as NAFTA-originating if either the front panel assembly or the cone is NAFTA-originating, or if neither of these elements originates, the CPT has a NAFTA regional value content of 60 percent using the transaction value method or 50 percent using the net cost method. HTS General Note 12(t)85.125-.129 and CR at I-11 to I-12 and PR at I-10.

¹²⁰ HTSUS at subheading 8528.12. CTVs incorporating a video recording or reproducing apparatus are subject to a 3.9 percent *ad valorem* duty. Id.

¹²¹ HTS General Note 12(t)/85.84-.88. Certain other parts (e.g. many printed circuit boards) must also be NAFTA-originating. Id. and Additional U.S. Note 10 to chapter 85. Moreover, CTVs using most non-originating subassemblies cannot obtain preferential status.

¹²² CR at II-19 to II-20, IV-19, IV-22 and PR at II-11 to II-12, IV-16.

¹²³ CR at I-19, II-6, III-8 (table III-5) and PR at I-15, II-4, III-7 (table III-5).

¹²⁴ CR at II-36, V-9 and PR at II-21, V-6. See CR at II-35 and PR at II-21 (greater substitution of imports for sales between nonaffiliates than for sales between affiliates).

¹²⁵ CR at II-9 and PR at II-6; tr. at 57 (Carson).

¹²⁶ CR at II-2 & n.3, II-36 n.87; PR at II-1 & n.3 and II-23 n.87.

Another factor affecting competition in the United States is that Sony America sells CPTs solely to its affiliated CTV producer, which in turn uses only Sony-produced CPTs.¹²⁷ Sony CPTs imported from Japan and Singapore are also sold only to Sony's affiliated domestic CTV maker.¹²⁸ As a result, Sony CPTs do not compete directly with other CPTs.¹²⁹

Another condition of competition that has changed since the original investigations is the revocation of the antidumping duty orders on CTVs from Korea and Japan, effective January 1, 2000.¹³⁰ The revocation removes Korean and Japanese CTV producers' prior disincentive to export CTVs to the United States. The Commission received contradictory testimony, however, regarding whether CTVs are significantly more expensive to ship than CPTs, and whether transportation costs are a significant factor in a particular producer's decision to export CPTs or CTVs.¹³¹

Other conditions of competition have changed as well. The CPT glass shortage that impeded expansion of domestic CPT production capacity in 1984-86 has since been alleviated, due both to increased production of CPT glass generally, and to the acquisition of captive CPT glass capacity by some domestic producers.¹³²

Moreover, nonsubject imports account for a much larger share of total imports than in the original investigations, although total U.S. import volumes have remained in the same range.¹³³ Nonsubject imports presently account for about five percent of domestic market share.¹³⁴ Malaysia is the largest source of nonsubject imports, accounting for 64.2 percent of total CPT imports from January 1997 through September 1999; Mexico's share is 12.0 percent.¹³⁵ CPTs smaller than 19 inches made up 69.8 percent of units of nonsubject imports during the same time, and 99 percent in interim 1999.¹³⁶

Finally, the CTV industry is currently undergoing the early stages of a shift from analog to digital television broadcasting. The Federal Communications Commission has set 2006 as the target date for the cessation of analog broadcasts, but only if 85 percent of U.S. households are equipped to receive

¹²⁷ CR at II-9, II-14 n.41 and PR at II-5 to II-6, II-9 n.41 tr. at 135 (Carson).

¹²⁸ See CR at II-9, II-14 n.41 and PR at II-5 to II-6, II-9 n.41 and tr. at 135 (Carson).

¹²⁹ Nevertheless, downstream competition between CTVs incorporating Sony CPTs and other CTVs probably acts as a restraint on the price of Sony's CPTs relative to prices for other CPTs in comparable sizes. See CR at II-36 to II-37 and PR at II-23.

¹³⁰ CR and PR at I-9 n.10.

¹³¹ Tr. at 30 (Trompak) ("clearly less expensive" to ship a CPT than a CTV), 80-81 (Carson) (CPTs can be packed more densely, and thus shipped less expensively than CTVs), 190-91, 211 (Klett) (transportation costs not a large impediment to CTV imports) and affidavit of Trompak at Exh. 2 of domestic parties' Prehearing Brief (***) See domestic parties' Final Comments at 11-12.

¹³² CR at II-3 & n.7 and PR at II-2 & n.7; tr. at 43 (L.T. Hickey, President Techneglas, Inc.), 143 (Kenneth J. Pierce, counsel to Japanese parties); Prehearing Brief of Japanese parties at 10 & nn.35 & 36. Although the domestic parties posit a risk of a future glass shortage, we find the evidence of a new shortage to be speculative at this time. See tr. at 43 (Hickey), 149 (Bray) and 155 (Behringer).

¹³³ Nonsubject imports accounted for 90.6 to 93.7 percent of all imports in 1997-98, compared to 19.3 to 41.9 percent in 1984-86. Tables I-1 and IV-1, CR and PR at I-3 to I-4 and IV-2 to IV-3.

¹³⁴ Table I-6, CR at I-27 and PR I-22.

¹³⁵ CR at table IV-1, CR and PR at IV-2 and IV-3.

¹³⁶ Tables IV-1 and H-1, CR and PR at IV-2 to IV-3 and H-3.

digital signals.¹³⁷ Digital broadcasts can take different forms depending on the number of lines of resolution. Digital broadcasts with a vertical display resolution of less than 720P or 1080I are referred to as “standard” digital broadcasts, whereas digital broadcasts with greater vertical resolution are considered “high definition” television.¹³⁸ Currently, only a limited amount of programming is recorded and broadcast in the high definition and the 16:9 wide screen formats.¹³⁹ At present, about 80 percent of digital CTVs are projection televisions, which do not use CPTs.¹⁴⁰ Direct-view digital CTVs use a CPT that in most instances differs little from the CPTs used in analog CTVs.¹⁴¹ Some digital CTVs, however, employ a CPT capable of displaying high definition and wide screen (16:9 aspect ratio) images. These CPTs differ in some important respects from CPTs for the display of analog or standard definition digital broadcasts.¹⁴² In anticipation of demand for high definition wide screen CPTs, a number of domestic CPT producers are investing in capacity to produce that product, or investing in capacity that can be adapted to the production of that product with additional investment.¹⁴³ However, as discussed below in section VII, we find that it is not likely that wide screen or high definition CPTs will become a significant market segment in the reasonably foreseeable future.

We do not expect the foregoing conditions to change appreciably if the antidumping duty orders are revoked.

C. Korea

1. Likely Volume of Subject Imports

In the original investigations, the Commission found that the cumulated volume of subject imports from Canada, Japan, Korea, and Singapore nearly doubled between 1984 and 1986, rising from 1.1 million units to 1.9 million units.¹⁴⁴ There were *** subject imports from Korea in 1984 and 1985, and *** units in 1986.¹⁴⁵

¹³⁷ Domestic parties’ Posthearing Brief at Exh. 2.1, tr. at 67-68 (Patrick J. Magrath, economic consultant on behalf of domestic parties), 156 (Michael Milostan, Senior Manager, Toshiba DD).

¹³⁸ Domestic parties’ Posthearing Brief at Exh. 2.2, page 17. The “I” and “P” in the resolutions refer to the two forms of scanning -- “interlace” (two fields, each consisting of half the lines, are broadcast and then merged) and “progressive” (no interlacing). CR at E-4 and PR E-3.

¹³⁹ See domestic parties’ Posthearing Brief at Exh. 2.2, pages 1, 11-13, 17, and Exh. 2.4 page 8.

¹⁴⁰ Tr. at 12 (Pierce), 154 (Behringer); and CR at II-27 and PR at II-18. See domestic parties’ Posthearing Brief at Exh.2.2, page 4 (most HD CTV models listed are projection televisions).

¹⁴¹ CR at I-17 and PR at I-13. See CR at II-18 n.52 and PR at II-11 n.52 (***) can be used in a CTV equipped to receive either an analog or digital signal)

¹⁴² CR at I-15 to I-16, I-18 and PR at I-12, I-14.

¹⁴³ CR at II-8, III-5 to III-7 and PR at II-5 and III-4 to III-5; tr. at 149 (Bray), 153 (Behringer).

¹⁴⁴ CPT Final at 11.

¹⁴⁵ Table I-1, CR and PR at I-3. Commerce excluded imports of Korean CPTs that were “subsequently combined into televisions by a related party” because it found such CPTs were covered by an April 30, 1984 antidumping duty order on complete and incomplete television receivers from Korea. Table I-1, CR and PR at I-4 n.2. After the revocation of that order, effective January 1, 2000, such CPTs assembled by related parties in the United States would be included in the scope of the CPT order on Korea, unless the CPT is physically integrated with other television receiver components in such a manner as to constitute an inseparable amalgam and the CPT does not

(continued...)

The volume of subject imports from Korea was 26,084 units in 1997, 21,724 units in 1998, 18,206 units in interim 1998, and 44,262 units in interim 1999.¹⁴⁶ U.S. importers reported no inventories of imports of CPTs during the period of these reviews, and the Korean producers reported small inventories in Korea relative to production and shipments.¹⁴⁷

Several factors indicate that, while the volume of subject imports from Korea is likely to increase, particularly in the large screen size (25-27 inches), the volume of such imports is not likely to be significant. Korean CPT production capacity fell from 1997 to 1998, was lower in interim 1999 than in interim 1998, and is projected to fall again in 2000 to a level approximately 40 percent lower than in 1997.¹⁴⁸ ¹⁴⁹ Capacity utilization fluctuated somewhat during those years, but has remained high, at 88.0 percent in interim 1999 and a projected 91.5 percent in 2000.¹⁵⁰ Nearly *** of Korean production capacity in 1999 was in CPTs of 23 inches or less, sizes of comparatively less significance in the U.S. market than larger CPTs.¹⁵¹ Very little capacity is directed to CPTs exceeding 30 inches (*** percent), flat screen CPTs (*** percent), or wide screen CPTs (*** percent), and there is presently no Korean HD CPT capacity.¹⁵² Moreover capacity utilization rates were generally high in these products in 1999, at *** percent for CPTs exceeding 30 inches, *** percent for flat screen CPTs, and *** percent for wide screen CPTs.¹⁵³ Exports to the United States accounted for only a small portion (*** percent) of Korean shipments in 1999, while Korean shipments to the home market (*** percent) and other Asian countries (*** percent) accounted for nearly all the remainder.¹⁵⁴ Demand in those Asian markets appears

¹⁴⁵ (...continued)

constitute a significant portion of the cost or value of the items being imported. 63 Fed. Reg. 64677 (Nov. 23, 1998) (revocation of CTV order on Korea) and section II.A above (explanation of the scope of these reviews). However, the Korean producers no longer have related CTV makers in the United States, and instead own CTV production facilities in Mexico. CR at IV-19 and IV-22 and PR at IV-16; and Korean parties' Prehearing Brief at 26-27.

¹⁴⁶ Table IV-1, CR and PR at IV-2. The volume of subject imports from Korea for the years between in 1986 and 1997 is not available. Official Commerce statistics record all CPT imports from Korea, including those not covered by the order under review. Compare table IV-2, CR at IV-4 to IV-5 n.1 and PR at IV-4 n.1 with the scope of these investigations, set out in section II.A.1 above.

¹⁴⁷ CR and PR at IV-1 and table IV-10, CR at IV-20 and PR at IV-15. The low inventory levels indicate that inventories would not be the source of significant likely volumes of subject CPTs from Korea if the order is revoked.

¹⁴⁸ Table IV-10, CR at IV-20 and PR at IV-15.

¹⁴⁹ Although the domestic parties have presented alternative estimates of Korean production capacity, we regard the capacity figures reported by the Korean producers as the more reliable in this review. We address the domestic parties' arguments regarding the accuracy of estimates for the production of flat screen CPTs in the following section of these views.

¹⁵⁰ Id.

¹⁵¹ Table IV-11, CR at IV-21 and PR at IV-15; and CR and PR at table H-1.

¹⁵² Table IV-11, CR at IV-21 and PR at IV-15; and CR at IV-22 and IV-24 and PR at IV-17 and IV-18.

¹⁵³ Table IV-11, CR at IV-21 and PR at IV-15.

¹⁵⁴ Id. Mexico accounted for *** percent of Korean shipments in 1999. Id. We are not aware of any confirmed recent or expected changed circumstances regarding barriers to Korean CPT exports to other countries. See CR at IV-25 and PR at IV-18 (listing tariffs on CPTs in other countries). Overall, the Korean producers reported that an increasing share of total sales was exported to countries other than the United States from 1997 to 1998, from interim 1998 to interim 1999, and in projected figures for 2000. Table IV-10, CR at IV-20 and PR at IV-15. A

(continued...)

sufficient to absorb Korean production, based on current shipments data, declining Korean capacity, and the fact that no great shift in shipments to alternative markets occurred in connection with the recent Asian economic crisis.¹⁵⁵ The potential for product shifting in the reasonably foreseeable future appears small, considering the time and expense required to switch from production of other products (such as computer display tubes) to production of CPTs.¹⁵⁶ These factors indicate that the Korean industry will have relatively little excess capacity to direct at the U.S. market in the reasonably foreseeable future.

Despite that limited excess capacity, some increase in subject imports of large screen CPTs from Korea is likely if the order is revoked. As discussed above, CPTs with screen sizes 25 inches and greater comprise a major and growing segment of domestic CPT demand and the Korean producers' Mexican affiliates do not presently have capacity to produce CPTs of that size.¹⁵⁷ However, only about *** of the Korean producers' capacity is in this size range, and those producers operated at a high capacity utilization rate of *** percent in 1999.¹⁵⁸ Moreover, some of them are presently investing in, or making provision for, capacity to produce 25 and 27 inch CPTs in Mexico.¹⁵⁹ These factors suggest that while there may be an increase in imports of large subject CPTs from Korea if the order is revoked, the amount of the increase would be limited.

Other market and business circumstances would also discourage a large increase in Korean CPT shipments to the United States if the order is revoked. Only about half of U.S. sales by domestic CPT producers are made in the merchant market, and the Korean producers have no affiliated CTV makers in the United States.¹⁶⁰ CPTs from Korea can primarily compete, therefore, for about half of domestic sales.¹⁶¹ Moreover, any increased volumes of subject imports from Korea would compete for sales to nonaffiliated CTV makers in the United States with CPTs produced by the Korean producers' Mexican

¹⁵⁴ (...continued)

representative for the domestic parties testified that China has effectively prohibited the importation of small and medium CPTs into that country, due to growing Chinese production of CPTs, and characterized that market as having "dried up." Tr. at 23, 93-96 (Carson). Representatives of Samsung and LGE testified, however, that sales of Korean CPTs to China are strong and projected to grow. Tr. at 168 (Lee), 199 (Warren E. Connelly, on behalf of Samsung, and Michael P. House, on behalf of LGE). See Korean parties' Posthearing Brief at Exhibit 3, showing exports of CPTs from Korea to China increased from 1,073,831 units in 1997 to 2,426,850 units in the first 11 months of 1999. Two U.S. producers also indicated they sell CPTs to China. Tr. at 95 (Carson) (Thomson shipping very large CPTs to China), and 200 (Milostan) (Toshiba DD exporting large CPTs to China). Based on the above, we find that asserted recent changes in China's CPT import practices have not significantly affected the volume of sales of Korean CPTs to countries other than the United States.

¹⁵⁵ *Id.*; tr. at 175 (Klett) and Korean parties' Prehearing Brief at 29-30 (Korean won sharply devalued in 1997-1998); and table IV-2, CR and PR at IV-4 (showing a small increase relative to total U.S. apparent consumption in 1997, and a decline in 1998).

¹⁵⁶ CR at II-15 to II-16 and II-19, PR at II-9, and II-11.

¹⁵⁷ Tr. at 66 (Staley), 163 (Kim), 167-68 (Lee), 172 (Klett) and Korean parties' Posthearing Brief at Appendix A, page 5.

¹⁵⁸ Table IV-11, CR at IV-21 and PR at IV-15.

¹⁵⁹ Tr. at 66 (Staley), 163 (Kim), 167-68 (Lee), 172 (Klett) and Korean parties' Posthearing Brief at Appendix A, page 5.

¹⁶⁰ CR at I-19, II-6, III-8 (table III-5), IV-19 and IV-22; PR at I-15, II-4, III-7 (table III-5), IV-16, Korean parties' Prehearing Brief at 2-3, 27.

¹⁶¹ The subject imports from Korea could conceivably compete for sales presently made between affiliates as well, but at a considerable disadvantage in light of the corporate relationships. See CR at II-35 to II-36 & n.86 and PR at II-21 & n.86.

affiliates. In light of the size of their Mexican production operations and the considerable expense the Korean producers undertook in establishing them, we believe that the Korean producers are more likely to supply the U.S. market by maintaining or increasing production from their Mexican operations – which have capacity utilization rates that are lower than the facilities in Korea¹⁶² – than by increasing exports from Korea.¹⁶³ Thus, the only CPTs Korean producers would have an incentive to sell in the United States are those sizes or types not produced by their Mexican affiliates. As noted previously, some Korean affiliates in Mexico are investing in capacity to produce 25 and 27 inch CPTs (in August of 2000), indicating continued commitment to CPT production in Mexico and limited incentive for exports from Korea.¹⁶⁴ The 15 percent U.S. duty on CPTs and 5 percent duty on CTVs that do not originate in NAFTA countries are also likely to discourage a large increase in subject imports from Korea. The significance of this tariff advantage for NAFTA-originating CPTs has grown as price competition in the CTV market -- led by large nationwide electronics retailers -- has increased.¹⁶⁵

Based on the foregoing, we conclude that the likely volume of subject imports from Korea if the antidumping duty order is revoked would not be significant.

2. Likely Price Effects

In the original investigations, the Commission found that weighted-average prices for domestic CPTs declined for all screen sizes during the period of investigation.¹⁶⁶ It also found mixed trends in the prices of the cumulated subject imports, lower prices for subject imports from Korea, and mixed underselling and overselling by the subject imports compared to the domestic product.¹⁶⁷

Prices for domestic CPTs generally fell for both arms' length and affiliate sales during the period 1997-99 in the three products examined, conventional CPTs with screen sizes of 19, 27, and 32 inches.¹⁶⁸ In the absence of significant volumes of subject imports, which held less than one percent market share, we attribute these declines to domestic competition rather than price pressure from subject imports.¹⁶⁹ In the sole available price comparison the Korean subject CPTs undersold the domestic CPTs by a margin of *** percent.¹⁷⁰ However, the Korean CPTs subject to the comparison were shipped without the yoke attached, while most of the domestic CPTs included an attached yoke, rendering the comparison inconclusive.^{171 172}

¹⁶² See tables IV-10, IV-12, CR at IV-20, 23, PR at IV-15 and IV-17.

¹⁶³ In support of this conclusion, we note that exports of Korean CPTs to Mexico have remained at low levels despite high CPT demand in Mexico and the absence of any antidumping duty order. Table IV-10, CR at IV-20 and PR at IV-15.

¹⁶⁴ Tr. at 167-68 (Lee) and 172 (Klett).

¹⁶⁵ See CR at II-2 & n.3, II-36 n.87, IV-19, IV-22 and PR at II-1 & n.3, II-23 n.87, IV-16; and tr. at 57 (Carson).

¹⁶⁶ CPT Final at 12.

¹⁶⁷ Id.

¹⁶⁸ CR at V-17 and PR at V-8 (products described at CR at V-10 and PR at V-7).

¹⁶⁹ Table I-6, CR at I-27 and PR at I-22.

¹⁷⁰ CR at V-18 and PR at V-14.

¹⁷¹ CR at V-18 & n.22 and PR at V-14 & n.22. The purchaser of the subject import, ***. Id.

¹⁷² A witness for Thomson testified that in 1999 Samsung sold Korean-produced CPTs to purchasers in the United States at prices substantially below prices offered by Thomson. Tr. at 26 (Trompak). Samsung denied the

(continued...)

Other facts in the record indicate that any adverse price effects by Korean subject imports if the order is revoked will not be significant. The likely price effects of the subject imports from Korea would be limited by their small likely volume, which has not exceeded a market share of 0.6 percent in recent periods and is not likely to increase to significant levels, as discussed above.¹⁷³ Additionally, Korean CPT producers are unlikely to offer steep price reductions, because such Korean CPTs would tend to compete for sales in the United States with CPTs produced by Korean-affiliated producers in Mexico. We do not believe the Korean producers would be likely to undersell U.S. CPT producers in an effort to gain market share when that would drive down prices for their affiliates' own North American production as well. Moreover, the Korean producers' ability to undersell domestic production (and Mexican production) is limited by the 15 percent duty that applies to all CPTs not originating in North America.

In view of the above, we find that subject imports from Korea are not likely to have a significant adverse effect on domestic CPT prices if the order is revoked.

3. Likely Impact

In its original determinations, the Commission found that the increasing volume and market penetration of the cumulated subject imports from Canada, Japan, Korea, and Singapore, combined with declining market share and declining prices for the domestic product, demonstrated that the domestic CPT industry was materially injured by reason of the cumulated less-than-fair-value imports.¹⁷⁴ The Commission noted that the cumulated subject imports captured nearly all the U.S. market for smaller CPTs, with sharp increases in the 18 and 20 inch segment in which the domestic producers had the greatest volume of shipments, and that prices for all sizes had declined, including sales between affiliates.¹⁷⁵

The current state of the industry is strong. The domestic producers dominate the market, with a market share of approximately 94 percent.¹⁷⁶ The domestic industry's financial performance reflects a healthy industry. The domestic industry posted positive operating margins of 1.9 percent in 1997, 5.9 percent in 1998, and 8.1 percent in interim 1999.¹⁷⁷ Figures for the number of production and related workers, hours worked, hourly wages, and net sales value also reflect a strong domestic industry.¹⁷⁸

¹⁷² (...continued)

allegation. Korean parties' Posthearing Brief at Appendix A, page 9. In the absence of information confirming the sale, or the volume of the sale, we find the testimony an insufficient basis on which to find likely significant price effects if the order is revoked.

¹⁷³ Table C-1, CR and PR at C-3 (market shares).

¹⁷⁴ CPT Final at 11-13.

¹⁷⁵ CPT Final at 12.

¹⁷⁶ Table I-1, CR and PR at I-3.

¹⁷⁷ Tables I-1 and III-11, CR at I-4, III-17 and PR at I-4 and III-13. Because our inquiry bears on the domestic industry's current vulnerability, and because Zenith no longer produces CPTs, we also examine the domestic industry's recent financial experience excluding data from that company, in order to better assess the financial state of remaining producers. Excluding Zenith, the domestic industry experienced operating income of *** percent in 1997, *** percent in 1998, *** percent in interim 1998, and 8.1 percent in interim 1999. Table F-5, CR at F-7 and PR at F-4.

¹⁷⁸ Table I-1, CR and PR at I-3.

It is likely that the state of the domestic industry improved to some extent after the imposition of the orders, based on the sharp decline in subject CPT volumes.¹⁷⁹ During the intervening years, however, there have been other changed circumstances that substantially account for the present strong position of the domestic industry, circumstances which now significantly diminish the present importance of the orders. As discussed above, these changes include the approximately 50 percent increase in CPT production capacity in the United States; the shift in capacity toward larger, more profitable CPTs; greatly increased CTV capacity in Mexico, which provides an export market accounting for about half of the domestic producers' shipments; the implementation of NAFTA, which helped spur CTV and CPT production in Mexico and gave U.S. produced CPTs an advantage in competing against non-NAFTA CPTs for sales to CTV producers in the United States and Mexico; and the domestic producers' acquisition of captive CPT glass capacity. Based on the foregoing, we conclude that the domestic industry is not vulnerable and we attribute the domestic industry's present state largely to factors other than the orders.

We found above that the revocation of the antidumping duty order is not likely to lead either to significant volumes of subject imports from Korea or to significant price effects. We find also that the domestic industry is currently investing in capacity to meet future increased demand for large CPTs, and CPTs with flat screens, wide screens, and high definition capabilities.¹⁸⁰ These findings, combined with the present strong condition of the domestic industry and the reasons for its well-being, indicate that subject imports from Korea are not likely to have a significant adverse impact on the domestic industry within the reasonably foreseeable future if the order is revoked. Accordingly, we conclude that revocation of the antidumping duty order on subject imports from Korea would not be likely to lead to significant declines in output, sales, market share, profits, productivity, or return on investments.

4. Conclusion

For the reasons stated above, we determine that revocation of the antidumping duty order on CPTs from Korea is not likely to lead to continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.

D. Japan¹⁸¹

1. Likely Volume of Subject Imports

In the original investigations, the Commission found that the cumulated volume of subject imports from Canada, Japan, Korea, and Singapore nearly doubled between 1984 and 1986, rising from 1.1 million units to 1.9 million units.¹⁸² The volume of subject imports from Japan was 397,000 units in

¹⁷⁹ Table IV-2 and figure IV-1, CR and PR at IV-4 and IV-6.

¹⁸⁰ CR at II-8, III-5 to III-7 and PR at II-5, III-4 to III-5; and tr. at 149 (Bray) and 153 (Behringer).

¹⁸¹ Commissioner Okun cumulated subject imports from Japan and Singapore in these reviews. For the reasons discussed in sections VII and VIII of these views, she finds that revocation of the antidumping duty orders on CPTs from Japan and Singapore is not likely to lead to continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time, even if the volumes, price effects, and impact of imports from those countries are cumulated.

¹⁸² CPT Final at 11.

1984, 673,000 units in 1985, and 690,000 units in 1986.¹⁸³ The volume of subject imports from Japan fell sharply after the filing of the petition and the imposition of the order, fluctuating in a range of approximately 100,000 to 150,000 units from 1987 through 1995.¹⁸⁴ Beginning shortly after NAFTA came into effect, the subject volumes from Japan declined by roughly 50 percent per year, in 1996, 1997, and 1998.¹⁸⁵ The volume of subject imports from Japan was 31,405 units in 1997, 13,985 units in 1998, 11,472 units in interim 1998, and 6,384 units in interim 1999.¹⁸⁶ U.S. importers reported no inventories of imports of CPTs during the period of these reviews.¹⁸⁷ The Japanese producers reported moderate inventories in Japan, although they were lower in interim 1999 than in interim 1998, and were projected to fall further in 1999 and 2000.¹⁸⁸

Japanese CPT production capacity was more than 80 percent lower in 1998, at *** to *** million units, than during the original investigations, as Japanese producers invested in CPT capacity in other countries, including the United States, and reduced capacity in Japan.¹⁸⁹ ¹⁹⁰ Two former Japanese producers, Mitsubishi and Hitachi, Ltd., ceased producing CPTs in Japan in 1998.¹⁹¹ The production capacity of the remaining Japanese producers Matsushita, Toshiba, and Sony Japan is less than *** the size of U.S. CPT capacity (about *** million units) and about *** the capacity of the U.S. affiliates of the Japanese producers (about *** million units).¹⁹² Capacity utilization of Matsushita and Toshiba was 90.0 percent in 1997, *** percent in 1998, *** percent in interim 1998, and *** percent in interim 1999, and was projected to increase to *** and *** percent in 1999 and 2000.¹⁹³ Exports to the United States accounted for a very small portion of shipments by Matsushita and Toshiba (*** percent in 1997, less than *** percent in 1998 and interim 1998, and *** in interim 1999 and projected 1999 and 2000).¹⁹⁴

¹⁸³ Table I-1, CR and PR at I-3.

¹⁸⁴ Table IV-2, CR and PR at IV-4.

¹⁸⁵ Id.

¹⁸⁶ Table IV-1, CR and PR at IV-2.

¹⁸⁷ CR and PR at IV-1.

¹⁸⁸ Table IV-7, CR at IV-15 and PR at IV-13. The absence of inventories of subject imports from Japan in the United States and the moderate levels of inventory in Japan lead us to conclude that inventories are not likely to be the source of significant volumes of subject imports in the reasonably foreseeable future.

¹⁸⁹ Japanese capacity was approximately 30 million units per year in 1985 and 1986. Table IV-5, CR and PR at IV-9 (estimated Japanese capacity, excluding Sony Japan) and CR at IV-12 and PR at IV-11 (estimated capacity of Sony Japan).

¹⁹⁰ The domestic parties assert that Japanese capacity has fallen not because Japanese producers have shut down production lines, but rather because they have shifted to the production of flat screen CPTs, which require longer production times, and thus reduce output and reported capacity. Domestic parties' Posthearing Brief at 8-11. The record indicates that lower Japanese capacity is due in part to two Japanese producers terminating CPT production in 1998. CR at IV-12 and PR at IV-11. The record also tends to confirm that flat screen CPTs require longer production times. See CR at I-18 and PR at I-14. We find no reason to regard reported flat screen capacity as inaccurate, or to re-cast that capacity into a curved screen equivalent.

¹⁹¹ CR at IV-12 and PR at IV-11.

¹⁹² Table III-2, CR and PR at III-3.

¹⁹³ The 1997 figure also includes Mitsubishi. Table IV-7, CR at IV-15 and PR at IV-13.

¹⁹⁴ Id. As indicated previously in our analysis of the likely volume of subject imports from Korea, we are not aware of any confirmed recent or expected changed circumstances regarding barriers to Japanese CPT exports to other countries. The Japanese CPT producers, excluding Sony, reported that after a drop from 1997 to 1998, export
(continued...)

Sony Japan, whose Sony Trinitron CPTs are used only by Sony CTV producers, accounts for approximately *** percent of Japanese capacity.¹⁹⁵ The subject merchandise made by Sony Japan is not a likely source of significantly increased volumes if the order is revoked: Sony Japan is affiliated with Sony America, Sony America's CPT capacity is *** to *** times greater than that of Sony Japan, and Sony America produces advanced CPTs including 32-inch and 35-inch CPTs, and flat screen CPTs.¹⁹⁶

During 1999, Matsushita and Toshiba converted their last remaining curved screen capacity in Japan to flat screen CPT production.¹⁹⁷ If the order is revoked, there may be some short term increase in the volume of imports from Japan of flat screen CPTs if domestic production of this product expands more slowly than demand. However, we find that any such increase in subject import volume is likely to be small. While U.S. demand for flat-screen CPTs is growing somewhat, it accounts for only a small percentage of total CPTs consumed in the United States and is not likely to increase significantly in the reasonably foreseeable future.¹⁹⁸

Even should U.S. demand for flat screen CPTs substantially increase, it is unlikely that the Japanese producers would increase subject imports significantly. Matsushita's U.S. affiliate is in the process of modifying an existing line and completing a new line in September 2000 for the production of flat screens.¹⁹⁹ Toshiba's U.S. affiliate is also investing in flat screen production and expects to produce flat screens in the second quarter of 2001.²⁰⁰ The investment in this domestic capacity suggests that these Japanese producers intend to meet any increased demand for flat screen CPTs from their U.S. production operations rather than from Japan. Corporate affiliations between the Japanese producers and their U.S. affiliates also diminish the likelihood of significantly increased imports that would be in competition with their domestic production.

Moreover, subject imports from Japan would compete with domestic CPTs at a considerable disadvantage due to the 15 percent duty on CPTs that are not NAFTA-originating.²⁰¹ The NAFTA disadvantage is particularly significant in light of the strong price competition for sales to CTV makers,

¹⁹⁴ (...continued)

sales to countries other than the United States accounted for an increasing share of their total sales. Table IV-7, CR at IV-15 and PR at IV-13. The projected share of export sales to countries other than the United States are higher for 1999 and 2000 than actual export sales in 1997. *Id.* Sales of Japanese CPTs to China increased from 113,844 units in 1997 to 613,075 units in 1999. Japanese parties' Posthearing Brief at Exh. B, page 4. For the reasons discussed with regard to barriers to Korean CPTs, and those given here, we find that asserted recent changes in China's CPT import practices have not significantly affected the volume of sales of Japanese CPTs to countries other than the United States.

¹⁹⁵ Compare table IV-5, CR and PR at IV-9 (capacity of Matsushita and Toshiba) with CR at IV-12 and PR at IV-11 (capacity estimate for Sony Japan).

¹⁹⁶ CR at III-3 (table III-2), IV-7 (table IV-4), and IV-12; PR at III-3 (table III-2), IV-7 (table IV-4), and IV-11.

¹⁹⁷ Table IV-8 & n.2, CR at IV-16 and PR at IV-14.

¹⁹⁸ Tr. at 147 (Bray) (flat screen CTVs about one percent of total U.S. CPT production), 153 (Behringer) (flat screen CPTs have "minimal market share," and their acceptance in the U.S. market is not completely certain).

¹⁹⁹ CR at III-7 and PR at III-5 and tr. at 148 (Bray) (investments totaling \$80 million expected to result in an annual capacity of possibly 300,000 units).

²⁰⁰ Tr. at 153 (Behringer) (investment totaling \$25 million).

²⁰¹ Tr. at 152-53 (Behringer), CR at IV-13, IV-19, IV-22 and PR at IV-12, IV-16. Indeed, we note that imports from Japan of nonsubject picture tubes for projection CTVs have remained at low levels despite rising U.S. demand, no antidumping duty order, and non-NAFTA duties of only 3.3 percent. See Japanese parties Posthearing Brief at Exhibit 5.

which in turn is driven by competition among large nationwide electronics retailers.²⁰² Finally, a significant part of any increase in demand for flat and wide screen CPTs will likely be supplied by CTV makers in Mexico, such that at least some flat and wide screen CPTs from Japan would be exported to Mexico rather than the United States.²⁰³

We also disagree with the domestic parties' contention that there will be significant imports of HD CPTs from Japan in the reasonably foreseeable future if the order is revoked. We recognize that there is excess HD CPT production capacity in Japan, and the Japanese affiliates in the United States have not yet developed capacity of that type.²⁰⁴ As a result, imports of HD CPTs from Japan may rise somewhat as demand increases.²⁰⁵

However, none of the several market forecasts in the record predicts that direct view HD CTVs will become a significant market segment in the next several years, especially not in the next one-to-two years as argued by the domestic parties.²⁰⁶ Several factors indicate that demand for HD CTVs (and thus HD CPTs) will remain limited for the reasonably foreseeable future. Given that terrestrial broadcasters must continue to broadcast analog signals in addition to any digital signals until at least 2006, many consumers will likely not purchase any digital equipment at all over the next several years. HD CTVs are currently very expensive, with prices ranging between \$3,000 and \$8,500.²⁰⁷ Although it is likely that those prices will fall to some extent over time, HD CTVs will remain at the very high end of the market for the foreseeable future. Moreover, consumers' ability to receive digital signals may be met less expensively through the use of set-top converter boxes, which allow consumers to view HD programming on their existing analog CTVs.²⁰⁸ Some consumers will also likely opt for projection televisions; currently about 80 percent of the limited number of digital televisions sold in the United States have been projection televisions.²⁰⁹

Certain technical issues will also limit demand for HD CTVs in the reasonably foreseeable future. Cable broadcasters (which supply television signals to two-thirds of U.S. households) and CTV makers have yet to reach agreement on copy protection or certain labeling conventions.²¹⁰ These two

²⁰² CR at II-2 & n.3, II-36 n.87; PR at II-1 & n.3 and II-23 n.87.

²⁰³ Mexico's CTV capacity is considerable, as it absorbed 80 percent of the domestic industry's CPT exports, which accounted for over half of domestic production in 1997 and 1998. Tables I-1 and III-5, CR at I-4 and III-8 and PR at I-4 and III-7. Mexico's CTV capacity already includes, or will soon include, ability to produce flat screen, wide screen, and HD CTVs. Tr. at 218 (Bray) (Mexican affiliate of Matsushita "gearing up" to produce flat screen CTVs) and CR at III-5 and PR at III-4 (Thomson projects exporting *** percent of domestic HD CPTs to Mexico for incorporation into HD CTVs).

²⁰⁴ The Japanese affiliates report, however, that, once in place, flat screen capacity can be adapted to wide screen production with additional investment. CR at III-7 and PR at III-5, tr. at 149 (Bray).

²⁰⁵ Tr. at 150-51 (Bray) and CR and PR at D-5.

²⁰⁶ CR and PR at Appendix E.

²⁰⁷ Tr. at 29 (Trompak), domestic parties' Posthearing Brief at Exh. 2.2, page 4.

²⁰⁸ Tr. at 64-65 (Carson), 222 (Milostan). A number of digital television set-top boxes are priced at \$500 to \$1,000, although some are much more expensive. Domestic parties' Posthearing Brief at Exh. 2.2, page 5.

²⁰⁹ Tr. at 12 (Pierce), 154 (Behringer), CR at II-27 and PR at II-18. See domestic parties' Posthearing Brief at Exh. 2.2, page 4 (most HD CTV models listed are projection televisions).

²¹⁰ Domestic parties' Posthearing Brief at Exh. 2.5 (cable supplies two-thirds of households), and Exhs. 2.6, 8.1, 8.2, and 8.3 (agreement not yet reached on two issues). Cable broadcasters and CTV makers recently reached agreement on two other significant issues -- technical standards allowing the direct connection of digital television

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outstanding issues are described as significant impediments to digital cable broadcasts in recent statements by Commissioners of the Federal Communications Commission.²¹¹ Another deterrent is the limited amount of programming available in wide screen or HD format.²¹²

Finally, even increased U.S. demand for wide screen, high definition CTVs will not necessarily spur greater demand for wide screen, high definition CPTs in the United States as opposed to Mexico. As indicated previously, Mexican CTV production capacity is very large, and Thomson recently closed its U.S. CTV production facility (then the largest in the world) in favor of CTV capacity in Mexico.²¹³ Thomson projects exporting to Mexico *** percent of its 2000 U.S. production of wide screen, high definition CPTs.²¹⁴

Based on the foregoing, we conclude that the volume of subject imports from Japan is not likely to be significant if the antidumping duty order is revoked.

2. Likely Price Effects

In the original investigations, the Commission found that weighted-average prices for domestic CPTs declined for all screen sizes during the period of review, and found mixed trends in the prices of the cumulated subject imports.²¹⁵ The Commission also found generally higher prices for subject imports from Japan from 1984 to 1986, but a sharp drop in interim 1987, and mixed underselling and overselling by the subject imports compared to the domestic product.²¹⁶

As indicated above, prices for domestic CPTs generally fell during the period 1997-99, which we attribute to domestic competition rather than price pressure from subject imports.²¹⁷ No price comparisons between subject Japanese CPTs and the domestic product were available, although the AUVs of the subject imports from Japan were several times higher than the subject imports from other countries.²¹⁸

Other facts in the record indicate that any adverse price effects by Japanese subject imports if the order is revoked will not be significant. The likely price effects of the subject imports from Japan are limited by their small likely volume, which has not exceeded a market share of 0.3 percent in recent

²¹⁰ (...continued)

receivers to cable television systems, and a protocol to support on-screen guide functions in digital receivers. Id. at Exh. 2.6.

²¹¹ Domestic parties' Posthearing Brief at Exhs. 8.2 and 8.3. See id. at Exh. 2.2, page 13 (copy protection "not the least" of outstanding issues impeding the spread of digital cable broadcasts).

²¹² Domestic parties' Posthearing Brief at Exh. 2.2, page 11 ("dearth of compelling HDTV programming has limited the early adoption rate of digital television products this far . . . true HDTV programming has been scarce") and Exh. 2.4, page 8 (digital TV reliant on programming, and broadcasters reluctant to make necessary investments).

²¹³ Mexico currently absorbs the bulk of domestic CPT production that is exported; total exports account for over half of domestic production. Table III-5, CR at III-8 and PR II-7. See tr. at 140 (Carson) (Thomson relocated its CTV plant to Mexico).

²¹⁴ CR at III-5 and PR at III-4.

²¹⁵ CPT Final at 12.

²¹⁶ Id.

²¹⁷ Table I-6, CR at I-27 and PR at I-22.

²¹⁸ Table IV-2, CR and PR at IV-5.

periods and is not likely to increase to significant levels, as discussed above.²¹⁹ Additionally, Japanese CPT producers are unlikely to enact steep price reductions, because Japanese CPTs would compete for sales by affiliated CPT producers in the United States. Moreover, the Japanese producers' ability to undersell domestic production (and Mexican production) is limited by the 15 percent duty that applies to imports of all CPTs not originating in North America.

In view of the above, we find that the subject imports from Japan are not likely to have a significant adverse effect on domestic CPT prices.

3. Likely Impact

We found above that revocation of the antidumping duty order is not likely to lead either to significant volumes of subject imports from Japan or to significant price effects. As discussed above, we do not consider the domestic industry to be vulnerable, nor do we attribute the current health of the domestic industry to the existence of the orders. We also found that the domestic industry is currently investing in capacity to meet any future increased demand for large CPTs, as well as possible increased demand for CPTs with flat screens, wide screens, and/or high definition capability. These findings, combined with the current strong condition of the domestic industry, indicate that subject imports from Japan are not likely to have a significant adverse impact on the domestic industry within the reasonably foreseeable future if the order is revoked. Accordingly, we conclude that revocation of the antidumping duty order on subject imports from Japan would not be likely to lead to significant declines in output, sales, market share, profits, productivity, or return on investments.

4. Conclusion

For the reasons stated above, we determine that revocation of the antidumping duty order on CPTs from Japan is not likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

E. Singapore

As discussed above, we find that subject imports from Singapore are likely to have no discernible adverse impact on the domestic industry if the antidumping duty order is revoked.²²⁰ We have considered the small volume of subject imports from that country, both in recent years and in the years prior to the original investigation. We have also considered that Hitachi Singapore ceased CPT production in Singapore in 1996, leaving Sony Singapore as the only remaining producer in that country. The record indicates that the volume of subject imports from Singapore is not likely to increase significantly in the future if the order is revoked. All subject Singaporean CPTs appear to be Sony Trinitron CPTs, which are used only by Sony's affiliated CTV makers and, therefore, compete directly only with Sony Trinitrons produced in the United States, or in other countries, such as Japan. Because of the corporate affiliation among Sony operations in these countries, and Sony America's considerable capacity and range of product offerings, we believe it unlikely that Sony Singapore would increase subject volumes

²¹⁹ Table C-1, CR and PR at C-3 (market shares).

²²⁰ As discussed above, Commissioner Okun does not join the finding of no discernible adverse impact with respect to Singapore and has determined to cumulate imports from Singapore and Japan. She joins the factual discussion in this section for purposes of her finding of no likelihood of continuation or recurrence of material injury by reason of cumulated imports from Japan and Singapore.

imported to the United States to the detriment of Sony America.²²¹ In light of the low likely volumes of subject imports from Singapore, and the disincentive for Sony Singapore to compete with its U.S. affiliate, we find that subject imports from Singapore are not likely to have significant price effects on the domestic like product. As discussed previously, the domestic industry is not in a vulnerable state, nor do we attribute the current health of the domestic industry to the existence of the orders. The combination of these factors leads us to conclude that subject imports from Singapore would not have a significant adverse impact on the domestic industry if the order is revoked. Accordingly, we determine that revocation of the antidumping duty order on imports from Singapore would not be likely to lead to the continuation or recurrence of material injury to the domestic industry in the reasonably foreseeable future.

F. Canada

As discussed above, we find that imports from Canada are likely to have no discernible adverse impact on the domestic industry if the antidumping duty order is revoked.²²² There has been no production of CPTs in Canada since 1996, and the production line in use then was subsequently dismantled. Import volumes from Canada totaled less than 30 units in 1998 and interim 1999, and there are no known plans to resume CPT production in that country. We therefore conclude that significant CPT imports from Canada to the United States are not likely within a reasonably foreseeable time. Nor is there any information in the record indicating that any subject imports from Canada would be likely to have significant price effects or a significant adverse impact on the domestic industry with the reasonably foreseeable future.²²³ Finally, the domestic parties concede that the order on CPTs from Canada should be revoked.²²⁴ Thus, we determine that revocation of the antidumping duty order on subject imports from Canada would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty orders on imports of CPTs from Canada, Japan, Korea, and Singapore would not be likely to lead to continuation or recurrence of material injury to the U.S. CPT industry within a reasonably foreseeable time.

²²¹ Tables III-2 and IV-4, CR and PR at III-3 and IV-7.

²²² Chairman Bragg determines that there is not likely to be a reasonable overlap of competition with regard to subject imports from Canada in the event of revocation. See Separate Views of Chairman Lynn M. Bragg.

²²³ As discussed previously, the domestic industry is not in a vulnerable state, nor do we attribute the current health of the domestic industry to the existence of the orders.

²²⁴ Domestic parties' Prehearing Brief at 6 n.1.

SEPARATE VIEWS OF CHAIRMAN LYNN M. BRAGG

Based upon the record in these reviews, I join the Commission majority in finding that, under section 751(c) of the Tariff Act of 1930, as amended, revocation of the antidumping duty orders on color picture tubes (“CPTs”) from Canada, Japan, the Republic of Korea (“Korea”), and Singapore would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I provide the following separate views to detail my cumulation analysis for these grouped sunset reviews.

I. CUMULATION

A. Analytical Framework

As set forth in previous views,¹ in considering whether to cumulate subject imports in a sunset review, I first assess: (1) whether the reviews were initiated on the same day; and (2) the likely reasonable overlap of competition among subject imports and between subject imports and the domestic like product, in the event the orders are revoked.

If, as a result of the foregoing assessment, I determine that subject imports are amenable to cumulation, I then proceed to examine whether the statutory exception precludes cumulation of such imports that are otherwise amenable to cumulation—i.e., I examine whether such imports, when considered individually, are likely to have no discernible adverse impact on the domestic industry. In instances where I find that subject imports from more than one subject country are likely to have no discernible adverse impact, I then consider whether these individual countries for which I have made a likely no discernible adverse impact finding are, in the aggregate, likely to have no discernible adverse impact on the domestic industry.

Upon review of the record in these reviews, I find, as discussed below, that in the event of revocation, there is not likely to be a reasonable overlap of competition with regard to subject imports from Canada, and that there is likely to be no discernible adverse impact on the domestic industry with regard to subject imports from Japan, Korea, and Singapore.

B. Reasonable Overlap of Competition

In the original investigations, the Commission found that subject imports from Canada, Japan, Korea, and Singapore competed with each other and with the domestic like product.² In these grouped reviews, the record indicates that several factors on which the Commission relied in finding a reasonable overlap of competition in the original investigations have changed. As a result, the analysis of whether there is likely to be a reasonable overlap of competition among subject imports from Canada, Japan, Korea, and Singapore in these grouped reviews differs somewhat from the original investigations.

¹ See Separate Views of Chairman Lynn M. Bragg Regarding Cumulation in Sunset Reviews, Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 at 27-30 (October 1999); Separate Views of Chairman Lynn M. Bragg Regarding Cumulation, Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Inv. Nos. 701-TA-269-270 (Review) and 731-TA-311-317 and 379-380 (Review) (April 2000).

² Color Picture Tubes from Canada, Japan, Korea, and Singapore, Inv. Nos. 731-TA-367-370 (Final), USITC Pub. 2046 at 9-10 (December 1987).

With respect to subject imports from Canada, the record indicates that there is currently no CPT production in Canada and no evidence that Canadian CPT production is likely to resume in the reasonably foreseeable future. Accordingly, I find that there is likely to be no competition, let alone a reasonable overlap of competition, between CPTs from Canada on the one hand and imports from the other subject countries, as well as the domestic like product, on the other hand.³

The record indicates that the subject imports from Korea and Japan and the domestic like product are fungible.⁴ The record also indicates that U.S. sales of Korean and Japanese subject imports and the domestic like product are made through similar channels of distribution.⁵ In addition, Korean and Japanese subject imports and the domestic like product are sold by U.S. producers and importers in all areas of the United States. Thus, I find there is likely to be a reasonable overlap of competition with regard to Korea and Japan if the orders on these countries were revoked.

With respect to subject imports from Singapore, I find that, in the event of revocation, there is not likely to be a reasonable overlap of competition between subject imports from Singapore and Korea, but that there is likely to be a reasonable overlap of competition between subject imports from Singapore and Japan. The basis for my finding of no likely reasonable overlap of competition between Singapore and Korea is twofold: (1) Sony currently is the only CPT producer in Singapore; and (2) Sony produces only Trinitron CPTs in Singapore.⁶ Based upon the fact that Sony CTV affiliates are the only reported consumers of Trinitron CPTs and Sony does not produce Trinitron CPTs in Korea, the Korean production of non-Trinitron CPTs does not compete directly with Sony's production of Trinitron CPTs in Singapore.⁷ However, Sony CPTs produced in Singapore would still compete in the U.S. market with Sony Trinitron CPTs produced in both Japan and the United States.⁸ Thus, I further find there is likely to be a reasonable overlap of competition with regard to Japan and Singapore if the orders on these countries were revoked.

In summary, and based upon all the foregoing, I find a likely reasonable overlap of competition among subject imports from Korea and Japan, and the domestic like product, in the event of revocation. I also find a likely reasonable overlap of competition among subject imports from Japan and Singapore, and the domestic like product, in the event of revocation.

C. No Discernible Adverse Impact

As set forth below, I find that revocation of the orders on subject imports from Japan, Korea, and Singapore would individually be likely to have no discernible adverse impact on the U.S. industry. In

³ As a result, I need not reach the question of whether there is likely to be no discernible adverse impact if the order on Canada is revoked, because Canada is not amenable to cumulation.

⁴ While the record indicates that Japanese producers focus their CPT production on very large screen, flat screen, and wide screen CPTs, while Korean producers focus on the production of CPTs under 30 inches, the record also indicates that subject producers in both countries manufacture directly fungible products, including very large screen, flat screen, and wide screen CPTs. I note that only a "reasonable overlap" of competition is required. *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994).

⁵ Korean Parties Prehearing Brief at 17-19; CR at II-9, PR at II-6.

⁶ CR at IV-24, PR at IV-18.

⁷ Tr. at 135 (Carson), CR at II-37, PR at II-23. There is no evidence in the record which indicates that Trinitron CPTs are produced in Korea.

⁸ CR at IV-12, PR at IV-11.

addition, I determine that in the aggregate subject imports from these subject countries would also be likely to have no discernible adverse impact, in the event of revocation. I therefore do not cumulate subject imports from any of the subject countries in performing my analysis in these grouped reviews.

1. Individual Country Analysis

a. Japan

I begin my analysis of Japanese subject imports by noting that Japanese CPT production capacity was more than 80 percent lower in 1998, at *** to *** million units, than during the original investigation, because Japanese producers invested in CPT capacity in other countries, including the United States, and reduced capacity in Japan, following imposition of the order.⁹ Importantly, the current production capacity of the Japanese CPT producers is now approximately *** the capacity of their U.S. affiliates.¹⁰

The record also indicates that these U.S. affiliates currently produce, or will soon begin to produce, more advanced CPTs produced by the Japanese parent corporations, including very large screen and flat screen CPTs.¹¹ And even if, as a result of revocation, there is a some increase in the volume of subject imports from Japan, such imports would likely be limited to HD CPTs and wide screen CPTs, which currently comprise, and in the reasonably foreseeable future are expected to comprise, only a very small percentage of domestic apparent consumption.¹² In addition, subject imports from Japan would compete in the U.S. market subject to the 15 percent U.S. duty on CPTs that do not originate in NAFTA countries.¹³

Based upon the foregoing, the record indicates that subject Japanese producers would, in the event of revocation, have no incentive to significantly increase subject imports into the United States, which would then directly compete with the production of their U.S. affiliates.¹⁴ Accordingly, I determine that revocation of the order on subject imports from Japan is likely to have no discernible adverse impact upon the domestic industry, individually.

b. Korea

Approximately half of Korean CPT production capacity is directed toward 25 to 27 inch CPTs, which is currently the largest volume segment of the U.S. market. However, the magnitude of recent investments by Korean producers in their Mexican subsidiaries indicates that it is unlikely that Korean producers will significantly increase exports of CPTs in the 25-27 inch size range in the event of revocation; any such imports from Korea would then compete in the U.S. market with imports from the

⁹ Table IV-5, CR and PR at IV-9 (estimated Japanese capacity excluding Sony Japan) and CR at IV-12, PR at IV-11 (estimated capacity of Sony Japan).

¹⁰ Table III-2, CR and PR at III-3.

¹¹ CR at II-37, PR at II-23.

¹² CR and PR at Appendix E.

¹³ CR at I-11 and I-12, PR at I-10.

¹⁴ The record indicates that two of the American subsidiaries of Japanese CPT producers either currently produce or will soon have the ability to produce flat screen CPTs, thus indicating a disincentive for Japanese producers to ship flat screen CPTs to the United States. CR at III-7, PR at III-5 and Tr. at 148 (Bray).

Korean producers' Mexican CPT affiliates. In addition, as noted above, there is a 15 percent U.S. duty on CPTs that do not originate in NAFTA countries.

With respect to more advanced CPT units, these products, including very large, flat screen, and wide screen CPTs, the record further indicates that Korean producers' capacity utilization rates were quite high for these advanced products in 1999, at *** percent for CPTs exceeding 30 inches, *** percent for flat screen CPTs, and *** percent for wide screen CPTs, thus indicating that Korean producers have little excess advanced CPT capacity to direct to the U.S. market in the reasonably foreseeable future.¹⁵

Based upon the foregoing, I determine that revocation of the order on subject imports from Korea is likely to have no discernible adverse impact upon the domestic industry, individually.

c. Singapore

During the period reviewed, the volume of subject imports from Singapore was quite modest, at 1,024 units in 1997, 504 units in 1998, and 1,093 units in interim 1999.¹⁶ In addition, the record indicates that all subject Singaporean CPTs are Sony Trinitron CPTs.¹⁷ And although Sony Trinitron CPTs are considered subject merchandise, as noted earlier, Trinitron CPTs are only used in the production of Sony Trinitron CTVs and therefore purchased only by a Sony-affiliated CTV producer.¹⁸ Trinitron CPTs produced in Singapore, thus, would only directly compete in the U.S. market with Trinitron CPTs produced in the United States, or in other countries, such as Japan.

In light of the corporate affiliation among Sony CPT and CTV operations around the world, and Sony America's considerable capacity and range of CPT product offerings, it is unlikely that Sony would significantly increase subject imports into the United States to the detriment of its U.S.-based, subsidiary operations.¹⁹ I also note that, as with imports from Japan and Korea, subject imports from Singapore are subject to a 15 percent U.S. duty on CPTs that do not originate in NAFTA countries.

Based upon the foregoing, I determine that revocation of the order on subject imports from Singapore is likely to have no discernible adverse impact upon the domestic industry.

2. Aggregate Analyses

Because I find that revocation of each of the orders on Korea, Japan, and Singapore, will likely have no discernible adverse impact on the domestic industry, individually, I next consider whether revocation of the orders on these countries in the aggregate is likely to have no discernible adverse impact.

First, with regard to Singapore and Japan, I find that based upon my foregoing discussion, there is likely to be minimal, if any, increase in the currently minuscule volume of subject imports from Singapore. In addition, I determine that even if there were some increase in the volume of subject imports from Japan, the likely volume of such increased imports would also be minuscule; moreover, as noted above, any increase in subject imports from Japan would be limited to a very small percentage of domestic consumption. Accordingly, I find that in the event the orders on Singapore and Japan were

¹⁵ Table IV-10, CR at IV-20, PR and IV-15.

¹⁶ Table IV-1, CR and PR at IV-2.

¹⁷ CR at II-9, II-14 n.41, PR at II-6, II-9 n.41, tr. at 135 (Carson).

¹⁸ CR at II-9, II-14 n.41, PR at II-6, II-9 n.41, tr. at 135 (Carson).

¹⁹ Tables III-2 and IV-4, CR and PR at III-3 and IV-7.

revoked, the minuscule increase in aggregate subject import volume likely to occur within a reasonably foreseeable time would have no discernible adverse impact on the domestic industry.

Second, with regard to Korea and Japan, I determine that even if there were some increase in the volume of subject imports from Korea, the likely volume of such increased imports would be minuscule; as noted above, any increase in Korean subject imports would be limited to the largest volume and most price competitive segment of the domestic market, where Korean producers would be subject to U.S. duties on CPTs of non-NAFTA origin. Again, with regard to Japan, any increase in subject imports would be limited to a very small percentage of domestic consumption and would likely be quite small. Accordingly, I find that in the event the orders on Korea and Japan were revoked, the minuscule increase in aggregate subject import volume likely to occur within a reasonably foreseeable time would have no discernible adverse impact on the domestic industry.

II. CONCLUSION

Based upon the foregoing analysis, I find that revocation of the antidumping duty orders covering color picture tubes from Japan, Korea, and Singapore would likely have no discernible adverse impact on the domestic industry. I also determine that there is not likely to be a reasonable overlap of competition if the order on Canada is revoked, and that as a result, Canada is not amenable to cumulation in these grouped reviews. I therefore do not cumulate subject imports from any of the subject countries in performing my analysis in these grouped reviews.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On March 1, 1999, pursuant to section 751(c) of the Tariff Act of 1930 (“the Act”), the Commission instituted five-year (sunset) reviews to determine whether revocation of antidumping duty orders on color picture tubes (“CPTs”)¹ from Canada, Japan, the Republic of Korea (“Korea”), and Singapore would be likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. On June 3, 1999, the Commission determined that responses to its notice of institution of the subject five-year reviews were adequate such that full reviews should proceed. Information relating to the background of these reviews is presented in the following tabulation.²

Effective date	Action	Federal Register citation
Jan. 7, 1988	Commerce’s antidumping duty orders issued	53 FR 429
Mar. 1, 1999	Commission’s institution of five-year reviews	64 FR 10014
June 3, 1999	Commission’s determination to conduct full 5-year reviews	64 FR 31609 (June 11, 1999)
July 6, 1999	Commerce’s extension of time limit for final results of sunset reviews	64 FR 36333
July 12, 1999	Commission’s scheduling of full 5-year reviews	64 FR 38690 (July 19, 1999)
Sept. 3, 1999	Commerce’s final results of expedited sunset reviews ¹	64 FR 48354
Nov. 30, 1999	Commission’s revised scheduling of full 5-year reviews	64 FR 68116 (Dec. 6, 1999)
Feb. 17, 2000	Commission’s public hearing	NA
Mar. 29, 2000	Commission’s votes	NA
Apr. 13, 2000	Commission’s determinations transmitted to Commerce	NA

¹ A list of witnesses that appeared at the hearing is presented in app. B.

THE ORIGINAL INVESTIGATIONS

On November 26, 1986, a petition was filed with the Department of Commerce and the Commission by counsel for the International Association of Machinists and Aerospace Workers; the International Brotherhood of Electrical Workers (“IBEW”); the International Union of Electronic,

¹ The products covered by these reviews are cathode ray tubes suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing. A complete description of the imported products subject to these reviews is presented in the portion of this section entitled *The Subject Imports*.

² *Federal Register* notices cited in the tabulation, and the Commission’s statement on adequacy are presented in app. A.

Electrical, Technical, Salaried, Machine Workers, AFL-CIO-CLC (“TUE”); the United Steelworkers of America, AFL-CIO; and the Industrial Union Department, AFL-CIO. The petition alleged that an industry in the United States was materially injured or threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of CPTs from Canada, Japan, Korea, and Singapore. On November 18, 1987, Commerce made its final determination that such imports were being sold in the United States at LTFV (52 FR 44161). On December 30, 1987, the Commission issued its final determinations of material injury to the U.S. industry producing CPTs by reason of the subject imports (52 FR 49299). Accordingly, Commerce published antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore on January 7, 1988.

SUMMARY DATA

A summary of data collected in these reviews is presented in appendix C. U.S. industry data are based on questionnaire responses of seven firms accounting for all domestic production of CPTs for the period 1997 through September 1999, the period for which data were gathered in these reviews. U.S. imports of CPTs are based on official Commerce statistics, with certain adjustments regarding imports from Mexico.³ Available comparative data from the original investigations and the current sunset reviews are presented in table I-1.

STATUTORY CRITERIA AND ORGANIZATION OF THIS REPORT

Section 751(c) of the Tariff Act of 1930 (“Five-Year Review”) requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”⁴

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

(1) IN GENERAL.-- (T)he Commission . . . shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

- (A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
- (B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
- (C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
- (D) in an antidumping proceeding, Commerce’s findings regarding duty absorption.*

³ See, *U.S. Imports* section of Part IV of this report for details regarding import adjustments.

⁴ Certain transition rules apply to the scheduling of reviews (such as this one) involving antidumping and countervailing duty orders and suspensions of investigations that were in effect prior to January 1, 1995 (the date the WTO Agreement entered into force with respect to the United States). Reviews of these transition orders will be conducted over a three-year transition period running from July 1, 1998 through June 30, 2001. Transition reviews must be completed not later than 18 months after institution.

Table I-1

CPTs: Comparative data of the U.S. market and industry from the original investigations and the current reviews, 1984-86 and 1997 and 1998

(Quantity in 1,000 units, value in 1,000 dollars, shares/ratios in percent)

Item	1984	1985	1986	1997	1998
U.S. consumption quantity:					
Amount	13,334	13,144	14,417	10,181	10,200
U.S. producers' share	89.9	80.2	77.0	93.8	94.4
U.S. importers' share:					
Canada	0.8	1.7	2.3	(1)	(1)
Japan	2.9	5.1	4.8	0.3	0.1
Korea ²	***	***	***	0.3	0.2
Singapore	***	***	***	(1)	(1)
Mexico, subject ⁴	***	***	***	(3)	(3)
Subtotal subject imports	8.2	12.6	13.4	0.6	0.4
All other	1.9	7.2	9.6	5.6	5.3
Total imports	10.1	19.8	23.0	6.2	5.6
U.S. imports from--					
Canada:					
Quantity	106	229	328	1	(6)
Value	8,751	17,862	25,172	121	63
Unit value	\$82.40	\$77.86	\$76.66	\$173.17	\$10,543
Japan:					
Quantity	397	673	690	31	14
Value	30,710	47,735	59,623	19,240	4,447
Unit value	\$76.85	\$70.97	\$86.39	\$612.65	\$318.01
Korea:²					
Quantity	***	***	***	26	22
Value	***	***	***	1,336	1,357
Unit value	***	***	\$43.54	\$51.22	\$62.45
Singapore:					
Quantity	***	***	***	1	1
Value	***	***	***	104	71
Unit value	\$62.66	\$56.93	\$53.15	\$101.56	\$140.72
Mexico, subject:⁴					
Quantity	***	***	***	0	0
Value	***	***	***	0	0
Unit value	\$60.95	\$54.34	\$58.62	(3)	(3)
Subtotal subject countries:					
Quantity	1,088	1,662	1,925	59	36
Value	75,026	107,269	133,118	20,801	5,938
Unit value	\$68.96	\$64.54	\$69.15	\$351.30	\$163.95
-Footnotes at end of table.					

Table I-1--Continued

CPTs: Comparative data from the original investigations and the current reviews, 1984-86 and 1997 and 1998

(Quantity in 1,000 units, value in 1,000 dollars, shares/ratios in percent)

Item	1984	1985	1986	1997	1998
U.S. imports from--					
All other sources:					
Quantity	261	941	1,387	569	537
Value	15,082	44,032	64,082	80,621	27,426
Unit value	\$57.80	\$46.79	\$46.19	\$141.62	\$51.11
U.S. producers':					
Capacity	16,984	16,864	16,452	24,608	23,545
Production	12,565	10,879	11,743	22,016	20,446
Capacity utilization	74.0	64.5	71.4	89.5	86.8
U.S. shipments:					
Quantity	11,985	10,542	11,104	9,553	9,627
Value	983,083	907,511	970,233	1,571,153	1,529,808
Unit value	\$82.03	\$86.09	\$87.38	\$164.47	\$158.90
Export shipments:					
Quantity	***	***	***	12,260	10,604
Value	***	***	***	1,505,624	1,532,253
Unit value	***	***	***	\$122.81	\$144.50
Production and related workers	9,795	8,773	8,104	12,502	12,691
Hours worked (1,000)	19,752	17,370	15,995	21,996	22,487
Hourly wage	\$9.48	\$9.94	\$10.47	\$13.83	\$13.32
Net sales (value)	998,671	947,301	1,008,827	3,135,862	3,052,803
Operating income or (loss) (value)	(34,918)	(58,666)	(47,597)	58,908	180,299
Ratio operating income or (loss)/sales	(3.5)	(6.2)	(4.7)	1.9	5.9

¹ Less than 0.05 percent.

² For the period 1984-86, data represent CPTs from Korea that were sold to unrelated parties. Commerce excluded from the scope of the original investigations imports of CPTs "subsequently combined into televisions by a related party" because such CPTs were already covered by the April 30, 1984, antidumping duty order on complete and incomplete television receivers from Korea.

³ Not applicable.

⁴ For the period 1984-86, data represent U.S. imports of Japanese-produced CPTs through Mexico by *** as parts of kits or incomplete receivers, and U.S. imports of CPTs produced in Singapore through Mexico by *** as parts of ***.

⁵ None reported.

⁶ Less than 500 units.

Source: Data for 1984-86 are compiled from the Commission's Dec. 9, 1987 staff report (INV-K-131) in the original investigations. Data for 1997-98 are compiled from responses to the Commission questionnaires in the current reviews, and from official Commerce import statistics.

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Information relating to the original investigations and injury determinations is presented in Part I. Information on conditions of competition and other relevant economic factors is presented in Part II. Part III contains information on the condition of the U.S. industry, including information on the financial

experience of U.S. producers. Information on the likely volume and price effects of imports is presented in Parts IV and V, respectively.

LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS

Responses by U.S. producers, importers, and purchasers of CPTs, and producers of the subject product in Canada, Japan, Korea, and Singapore to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of their revocation are presented in appendix D. Summary arguments are presented below.

Supporters of Continuation^{5 6}

Counsel for supporters of continuation of the antidumping duty orders have argued that imposition of the orders had an immediate, industry-saving effect: (1) the volume of dumped imports declined significantly; (2) subject import prices were considerably higher than at the time the antidumping petitions were filed; and (3) domestic producers increased shipments, sales value, and average unit values.⁷ Counsel argue that it is the discipline of the orders that stopped imports and allowed the U.S. CPT industry to grow substantially, and if the orders were revoked, the Japanese and Koreans would supply the growing U.S. demand for advanced CPTs (e.g., CPTs for digital TV and HDTV, and very large screen (“VLS”) analog CPTs) from their factories in Japan and Korea.⁸

Supporters of Revocation

Counsel for CPT manufacturers in Japan and Korea have argued that no injury to the U.S. CPT industry is likely because of dramatic and irrevocable changes to the U.S. CPT market such as: (1) the North American Free Trade Agreement (“NAFTA”) providing overwhelming economic incentives to locate CPT production in North America, while providing a steep tariff barrier to imports from Asia and other non-NAFTA sources; (2) the shift toward larger screen sizes has led to increased regionalization of CPT and color television receiver (“CTV”) production; (3) U.S. CPT manufacturers are increasingly shifting both CTV and CPT production to Mexico such that more than half of U.S. CPT production is destined for export; and (4) the domestic industry is experiencing record profits.⁹

⁵ On March 22, 1999, Collier, Shannon filed its entry of appearance in these reviews on behalf of Philips Display, Thomson-ATO, IBEW, and the IUE (collectively, “the domestic industry”), in support of continuation of the orders. On November 22, 1999, Philips Display withdrew as a party to these reviews and stated that it “no longer seeks to extend/renew the antidumping duties on CPTs from the (subject) locations” (submission by Frederick Fayolle, Business Analyst, Philips Display).

⁶ Counsel for parties in support of continuation of the orders has indicated that because CPT production in Canada has ceased (see *Subject Country Producers* section of Part IV of this report), the antidumping duty order concerning imports of CPTs from Canada should be revoked (prehearing brief of Collier, Shannon, p. 6, fn 1).

⁷ April 20, 1999, response to the Commission’s Notice of Institution submitted by Collier, Shannon, p. 8.

⁸ Posthearing brief of Collier, Shannon, pp. 1-2.

⁹ Posthearing brief of Akin, Gump, pp. 1-2; posthearing brief of Willkie, Farr, p. 1; and prehearing brief of Kaye, Scholer, pp. 1-3.

NATURE AND EXTENT OF SALES AT LTFV

Final Results of Expedited Sunset Reviews

On September 3, 1999, Commerce determined that revocation of the antidumping orders would likely lead to continuation or recurrence of dumping at the margins listed below:

<u>Country/Company</u>	<u>Dumping Margins--^{1 2}</u> (percent ad valorem)
Canada--	
Mitsubishi Electronics Industries, Canada	0.63
All others	0.63
Japan--	
Hitachi, Ltd.	22.29
Matsushita Electronics Corp.	27.46
Mitsubishi Electric Corp.	1.05
Toshiba Corp.	33.50
All others	27.93
Korea--	
Samsung Electron Devices Co., Ltd.	1.91
All others	1.91
Singapore--	
Hitachi Electronic Devices, Pte., Ltd.	5.33
All others	5.33

¹ Commerce's final results of expedited sunset reviews for the subject countries were the dumping margins calculated in the original investigations. Commerce found that the margins calculated in the original investigations are probative of the behavior of Canadian, Japanese, Korean, and Singaporean producers/exporters if the orders were revoked as they are the only margins which reflect their behavior absent the discipline of the orders.

² Commerce reported that respondent parties waived participation in the reviews; *i.e.*, no substantive responses were received from any respondent interested party which, by regulation, constitutes a waiver of participation, and a waiver of participation was received from the Electronic Industries Association of Korea.

History of Orders

Commerce has conducted no administrative reviews of the antidumping duty orders covering imports from Canada and Singapore since their imposition. Commerce did conduct two administrative reviews with respect to Japan, in 1990 and 1997, and one with respect to Korea in 1991. Details of these reviews are presented in the following tabulation:

Country	Review period	Company	Rate (percent ad valorem)
Japan	June 30, 1987-December 31, 1988 ¹	Toshiba	23.10
	Jan. 1, 1995-December 31, 1995 ²	Mitsubishi	5.93
Korea	Jan. 1, 1989-December 31, 1989 ³	Samsung Electron Devices	0.12 ⁴
		Goldstar	0 ⁵

¹ 55 FR 37915, September 14, 1990.
² 62 FR 34201, June 25, 1997.
³ 56 FR 19084, April 25, 1991.
⁴ *De minimis*.
⁵ As a result of the review, Goldstar was given the “new shipper” rate, which is zero, because it was found not to have shipped the subject merchandise during the original investigation and during the administrative review (56 FR 29215, June 26, 1991).

During 1990-91, Commerce conducted anticircumvention inquiries and determined that the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore were not being circumvented by the assembly of CPTs into color television receivers in Mexico before importation into the United States (56 FR 9667, March 7, 1991).¹⁰

Commerce has not issued any duty absorption findings in any of the subject country investigations. Available data relating to the actual duties collected by the U.S. Customs Service pursuant to the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore are presented in table I-2.

THE SUBJECT IMPORTS

Scope of These Reviews

Commerce has defined the CPTs subject to these reviews as follows:

The subject merchandise is defined as cathode ray tubes {“CRT”} suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing. Where a CPT is shipped and imported together with all parts necessary for assembly into a complete television receiver (*i.e.*, as a “kit”), the CPT is excluded from the scope of these orders . . . With respect to CPTs which are imported for customs purposes as incomplete television assemblies, we determined that these entries are included within the scope of these investigations unless both of the following criteria are met: (1) the CPT is “physically integrated” with other television receiver

¹⁰ With respect to antidumping duty orders concerning related products, Commerce has revoked (effective January 1, 2000) the antidumping duty orders on television receivers from Japan, and color television receivers from Korea and Taiwan (63 FR 64677, November 23, 1998).

Table I-2
CPTs: Actual duties collected, fiscal years 1994-98¹

Item	1994	1995	1996	1997	1998
Value (1,000 dollars)					
Total duties collected:					
Canada	59,466	(2)	269,516	***	(3)
Japan	719,941	1,133,354	770,132	703,885	775,733
Korea	1	0	0	0	0
Singapore	1,829	1,657	2,360	3,363	(2)
Total	781,237	1,135,009	1,042,008	***	775,728
Total imports:					
Canada	9,439,037	(2)	42,780,324	***	(3)
Japan	44,221,889	72,253,628	35,228,249	19,495,794	6,060,629
Korea	67,750	331,227	436,639	1,030,451	91,352
Singapore	34,310	31,088	44,294	63,104	(2)
Total	53,762,986	72,615,941	78,489,506	***	6,151,976
<p>¹ The federal fiscal year is October 1-September 30. ² Business proprietary information not divulged by Customs. ³ Case number not listed in Customs Report for this year, indicating no duties and no imports.</p> <p>Note: Totals are understated for 1995 and 1998.</p> <p>Source: U.S. Customs Service Annual Report, Part A.</p>					

components in such a manner as to constitute one inseparable amalgam and (2) the CPT does not constitute a significant portion of the cost or value of the items being imported.¹¹

The subject CPTs are covered by subheadings 8540.11.10, 8540.11.24, 8540.11.28, 8540.11.30, 8540.11.44, 8540.11.48, and 8540.11.50 of the Harmonized Tariff Schedule of the United States ("HTS").¹²

¹¹ *Final Results of Expedited Sunset Reviews: Color Picture Tubes from Canada, Japan, Korea, and Singapore*, 64 FR 48354 (September 3, 1999).

¹² The column 1-general (normal-trade-relations ("NTR")) rates of duty for the subject products, applicable to Canada, Japan, Korea, and Singapore, are either 7.5 (for CPTs with a video display diagonal not exceeding 34.29 centimeters (13 inches)) or 15 percent *ad valorem*. These duty rates are not subject to staged reductions under the (continued...)

NAFTA Rules Regarding CPTs

In order for a non-high definition, non-projection CPT to be considered of North American origin, and eligible for NAFTA treatment, either the cone or the front panel assembly¹³ must be of North American origin.¹⁴ In order for a high definition (“HD”)¹⁵ CPT to be considered of North American origin, and eligible for NAFTA treatment, the front panel assembly used in the CPT must be of North American origin.¹⁶ In addition, in order for any CPT to be considered of North American origin, and eligible for NAFTA treatment, it must incorporate parts with a regional value content of not less than (1) 60 percent where the transaction value method¹⁷ is used or (2) 50 percent where the net cost method¹⁸ is used.¹⁹

NAFTA Rules Regarding CTVs

In order for a direct-view CTV with a CRT with a viewable display diagonal not exceeding 35.56 cm (14 inches) to be considered of North American origin, and eligible for NAFTA treatment, certain circuit boards used in the CTV must originate in a NAFTA country. The CPT need not have North American origin. In order for a direct-view CTV with a CRT having a viewable display diagonal exceeding 14 inches to be considered of North American origin, and eligible for NAFTA treatment, the CPT must be made in North America.

THE DOMESTIC LIKE PRODUCT

In making its injury determinations the Commission first determines the domestic like product. The Act defines domestic “like product” as “a product that is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation” (19 USC § 1677(4)(A)). The

¹² (...continued)

WTO agreement. During the original investigations, imports from the subject countries were subject to a 15 percent column 1 duty rate.

¹³ With respect to a color cathode-ray television picture tube, the term “front panel assembly” refers to an assembly which consists of a glass panel and a shadow mask or aperture grille, attached for ultimate use, which is suitable for incorporation into a color cathode-ray television picture tube, and which has undergone the necessary chemical and physical processes for imprinting phosphors on the glass panel with sufficient precision to render a video image when excited by a stream of electrons.

¹⁴ See HTS, general note 12(t)/85.125-126.

¹⁵ References to “high definition” refer to goods having (1) an aspect ratio of the screen equal to or greater than 16:9, and (2) a viewing screen capable of displaying more than 700 scanning lines.

¹⁶ See HTS, general note 12(t)/85.127-128.

¹⁷ Transaction value method: The regional value content of a good may be calculated on the basis of the following: $RVC = (TV - VNM)/TV \times 100$ where RVC is the regional value content, expressed as a percentage; TV is the transaction value of the good adjusted to an f.o.b. basis; and VNM is the value of non-originating materials used by the producer in the production of the good.

¹⁸ Net cost method: The regional value content of a good may be calculated on the basis of the following: $RVC = (NC - VNM)/NC \times 100$, where RVC is the regional value content, expressed as a percentage; NC is the net cost of the good; and VNM is the value of non-originating materials used by the producer in the production of the good.

¹⁹ See HTS, general note 12(t)/85.129.

Commission's decision regarding the appropriate domestic product that is "like" the subject imported product is based on a number of factors including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities and production employees; and where appropriate, (6) price.

During the original investigations, the Commission determined that "there is one domestic product—all color picture tubes."²⁰ In making its determination, the Commission considered like product arguments from respondents that CPTs with a screen size of 30 inches and above were a separate like product because these larger CPTs used more advanced technology than the smaller models, were more expensive, and were purchased by different consumers. The Commission determined that CPTs, regardless of size, "are made of the same essential materials and perform the same function . . . for the most part, all CPTs are a product of similar manufacturing processes . . . (and) even though the technological requirements of the larger models are somewhat more advanced, both sizes are produced with the same basic technology."²¹ In addition, Sony Corp. argued that its "Trinitron" CPT should be excluded from the like product because it occupied a separate market niche and did not compete with the domestic product. The Commission determined that although Sony Trinitron CPTs were different in some respects, they "perform the same function as other subject merchandise" and were included in the like product.²²

During these reviews, parties have differed as to the acceptability of continuing with the Commission's original like product determination.²³ Counsel for Korean supporters of revocation have argued that HD CPTs should be considered a separate like product. Counsel argue that CPTs used for conventional CTVs are different than CPTs used for HDTVs in that: (1) conventional CPTs have a 4:3 width/height ratio and are capable of displaying 525 lines, compared to HD CPTs which have a 16:9 aspect ratio and must be capable of displaying 1,080 lines, resulting in superior picture quality; (2) it is too early to know and few details are available concerning whether HD CPTs and conventional CPTs are

²⁰ See, *Color Picture Tubes from Canada, Japan, The Republic of Korea, and Singapore*, Invs. Nos. 731-TA-367-370 (Final), USITC Pub. 2046, December 1987, p. 6.

²¹ *Ibid.*

²² *Ibid.*, footnote 16. Sony Corporation of America appealed the Commission's like product determination, arguing that: (a) its Trinitron CPT constituted a separate like product or, alternatively, (b) its imported CPTs should be excluded from any affirmative injury determination because they occupy a discrete and insular market segment (Court of International Trade ("CIT"), Slip Op. 89-55, April 26, 1989, p. 3). Sony based its separate like product argument on: (1) radical differences in Trinitron's essential components, including the electron gun, the color selection mechanism (aperture grille), the shape of the screen, and other differences; (2) markedly different production processes from those of conventional CPTs; (3) the lack of interchangeability between the Trinitron tube and conventional CPTs; and (4) Trinitron's superior performance and recognition as unique by consumers and television dealers (*Color Picture Tubes from Canada, Japan, the Republic of Korea, and Singapore*, Invs. Nos. 731-TA-367-370 (Final), USITC Pub. 2046, December 1987, p. A-9).

On April 26, 1989, the CIT affirmed the Commission's final determination regarding like product, finding that "the fact that there are certain differences between the Trinitron tube and other CPTs does not mean that the Trinitron is not "like" other CPTs within the meaning of the relevant statutes . . . (and) there is substantial evidence in the record to support the Commission's determination to include the Trinitron color picture tube in the like product finding with all other picture tubes (CIT, Slip Op. 89-55, April 26, 1989, pp. 12 and 15).

²³ During the adequacy phase of these reviews, counsel for Japanese supporters of revocation urged the Commission, in its full sunset reviews, to collect information from U.S. producers regarding computer display tubes ("CDTs") for purposes of like product consideration (April 20, 1999, submission of Willkie, Farr, p. 17). However, in response to the Commission's request for comments on the draft questionnaires in these full reviews, counsel argued that "the domestic like product should not be expanded to include color computer display tubes" (September 22, 1999, submission of Willkie, Farr, p. 2).

interchangeable and have similar channels of distribution; (3) expectations of HDTV purchasers are distinctly different from conventional CTV purchasers; (4) production lines for HD CPTs will require significant investment in new production facilities; and (5) HDTV prices are significantly higher than those of conventional CTVs, and since CPTs are the major cost component of a CTV, HD CPTs will be much higher priced than conventional CPTs.²⁴

Counsel for U.S. parties in support of continuation of the orders argue that: (1) both conventional CPTs and HD CPTs are used for the direct view of a television signal and are nearly identical in physical characteristics (both display a broadcast signal by firing electrons through a shadow mask and onto a glass panel treated with phosphor; (2) subject to minor alterations, domestically produced and imported CPTs are interchangeable; (3) regardless of whether they are conventional or HD, CPTs are sold to television manufacturers; (4) while TV customers may have slightly higher expectations regarding picture clarity and resolution provided by an HD CPT relative to a conventional CPT, both types are used for television viewing; (5) HD and conventional CPTs are manufactured on the same production line, and use the same production workers and substantially similar production processes; and (6) CPTs are generally priced in a manner such that there is a gradual and uniform upward progression in price as the size of the tube increases.²⁵

Information gathered during these reviews on like product factors is presented below. Additional information regarding digital television ("DTV") and HDTV is presented in appendix E.

Physical Characteristics and Uses

Color picture tubes are cathode ray tubes²⁶ that convert a video signal into a visual color display, suitable for use in the manufacture of CTVs or other color entertainment display devices intended for television viewing. The color display is produced by beams of electrons generated by an electron gun and magnetically deflected to scan, line by line, the inside faceplate of the tube. Light is created by the electron bombardment of red, blue, and green phosphor dot trios (or phosphor stripes) alternately located on the inside of the faceplate (see figure I-1). CPTs are produced in various screen sizes, from 1-1/2 inches to over 40 inches in diagonal measurement. In 1999, picture tubes produced in the United States ranged from 19 to 36 inches in viewable measurement, and no CPTs smaller than 19 inches have been produced in the United States since the early 1980s. The U.S. industry is moving toward larger tubes (25-inch and over) and away from smaller sizes in which the import competition has been more pronounced.

Advanced CPTs

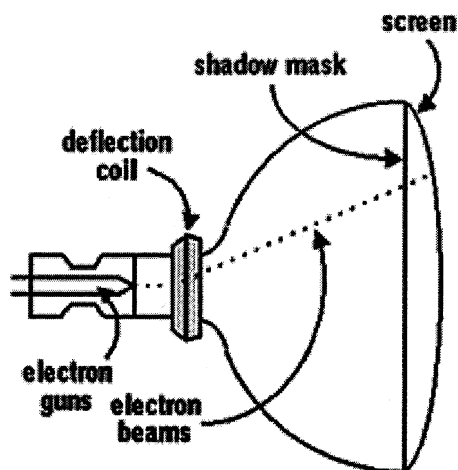
While the vast majority of CPTs continue to be conventional analog types with curved screen surfaces and 4:3 aspect ratios, new types of advanced CPTs include flat-screen tubes, 16:9 wide screen CPTs, and tubes for DTVs and HDTVs. Compared to standard tubes, wide-screen HD CPTs require

²⁴ Prehearing brief of Kaye, Scholer, pp. 39-44. Counsel did not raise this potential separate like product issue in either the adequacy phase of these reviews or in their comments to the draft questionnaires for these final reviews.

²⁵ Posthearing brief of Collier, Shannon, exhibit 1, pp. 50-56.

²⁶ CPTs are a major subset of CRTs. CRTs are also used for computer and video monitors, industrial and military displays, television camera tubes, image converters, and intensifiers.

Figure I-1
Side view of a cathode ray tube



Source: Philips USA website (www.philipsusa.com), December 1999.

a more sensitive mask (Invar vs. AK steel),²⁷ application of thinner matrices to faceplate (more complicated), differences in thermal processing (more complex), and different electron guns (dynamic vs. static focus). High definition results from a greater number of picture elements, or pixels, that compose a picture on a CPT. The picture on a conventional CPT is composed of about 350,000 pixels. The picture on a HD CPT will be composed of 2,074,000 pixels, or almost six times as many. In addition to more pixels, HD CPTs have smaller pixels, thus the margin for error when laying the matrix and the phosphors is much more narrow. A more narrow margin of error will result in higher reject rates until industry can perfect its technique.²⁸

In addition, there reportedly is little, if any, distinction between a CPT for a digital application and a CPT for an analog application. The signal reception is determined by the electronics in the CTV chassis, and the CPT manufacturer is concerned only with the electronic interface with the CTV set and the image display. It would be necessary to adjust the componentry (i.e., the shadow mask).²⁹

²⁷ Invar masks (made of FeNi 36 alloy) are used for applications where dimensional changes due to temperature variation must be minimized, and the price is estimated at up to 7 times the price of AK (aluminum-killed) steel. See *Certain Aperture Masks from Japan and Korea, Invs. Nos. 731-TA-823-824 (Preliminary)*, USITC Pub. 3185, April 1999, pp. 1-5.

²⁸ March 3, 2000, field trip notes of staff visit to Thomson-ATO, Marion, IN; transcript of the Commission's hearing ("TR"), pp. 56-60 and 194-196.

²⁹ Posthearing brief of Willkie, Farr, exhibit B, p. 2.

Manufacturing Processes, Facilities, and Production Employees

To produce a color television picture tube, a thin screen of perforated metal, called an aperture mask, is welded to a steel frame mounted within a glass panel. This aperture mask must travel with the glass panel throughout the production process. Using the aperture mask as a pattern, multiple coatings and rinses of the inside of the glass panel are performed, leaving a surface with thousands of narrow lines of red, green, blue, and black phosphors (see figure I-2).

The glass panel, with aperture mask in place, is then sealed to the funnel. The assembly of electron guns and deflection yoke is fitted to the rear of the funnel, the air is evacuated from the envelope, and the envelope is sealed. The proper alignment of guns, aperture mask, and panel is of critical importance in the assembly of a tube and determines not only the quality of the image but whether or not the tube will function.

Glass forms the outer shell of the CPT and functions as much more than a simple container. The composition of the glass in the tube is designed to minimize optical defects, provide electrical insulation for high voltages, and provide protection against X-radiation emissions. The thickness of the glass must be increased as tube size is increased to withstand the atmospheric pressure exerted on the tube which contains a vacuum. Seventy percent of the cost of producing a color television picture tube is materials and labor, and glass constitutes about two-thirds of material costs. The demand for increased resolution also adds to the cost.³⁰

Advanced CPTs

Thomson-ATO produces HD CPTs on the same production line as very large screen (“VLS”) CPTs at its plant in Marion, IN, relying upon the same production workers.³¹ The same steps are required for both conventional and HD CPTs, but the HD CPTs require more strength, care, and time. The 16:9 aspect ratio HD CPT requires new material handling equipment to hold the differently shaped glass during processing. Also, HDTV appears to best advantage when used with a larger display, so equipment must be capable of handling loads that may be significantly heavier than conventional CPTs. The weight of a 36-inch conventional CPT may exceed 90 pounds, but the weight of a 38-inch, 16:9 flat-screen tube exceeds 170 pounds. The different sizes, shapes, and weights of the HD CPTs slow the production process because the tubes must be heated and cooled more slowly than conventional CPTs as the faceplates are “welded” to the funnels in furnaces, otherwise the glass breaks as a result of thermal stress.

Aside from changes required to accommodate CPTs with different screen sizes or aspect ratios (requiring significant retooling), the investment to make HD CPTs would be minimal, consisting mostly of specialized testing equipment for checking the digital signals (at a cost of approximately \$100,000).³²

Interchangeability and Customer and Producer Perceptions

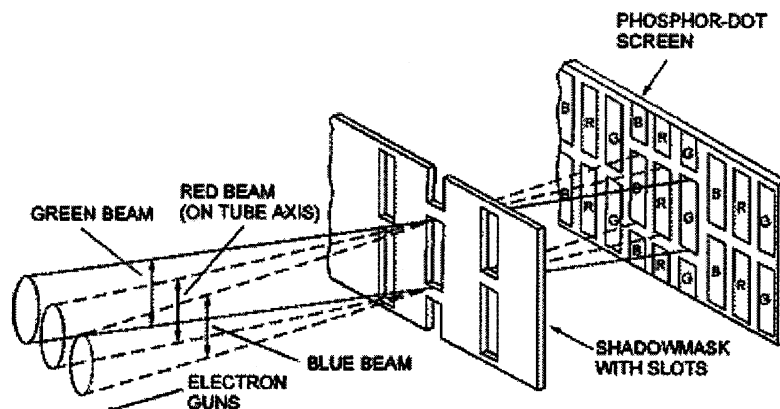
Generally, foreign and domestic CPTs can be used interchangeably. CTV manufacturers have reported that some modifications would typically be required to the cabinet, deflection yoke, and/or

³⁰ In addition to screen size and resolution, tube consumers specify a tube by deflection angle, whether the front panel is flat or curved and is glare-resistant or not, aspect ratio, type of phosphors, type of electron gun, type of funnel coating, and type of mounting system.

³¹ March 3, 2000, field trip notes of staff visit to Thomson-ATO; and TR, pp. 56-60 and 194-196.

³² Posthearing brief of Willkie, Farr, exhibit C, p. 3.

Figure I-2
Production of a colored image



Source: Philips USA website (www.philipsusa.com), December 1999.

electronic chassis to use imported CPTs.³³ There were imports from the subject countries of small screen CPTs (15 inches or less) and 40-inch CPTs, which were products not produced in the United States during the period of these reviews. The total volumes of these CPT imports were small.

Reportedly, it is not difficult to produce CPTs to meet the specifications of different CTV producers if a producer is set up to make the particular size and type of CPT that the customer wants (conventional, flat, wide).³⁴ Within the same screen size category, differences are a function of the physical and electronic characteristics of the CTV manufacturer's cabinet and chassis (use of different componentry – mask, length of funnel neck, electron gun, and deflection yoke). Component changes for the same size CPT are generally not difficult to incorporate in the CPT production process.³⁵

Channels of Distribution

CPTs are sold to CTV producers, whether they are conventional or advanced CPTs. Information received during these sunset reviews indicates that captive consumption (internal consumption/company transfers) accounted for 49 percent of U.S. producers' U.S. shipments during 1998. Commercial shipments accounted for 51 percent of U.S. shipments. All imports of the subject CPTs were by CTV manufacturers for internal consumption. Thomson-ATO has reported that *** percent of its projected shipments of HD CPTs for 2000 will be made to unaffiliated U.S. CTV producers, with the remainder exported to its affiliated CTV producer in Mexico.

³³ See, e.g., *** importer questionnaire response, section III-E-15.

³⁴ Purchasers have reported that supplier qualification can take from 3 to 12 months (questionnaire responses of ***).

³⁵ TR, pp. 79-80 and 194-196; and posthearing brief of Willkie, Farr, exhibit B, p. 3.

Price

Prices of CPTs vary by size and faceplate. During the period of these sunset reviews, average unit values for U.S. producers' U.S. shipments of CPTs ranged from \$56 for 19-inch CPTs to \$543 for CPTs greater than 35 inches. While prices for U.S.-produced HD CPTs are not available, average unit values for imports of HD CPTs from Japan ranged from \$1,337 to \$4,772. For more information concerning price comparisons of products from the United States, Canada, Japan, Korea, and Singapore, see Part V, *Pricing and Related Data*, of this report.

U.S. MARKET PARTICIPANTS

U.S. Producers

During the original investigations, six firms produced CPTs in the United States. Since 1988, three of those firms have continued to produce CPTs, three producers have ceased production, and three additional firms began production of CPTs. Industry activity is presented in the following tabulation:

1986		1999	
Firm	Location	Firm	Location
(1) General Electric Co.	Syracuse, NY	GE ceased production in 1987 ¹	
(2) Philips ECG	Ottawa, OH	(1) Philips Display Components Co.	Ottawa, OH
(3) RCA Corp.	Marion, IN Scranton, PA	RCA acquired by Thomson in 1980s ²	
(4) Sony Corp. of America	San Diego, CA	(2) Sony Electronics	San Diego, CA Pittsburgh, PA
(5) Toshiba-Westinghouse Electronics Corp.	Horseheads, NY	(3) Toshiba Display Devices	Horseheads, NY
(6) Zenith Electronics Corp. ³	Melrose Park, IL	Zenith ceased production of CPTs in March 1999	
		(4) Matsushita Electronics ⁴	Troy, OH
		(5) Thomson Americas Tube Operations ²	Marion, IN Lancaster, PA
		(6) Hitachi Electronic Devices	Greenville, SC

¹ See, *Color Picture Tubes from Canada, Japan, Korea, and Singapore, Invs. No. 731-TA-367-370 (Final)*, USITC Pub. 2046, December 1987, p. A-19.

² Thomson acquired the CPT and CTV business of RCA/GE in the 1980s (*The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements, Color Picture Tubes*, USITC Pub. 2900, June 1995, p. 10-8).

³ Zenith's Melrose Park facility was purchased by LG Electronics and subsequently ceased production of CPTs in March 1999 (Zenith's SEC Form S-4/A, July 9, 1999, pp. 33-37).

⁴ Established U.S. operations in September 1989.

Source: Compiled from data submitted in response to Commission questionnaires.

Table I-3 presents information on U.S. producers' affiliations.

Table I-3			
CPTs: U.S. producers' parent and affiliated firms, 1998			
Firm	Parent	Affiliated firms	
		CPT producers	CTV producers
American Matsushita	Matsushita Electric Industrial Co., Ltd. -- Japan	(1) Matsushita Electronic -- Japan (2) Matsushita Electronic Components -- Malaysia (3) Matsushita Electronic Components -- Germany (4) Beijing-Matsushita Color CRT Co. -- China	(1) Matsushita Television & Network Co. -- USA (2) Matsushita Kotobuki Electronics Industries -- USA (3) Matsushita Television Network Systems -- Japan (4) Matsushita Television Co. -- Malaysia (5) Beijing-Matsushita Communications Equipment -- China (6) Matsushita Electric UK -- UK (7) Matsushita Industrial de Baja California -- Mexico
Hitachi ED	Hitachi, Ltd. -- Japan	(1) Shenzhen SEG Hitachi Color Display Devices (since 1991) -- China (2) JCT Electronics (since 1987) -- India	Hitachi Home Electronics America -- USA
Philips Display	Koninklijke Philips Electronics -- Netherlands	Affiliated firms in Brazil, China, France, Germany, Spain, and UK.	Affiliated firms in Asia, Europe, and South America
Sony Electronics	Sony Corp. -- Japan	(1) Sony Corp. (since 1960) -- Japan (2) Sony Singapore (since 1990) -- Singapore	(1) Sony Corp. -- Japan (2) Sony Mexico (2 sites) (3) Sony Malaysia (4) Sony UK
Thomson-ATO	Thomson Multimedia S.A. -- France	(1) Thomson Tube Components de Mexico (since 1969) -- Mexico (2) Thomson Displays Mexicana (2001) -- Mexico	(1) Thomson USA (2) Thomson affiliates in France, India, Poland, Spain, and Thailand
Toshiba DD	Toshiba Corp. -- Japan	(1) Toshiba Display Devices (since 1990) -- Thailand (2) PT Toshiba Display Devices (since 1996) -- Indonesia	(1) Toshiba America Consumer Products -- USA (2) Toshiba affiliates in China, Indonesia, Singapore, and UK.
Zenith ¹	LG Electronics -- Korea	None reported	Partes de Television de Reynosa -- Mexico
¹ Zenith ceased U.S. CPT production in March 1999.			
Source: Compiled from Commission questionnaires.			

U.S. Importers

During the original investigations, 12 firms which were CTV producers accounted for almost all imports of CPTs from the subject countries. Imports of CPTs from the subject countries accounted for 98 percent of total imports during 1986. During these sunset reviews, in addition to independent CTV producers, four CPT producers and their affiliated CTV firms reported imports of CPTs from the subject countries; such imports from the subject countries accounted for 11.5 percent of total CPT imports during 1998.

U.S. Purchasers

U.S. purchasers of CPTs consist of CTV manufacturers. Eight purchasers provided at least some of the requested information relating to CPTs during these sunset reviews. During 1998, five U.S. CTV producers³⁶ provided data with respect to CPT purchases of 3.4 million units, which accounted for approximately 70 percent of U.S. producers' U.S. open market shipments of CPTs during that year.

APPARENT U.S. CONSUMPTION AND U.S. MARKET SHARES

Table I-4 presents data on apparent U.S. consumption and market shares of CPTs for the period 1984-98. Tables I-5 and I-6 present such data for the period 1997-98 and the January-September periods of 1998 and 1999.

³⁶ The five producers are Matsushita Kotobuki, Mitsubishi DEA, Sanyo, Sharp, and Toshiba ACP.

Table I-4 CPTs: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, U.S. exports, total consumption, and market shares, 1984-98								
Year	U.S. producers' U.S. shipments ¹	Imports ²	Apparent U.S. consumption ³	Exports	Total consumption ⁴	Ratio of U.S. producers' shipments to U.S. consumption	Ratio of imports to U.S. consumption	Ratio of exports to total consumption
	Quantity (1,000 units)					Percent		
1984	11,975	793	12,768	347	13,115	93.8	6.2	2.6
1985	10,720	1,701	12,421	434	12,855	86.3	13.7	3.4
1986	11,212	2,322	13,534	463	13,997	82.8	17.2	3.3
1987	11,716	732	12,448	513	12,961	94.1	5.9	4.0
1988	12,153	208	12,361	1,564	13,925	98.3	1.7	11.2
1989	13,388	297	13,685	1,626	15,311	97.8	2.2	10.6
1990	12,115	362	12,477	2,192	14,669	97.1	2.9	14.9
1991	11,925	333	12,258	2,988	15,246	97.3	2.7	19.6
1992	13,243	396	13,639	3,491	17,130	97.1	2.9	20.4
1993	14,812	547	15,359	4,866	20,225	96.4	3.6	24.1
1994	15,520	886	16,406	6,276	22,682	94.6	5.4	27.7
1995	13,331	1,289	14,620	7,913	22,533	91.2	8.8	35.1
1996	10,819	1,001	11,819	11,076	22,895	91.5	8.5	48.4
1997	9,665	628	10,293	12,098	22,391	93.9	6.1	54.0
1998	8,433	573	9,006	11,740	20,746	93.6	6.4	56.6
	Value ⁵ (1,000 dollars)					Percent		
1984	942,011	56,289	998,300	32,378	1,030,678	94.4	5.6	3.1
1985	866,707	98,949	965,656	40,084	1,005,740	89.8	10.2	4.0
1986	948,696	126,196	1,074,892	44,881	1,119,773	88.3	11.7	4.0
1987	928,751	73,620	1,002,371	48,829	1,051,200	92.7	7.3	4.6
1988	832,165	63,903	886,850	127,323	1,014,173	93.8	6.2	12.6
1989	1,179,670	86,274	1,265,944	163,684	1,429,628	93.2	6.8	11.4
1990	1,037,411	86,178	1,123,589	243,050	1,366,639	92.3	7.7	17.8
1991	862,831	81,658	944,489	335,799	1,280,288	91.4	8.6	26.2
1992	939,958	78,712	1,018,670	378,811	1,397,481	92.3	7.7	27.1
1993	(e)	122,692	(e)	541,899	(e)	(e)	(e)	(e)
1994	(e)	176,799	(e)	708,094	(e)	(e)	(e)	(e)
1995	(e)	248,647	(e)	909,684	(e)	(e)	(e)	(e)
1996	(e)	187,789	(e)	1,350,007	(e)	(e)	(e)	(e)
1997	1,418,638	101,422	1,520,060	1,658,139	3,178,199	93.3	6.7	52.2
1998	1,339,756	33,364	1,373,119	1,722,305	3,095,424	97.6	2.4	55.6

Continued on next page.

Table I-4--Continued								
CPTs: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, U.S. exports, total consumption, and market shares, 1984-98								
Year	U.S. producers' U.S. shipments ¹	Imports ²	Apparent U.S. consumption ³	Exports	Total consumption ⁴	Ratio of U.S. producers' shipments to U.S. consumption	Ratio of imports to U.S. consumption	Ratio of exports to total consumption
	Unit value					Percent		
1984	\$78.66	\$71.01	\$78.19	\$93.31	\$78.59	100.6	90.8	118.7
1985	80.85	58.17	77.74	92.36	78.24	104.0	74.8	118.1
1986	84.61	54.36	79.42	96.94	80.00	106.5	68.4	121.2
1987	79.27	100.64	80.53	95.18	81.11	98.4	124.9	117.4
1988	68.47	307.08	72.49	81.41	73.49	94.5	366.4	111.8
1989	88.11	290.42	92.51	100.67	93.37	95.3	314.0	107.8
1990	85.63	238.27	90.06	110.88	93.17	95.1	264.4	119.0
1991	72.35	244.93	77.05	112.38	83.97	93.9	318.3	133.8
1992	70.98	198.95	74.69	108.51	81.58	95.0	266.1	133.0
1993	(e)	224.42	(e)	111.36	(e)	(e)	(e)	(e)
1994	(e)	199.47	(e)	112.83	(e)	(e)	(e)	(e)
1995	(e)	192.86	(e)	114.96	(e)	(e)	(e)	(e)
1996	(e)	187.69	(e)	121.89	(e)	(e)	(e)	(e)
1997	146.78	161.37	147.67	137.06	141.9	99.4	109.4	96.6
1998	158.87	58.25	152.47	146.70	149.2	104.2	38.2	98.3

¹ U.S. producers' shipments for the period 1993-98 are calculated from responses to Commission questionnaires adjusted by official export statistics. As a result, data shown above do not reconcile with U.S. shipments data presented in tables I-5 and I-6.

² Imports for 1997-98 reflect official Commerce statistics adjusted to exclude certain CPTs from Mexico that were *** (see U.S. Imports section of Part IV of this report).

³ Represents U.S. CTV producers' demand for CPTs and is based on U.S. CPT producers' domestic shipments and U.S. imports of CPTs.

⁴ U.S. consumers' demand for CPTs are based on: (1) apparent U.S. consumption of CPTs and (2) U.S. CPT producers' exports of CPTs, many of which are exported to Mexico and then imported back into the United States as CTVs to be purchased by U.S. consumers.

⁵ Value for U.S. shipments is net, f.o.b.; value for imports is landed, duty-paid; value for exports is FAS.

⁶ Not available.

Source: EIA, official Commerce statistics, and responses to Commission questionnaires.

Table I-5

CPTs: U.S. producers' U.S. shipments, U.S. imports, by sources, and apparent U.S. consumption, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (1,000 units)			
U.S. producers' U.S. shipments	9,553	9,627	7,192	7,071
U.S. imports from--				
Canada	1	(1)	(1)	(1)
Japan	31	14	11	6
Korea	26	22	18	44
Singapore	1	1	(1)	1
Subtotal, subject imports	59	36	30	52
All others	569	537	403	392
Total imports	628	573	431	443
Apparent U.S. consumption	10,181	10,200	7,625	7,515
	Value (1,000 dollars)²			
U.S. producers' U.S. shipments	1,571,153	1,529,808	1,106,131	1,204,776
U.S. imports from--				
Canada	121	63	63	5
Japan	19,240	4,447	3,651	1,684
Korea	1,336	1,357	1,141	2,612
Singapore	104	71	63	142
Subtotal, subject imports	20,801	5,938	4,918	4,442
All others	80,621	27,426	20,505	21,168
Total imports	101,422	33,364	25,424	25,610
Apparent U.S. consumption	1,672,575	1,563,171	1,131,554	1,230,387

¹ Less than 500 units.

² Value for U.S. shipments is net, f.o.b.; and value for imports is landed, duty-paid.

Note.—Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table I-6
CPTs: Apparent U.S. consumption and market shares, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (1,000 units)			
Apparent U.S. consumption	10,181	10,200	7,625	7,515
	Value (1,000 dollars)			
Apparent U.S. consumption	1,672,575	1,563,171	1,131,554	1,230,387
	Share of quantity (percent)			
U.S. producers' U.S. shipments	93.8	94.4	94.3	94.1
U.S. imports from-- Canada	(1)	(1)	(1)	(1)
Japan	0.3	0.1	0.2	0.1
Korea	0.3	0.2	0.2	0.6
Singapore	(1)	(1)	(1)	(1)
Subtotal, subject imports	0.6	0.4	0.4	0.7
All others	5.6	5.3	5.3	5.2
Total imports	6.2	5.6	5.7	5.9
	Share of value (percent)			
U.S. producers' U.S. shipments	93.9	97.9	97.8	97.9
U.S. imports from-- Canada	(1)	(1)	(1)	(1)
Japan	1.2	0.3	0.3	0.1
Korea	0.1	0.1	0.1	0.2
Singapore	(1)	(1)	(1)	(1)
Subtotal, subject imports	1.2	0.4	0.4	0.4
All others	4.8	1.8	1.8	1.7
Total imports	6.1	2.1	2.2	2.1

¹ Less than 0.05 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

CHARACTERISTICS OF THE U.S. AND GLOBAL INDUSTRIES

U.S. and world demand and supply of CPTs have been highly competitive during 1990-99, with localized CPT production plants on the rise at the expense of long-distance export supplies in order to minimize costs, including freight costs, and to respond to increased adoption of more stringent just-in-time inventory management of CTV producers. In the United States, Hitachi, Matsushita, Mitsubishi, Orion, Sanyo, Sony, and Toshiba constructed CPT and/or CTV production facilities. Outside of the United States, these Japanese and Korean-based firms also constructed CPT and/or CTV plants in Brazil, China, France, Germany, India, Indonesia, Malaysia, and Viet Nam to serve the local and surrounding country markets.¹ Prior to and after the start of NAFTA on January 1, 1994, some U.S. CPT and CTV production capacity, as well as that of some traditional U.S. foreign suppliers in Canada, Japan, Korea, and Singapore, relocated to Mexico to take advantage of low labor rates and, in the case of the foreign-based suppliers, to obtain lower freight costs and, under NAFTA, to eliminate U.S. import duties. The shift in the composition of CPT demand in the United States toward larger screen sizes of 30 inches or greater over the 1990-99 period led to significantly higher freight costs and possibly greater risk of damage when transporting from an overseas supplier.²

Large discount retail chains reportedly now dominate the final sales of CTVs in the United States. The buying power of these large firms, as well as reportedly fierce competition among these firms, has put downward pressure on wholesale and retail prices of CTVs in the U.S. market. This price pressure on the final product has, in turn, put downward price pressure on upstream suppliers of the CTV components, including CPT suppliers.³

The technology to produce CPTs, which is similar in most of the producing countries, has been changing slowly since 1990 and is expected to continue to change in the foreseeable future. Introduction of the automatic carriage system to move the work in process was due primarily to production of the larger and, thus heavier, screen sizes. New production processes were developed to produce masks and panels for flat screens (without any curvature). Other changes have been made to the CPT production

¹ Most of these firms indicated in their foreign producer questionnaire responses that ***.

² Transportation costs across long distances are a disadvantage to Japanese producers shipping the large CPTs to the United States, particularly when competing with localized production, and this disadvantage would remain even with revocation of the orders. The cost of ocean freight, brokerage and handling, the NTR 15 percent import tariff, and U.S.-inland freight from the U.S. port of entry to the customer reportedly make an import supply strategy for CPTs uneconomic in many cases; these costs are avoided through localized production (Japanese producers' posthearing brief, exhibit B, p. 5). Countries still export CPTs despite the transportation costs, but increasingly such exports involve sizes and types of CPTs that are not produced at all or in sufficient volume in the regions to which they are shipped. Thomson exports its very high-end, large, 4:3 CPTs to China from its Marion, IN, plant (TR, p. 73); these CPTs are reportedly not produced in large volumes in China. In addition, Toshiba AEC indicated that freight costs from the United States to China are lower than those from Japan to the United States because containers going back to Asia are typically empty (TR, pp. 223-224).

³ The U.S. CPT producers reported in their questionnaire responses that they are frequently unable to pass on their cost increases due to this fierce price competition in selling CTVs; in the face of cost pressure, domestic CPT producers try to find additional efficiencies in their production process and/or absorb the added expenses. On the other hand, one domestic CPT producer, ***.

process to reduce costs and improve yields. Changes will continue as flat-screen and wide-screen (high-definition) CPT production becomes more widespread.^{4 5}

The CPT is technically complex and produced to exacting specifications that differ among purchasing CTV producers. Quality assurance and quality control in the highly competitive CTV industry favor local CPT production facilities, which are able to react more quickly to CPT quality problems than overseas facilities.⁶ As discussed more fully later in Part II, U.S. CTV producers ranked quality as the top purchase factor that they consider when deciding from whom to source their CPTs.

The principal material inputs used to produce CPTs are glass and steel products and electronic components, which are available in most of the producing countries. Glass production capacity has been insufficient at times, particularly in the U.S. market, and is a recurring cost factor in annual price negotiations between suppliers and purchasers of CPTs.⁷ Four U.S. firms produce glass for CPTs and expansion or construction of a glass factory is expensive, reportedly costing more than \$100 million and taking more than 1 year to build.⁸ As a result, U.S. CPT producers sometimes import glass during short-term domestic glass shortages, if foreign supplies are available. Although increasing automation has helped restrain costs, increasing production of large screen CPTs and new product technology, such as flat-screen CPTs and wide-screen CPTs have acted to raise costs, sometimes substantially. Research and development is continuing on these and other products, such as plasma and liquid crystal displays for flat panel CTVs, to lower production costs and, in the case of the latter products, to improve picture quality.

U.S. CTV producers reportedly were willing in the past to keep four to six weeks supply of CPTs but currently demand delivery of CPTs only a day or two prior to use in making CTVs. Such demanding just-in-time inventory management likely favors regional sourcing.⁹ As discussed more fully later in Part II, CTV producers ranked supplier capacity/availability as the third-highest rated purchase factor that they consider when deciding from whom to source their CPTs.

Demand for CPTs is derived almost entirely from demand for CTVs, and CPTs account for at least 30 percent and sometimes more than 50 percent of the total cost to produce the CTV, depending on

⁴ High definition in Part II refers to the Consumer Electronics Manufacturers Association (CEMA) definition, unless otherwise specified: the CPT must be capable of displaying an image resolution of up to at least 720p (progressive) and 1080i (interlaced), with 1,280 or 1,920 pixels per line; the remaining components of the CTV must (1) be able to produce a 16:9 wide-screen image, even on a standard 4:3 screen, (2) receive and decode all ATSC transmissions, and (3) decode and output a Dolby digital audio signal. A display of 1,080 lines of vertical resolution and 1,920 pixels per line (2,073,600 pixels per frame) represents the highest of the U.S. high-definition formats.

⁵ In the U.S. market, the wide-screen (16:9 aspect ratio) CPTs typically, if not exclusively, have high-definition display capability. In Part II, reference to wide screen CPTs includes high-definition capability, unless otherwise noted. The aspect ratio refers to the width and height of the viewing screen. A 16:9 aspect ratio indicates a CPT that has a viewable width of 16 units for every 9 units of viewable height. This viewing format is the normal range for human eyes and approximates the typical viewing format used on screens in movie theaters.

⁶ TR, p. 166.

⁷ ***. Current reports indicate that a glass shortage of 200,000 pounds worldwide may exist, owing in large part to increased production of wide-screen and very large screen (32-36 inches) CPTs. The shortfall is reportedly leading Corning and Technoglas to consider abandoning U.S. production of 19-inch and 20-inch CPT panels (*Television Digest*, March 6, 2000, pp. 11-12).

⁸ ***.

⁹ TR, pp. 165-166.

the size and features of the CPT.¹⁰ As a result, substantial changes in CTV production volume result in similar changes in the volume of CPT demand and supply. Close substitutes for CPTs and CTVs do not exist currently, but future improvements and cost reductions in projection televisions and flat panel displays could someday lead these products to substitute readily for direct-view CTVs.¹¹

Demand for CTVs in the United States has generally declined on a quantity and value basis during the last few years as the composition of demand has shifted to the larger, more expensive CTVs. This pattern likely reflects demand in a maturing-product industry, where the slow-down in demand for established products outstrips increased demand for new products.¹² Over the long run, U.S. CTV demand (both on a quantity and value basis) is expected to increase due to the overall growth of the economy, the increasing number of households, continuing consumer interest in the larger screen sizes, and the emerging CPT innovations, such as flat screens and wide screens (high-definition) that enhance picture quality. These improvements lead to more expensive CPTs than the counterpart-sized conventional CPTs. As a result, future demand for the larger screen sizes and the newer products are strongly dependent on a growing economy, such that a downturn in the U.S. economy could significantly reduce expected future demand for CTVs and, hence, CPTs. U.S. GDP is expected to grow in real terms by 3.8 percent in 2000 and 3.0 percent in 2001; these rates compare with real GDP growth of 4.0 percent in 1999, 4.3 percent in 1998, and 4.5 percent in 1997.¹³

BUSINESS/MARKET CYCLES

As noted previously, CPTs are used almost exclusively in the production of CTVs; over the long run, such production generally moves with changes in the overall U.S. economy and with growth in the number of households. Since 1994, significant shifts of CTV production to Mexico from the United States and other countries have reportedly occurred importantly as a result of NAFTA.¹⁴ This latter effect on domestic CTV production is offset somewhat by increased U.S. production of CTVs with the larger screen sizes. U.S. CPT producers have increased significantly their exports of CPTs, principally to Mexico, thereby offsetting reduced domestic CPT demand resulting from U.S. CTV production that moved to Mexico. Supply and demand of CPTs also tend to be influenced somewhat by seasonal factors, as production increases during September-December to meet increased CTV sales during the Christmas season.

¹⁰ Based on purchaser questionnaire responses of U.S. CTV producers.

¹¹ Direct-view CTVs contain CPTs subject to these reviews.

¹² Total demand in a mature-product industry increases slowly or declines, although it may fluctuate from period to period as it follows one of these trends.

¹³ *Blue Chip Economic Indicators*, Vol. 25, No. 2, February 10, 2000, pp. 2-3.

¹⁴ U.S. producers have shifted production of mainly the smaller screen-size CTVs (under 19 inches) to Mexico and still produce the bulk of the larger sizes in the United States. Some CPT production has also been moved to Mexico. Under NAFTA, CTVs produced in Mexico using CPTs produced in a NAFTA country can be exported to the United States without paying the 15 percent U.S. import duty on the CPT and the 5 percent import duty on the CTV. In addition, low labor rates in Mexico compared to those in the United States, Japan, and Korea likely conveyed significant cost savings compared to production in the latter three countries; lower productivity in Mexico compared to productivity in the latter three countries would partially reduce the low wage-rate advantage in Mexico. Wage rates of production workers in manufacturing averaged \$18.56 per hour in the United States during 1998, \$18.05 per hour in Japan, \$5.03 per hour in Korea, and \$1.83 per hour in Mexico (U.S. Department of Labor, Bureau of Labor Statistics, Foreign Labor Statistics, and reported in the Korean Manufacturers' prehearing brief, exhibit 7, p. 1). In addition, transportation cost savings were realized vis-a-vis exports from Japan and Korea.

MARKET SEGMENTS/CHANNELS OF DISTRIBUTION

In the domestic market, U.S. CPT producers sell directly to affiliated and non-affiliated U.S. CTV producers; during January 1997-September 1999, about 49 percent of their domestic CPT sales were shipped to affiliated firms and about 51 percent were shipped to non-affiliated firms.¹⁵ However, domestic shipments accounted only for about 47 percent of domestic CPT producers' total shipments during this period; the remaining 53 percent were exported, primarily to CTV producers in Mexico. Most of the resulting Mexican-produced CTVs were reportedly then exported to the United States. This importance of U.S. CPT export shipments has been increasing over the last several years, with recent increases in exports significantly the result of NAFTA, which encouraged additional CTV production in Mexico.¹⁶ On the other hand, U.S. imported CPTs are almost always used internally by the importing firms, which are generally U.S. producers of CTVs.

U.S. CPT producers generally produce only a few screen sizes in any one facility and only a couple of screen sizes on any single production line. The larger CPTs (screen sizes of 30 inches or more) require more automation than smaller sizes due to their much greater weight. U.S. CPT production is principally concentrated in the 19/20-inch, 25/27-inch, 30/32-inch, and 35/36-inch screen sizes.¹⁷ Although not produced in the United States, a limited number of 40-inch CPTs have been exported to the U.S. market from Japan. CPTs are also segmented by flat screen versus curved screen, and by wide screen (16:9 aspect ratio) versus conventional screen (4:3 aspect ratio).¹⁸ CPTs are used in two broad categories of CTVs, portable/table-top CTVs and the more expensive console CTVs.¹⁹ The portable/table-top CTVs include all screen sizes of CPTs, whereas the consoles use primarily 27-inch

¹⁵ U.S. CPT producers' captive shipments, until recently, accounted for the majority of their total domestic shipments, but this share has been falling as more of their domestic affiliated CTV production has been shifting to Mexico. Captive domestic shipments of U.S. CPT producers as a share of their total domestic shipments fell from 52.5 percent in 1997 to 48.6 percent in 1998, and continued to fall to 43.6 percent during January-September 1999 compared to the 49.3 percent level during the interim 1998 period.

¹⁶ Several questionnaire responses from producers, importers, purchasers, and foreign producers, including those from Matsushita, Mitsubishi, Orion, and Toshiba, report that NAFTA provided important additional cost incentives for shifting CPT and CTV production to NAFTA countries, particularly to Mexico.

¹⁷ CPTs under 19 inches are no longer produced in the United States and are imported. Such CPT screen sizes are concentrated in two categories, the 13/14-inch sizes and the 9/12-inch sizes.

¹⁸ The 16:9 CPT in the U.S. market is generally capable of properly displaying standard-definition and high-definition formats, whereas the 4:3 CPTs in the U.S. market typically display only standard-definition formats. Direct-view 16:9 CTVs and some direct-view 4:3 CTVs are equipped with receivers (either attached or internal) to receive and process digital as well as analog TV signals; digital signals carry both the standard and high-definition formats, while the analog signal carries only the standard-definition format. A standard-definition format on a 16:9 CPT displays the image in the middle of the screen and leaves blank areas on the right and left (some wide-screen CPTs allow the standard-definition format to fill the entire screen); a high-definition format on a 4:3 CPT displays the 16:9 image but leaves blank areas at the top and bottom. On the other hand, set-top converters receive a digital signal and convert it to an analog signal and thereby enable analog-only CTVs to receive the digital signal. Converters are currently designed to receive only airwave and/or satellite broadcasts; Panasonic offers a direct-view CTV converter for airwave signals for a retail price of \$1,500 (Circuit City, Beltsville, MD, March 6, 2000).

¹⁹ Console CTVs encase the CTV in a cabinet, typically wood or wood-grain like, and impart a furniture look to the CTV.

through 36-inch screen-size CPTs.²⁰ CTVs are further segmented by the capability of the receiver component to process a digital and analog signal, or just the analog signal, and to properly display each type of signal;²¹ the former are considered high-definition CTVs and the latter are standard-definition (conventional) CTVs.

SUPPLY AND DEMAND CONSIDERATIONS

Although the supply of CPTs is subject to significant fixed cost conditions, glass, as the single most important material input, accounts for at least one-third of the total cost to produce CPTs.²² Glass production capacity is often a constraint on expansion of CPT production and a deterrent to expanding production capacity. In fact, CPT producers are usually located close to their glass supplies. CPTs in turn account for 30 percent to more than 50 percent of the total cost to produce CTVs. Demand for CPTs is derived almost exclusively from demand for CTVs, and CPTs have no close substitutes. As a result, demand characteristics of CTVs significantly influence demand characteristics of CPTs. This latter relationship results in competition among CPTs of the same screen dimensions and signal capability, even though, like the Sony Trinitron CPT, their components may be very different from each other.

U.S. Supply

Based on the available information, U.S. producers of CPTs have a limited ability to change their supply quantities in response to changes in demand for CPTs. U.S. producers have some unused capacity, but do not appear to be able to switch production easily among some of the different screen sizes of CPTs.²³ In addition, U.S. producers reported that they were unable to shift easily between production of CPTs and other products, such as CDTs. U.S. producers have not produced commercial quantities of wide-screen (high-definition) CPTs, although *** asserted in its producer's questionnaire response that ***.²⁴ *** indicated in its producer's questionnaire response that ***. Both American Matsushita and Toshiba DD reported that ***.²⁵

All seven of the U.S. firms that produced CPTs during at least some portion of January 1997-September 1999²⁶ supplied their affiliated U.S. CTV production facilities and, except for one CPT

²⁰ Portable/table-top CTVs accounted for 99.0 percent of the total U.S. quantity of direct-view CTVs sold in the United States during 1998.

²¹ Receivers for the analog signal are usually built into the CTV, whereas receivers for the digital signal may be attached separately.

²² ***.

²³ The ability to shift production among different screen sizes of CPTs would enhance the ability of U.S. producers to adjust their supply quantities to changes in demand levels that are also accompanied by changes in the composition of products demanded.

²⁴ Thomson's HD CPTs have a 16:9 aspect ratio. The firm intends to use its U.S.-produced HD CPTs to produce HD CTVs in Mexico and likely sell these sets primarily in the United States. The firm also intends to sell some of the HD CPTs to its unaffiliated U.S. CTV customers (TR, pp. 140-141, and March 8, 2000, submission of Collier, Shannon).

²⁵ February 24, 2000 responses to Commissioners' requests for additional information.

²⁶ Currently, only six U.S. firms produce CPTs; Zenith closed its U.S. CPT and CTV production facilities during 1998-99.

producer, also sold their CPTs to nonaffiliated U.S. CTV producers.²⁷ The one exception, Sony Electronics, produced CPTs only for its affiliated CTV producer. The technically complex nature of CPTs and fierce price competition at both the CPT and CTV levels likely explain the vertical integration of the majority of U.S. CTV producers, which allows close monitoring of quality, tight cost control, and assurance of timely delivery necessary to remain competitive in this industry.

Two of the U.S. CPT producers imported CPTs during January 1997-September 1999. In addition, U.S. CTV producers also imported CPTs during this period. U.S. CPT imports were generally of sizes and types not produced by the importing firm or its U.S. affiliate and included small screen sizes (less than 19 inches), the 40-inch screen size, and HD CPTs; these latter two types of CPTs were principally imported from Japan.²⁸

Domestic Production²⁹

Industry capacity

Average U.S. production capacity for CPTs fell during 1997-98 and the January-September interim periods of 1998 and 1999. CPT production also fell during these periods, such that capacity utilization fell from 89.5 percent in 1997 to 86.8 percent in 1998, but during January-September 1999, capacity utilization was 85.7 percent, up from 81.8 percent during the 1998 interim period.³⁰ ***.³¹ U.S. CPT producers' unused production capacity would contribute somewhat to the short run supply flexibility.

U.S. CPT producers reported in their questionnaire responses the minimally acceptable levels of production at which they would need to operate in the short run and in the long run. In the short run, minimum operating levels ranged from *** percent of full capacity for *** to *** percent for ***. At the *** percent level, plants are operating ***. In the long run, minimum operating levels ranged from ***. *** reported minimum operating levels of *** percent of full capacity in the long run, while *** reported *** percent. At plant capacity utilization rates less than those that are minimally acceptable, CPT producers would first shut down individual production lines and, if the low production rates

²⁷ There are believed to be four additional CTV producers in the United States that do not have domestic CPT facilities and buy domestically and/or import CPTs to supply their CTV production. These four U.S. CTV producers are Five Rivers Electronic Innovations, LLC, in Greenville, TN; Orion America, Inc., in Princeton, IN; Sanyo Manufacturing Co., in Forrest City, AR; and Sharp Manufacturing Company of America, in Memphis, TN.

²⁸ U.S. import statistics also show imports of HD CPTs from Canada, Korea, and nonsubject countries during January 1997-September 1999. Canada exported only 5 HD CPTs to the United States during this period, all during 1997; these CPTs had a reported average unit value of almost \$1,525. Reported imports of HD CPTs from Korea were also only in 1997, but imports of HD CPTs from all other countries occurred throughout the period. The reported imports of HD CPTs from Korea and all other countries, however, may not be properly classified. Reported unit values (c.i.f., duty-paid basis) of these imports were generally less than \$125, which was substantially below the average unit value of almost \$2,100 for the Japanese HD CPTs during January 1997-September 1999 and also below the unit value for the imported Canadian HD CPTs.

²⁹ Data on U.S. production capacity, production, capacity utilization, inventories, and exports of CPTs are shown in detail in Part III.

³⁰ Because of the production increase during September-December each year, capacity utilization rates during January-September would be expected, under otherwise stable demand and capacity conditions, to be lower than capacity utilization during the final quarter of the year and to be lower than the yearly average.

³¹ ***.

continued, would then shut down the plant. The most recent data suggest that U.S. CPT producers are producing at or above their minimum long-run capacity utilization rates.

The need to operate plants at relatively high levels of capacity utilization is likely due to significant fixed costs. Although the share of fixed costs to total costs reportedly ranges from about 30 percent to 37 percent, the initial investments in the plants can range from \$70 to \$300 million, depending on the annual production capacity and composition of CPT screen sizes.³²

Expansion of CPT production capacity is expensive and in many cases would take more than one year to complete and, therefore, does not contribute significantly to U.S. short run supply flexibility. U.S. CPT producers reported in their questionnaire responses the cost and time required to construct new CPT facilities, to restart a closed CPT plant, and to add CPT capacity to a currently operating plant. A new CPT plant would cost \$70-\$332 million and take up to 2 years to build, depending on the annual capacity and the composition of screen sizes. The cost estimate at the lower end was for a plant with an annual capacity of *** CPTs, and the cost estimate at the upper end was for a plant with an annual capacity of *** million units comprised of two lines producing 27-inch to 32-inch screen sizes, 330 days per year, and each line producing *** units each 24-hour period. To restart a closed CPT plant would cost \$20-\$150 million and take up to 12 months to complete, depending on the condition of the plant and equipment. No annual production volumes were reported for the cost estimate at the lower end. The cost estimate at the upper end was for restarting a plant with annual capacity of *** CPTs with screen sizes of 28 inches and larger.³³ To increase production capacity by adding on to current CPT facilities would cost \$70-\$160 million and take 6 months to more than 2 years to construct, depending on the amount of additional volume and composition of screen sizes for the new capacity. The cost estimate at the lower end was for an additional *** units of annual capacity. No annual production volume was reported for the cost estimate at the upper end.

Inventory levels

U.S. CPT producers' inventories are not a significant source of additional CPT supply because the firms produce almost exclusively to supply annual sales agreements. As a result, U.S. CPT producers' inventories do not contribute significantly to short-run supply flexibility.

Export markets

Exports of U.S. CPT producers accounted for almost 53 percent of their total shipments of CPTs during January 1997-September 1999. About 82 percent of CPT producers' exports were shipped to Mexico during this period. U.S. CPT producers steadily increased their exports during 1984-97, but it was not until 1996 when the annual quantity of their exports actually surpassed the annual quantity of domestic shipments. The creation of NAFTA on January 1, 1994, reportedly led to the increase in CPT exports to Mexico, as a number of U.S. and foreign CTV producers relocated to Mexico to produce primarily for the U.S. market and take advantage of zero tariffs, low wages, and, for the non-U.S.-based producers, lower transportation costs. In 1998, however, U.S. export shipments to Mexico and in total fell off somewhat, which is likely due in part to the recent startups of the Samsung and Daewoo CPT plants in Mexico. This decreasing export trend may continue in the future as Thomson has indicated in a company press release that it plans to operate a CPT plant in Mexico by 2001. The ability to shift sales

³² Information regarding the fixed costs and construction costs were reported by CPT producers in their questionnaire responses.

³³ ***

of CPTs among country markets is reportedly constrained in the short run due to a typical 3-6 month certification period for established products and a 15-18 month development cycle for new CTVs and suppliers prior to production, which is the time needed for the CPT producers to complete all the engineering and production alterations required for specific products and then to become certified by the CTV producer.³⁴ In addition, CPT production is much more widespread today compared to 1988, such that many areas of the world are sufficient in CPT production capacity,³⁵ with the exception of small (screen sizes under 19 inches) and very large (40-inch screen size) CPTs. South America still remains a feasible market for exports of CPTs because of a limited number of local production facilities, but Asia has become much less so because of the increased number of local production facilities in the last 10 years.³⁶ The ability to shift sales among country markets within one year appears limited and does not contribute significantly to U.S. short run supply flexibility.

Imports³⁷

Total annual U.S. imports of CPTs fell by 8.9 percent in 1998 from the level in 1997, but rose by 2.3 percent in January-September 1999 from the level in the interim 1998 period. Total U.S. CPT imports of 1.6 million units accounted for about 5.9 percent of apparent U.S. consumption of CPTs during January 1997-September 1999, based on U.S. CPT producers' domestic shipments and U.S. CPT imports.³⁸ Based on total U.S. consumption of CPTs of 43.1 million units during 1997-98, total imported CPTs of 1.2 million units accounted for 2.8 percent.³⁹ Malaysia was by far the largest exporter of CPTs to the U.S. market, accounting for 1.1 million units, or about 64.2 percent of total U.S. CPT imports during January 1997-September 1999. Mexico accounted for 197,307 units, or about 12.0 percent of total U.S. CPT imports during this period, and, together with Malaysia, accounted for more than three-fourths of total U.S. CPT imports during this period.

Total U.S. imports of CPTs from the subject countries during January 1997-September 1999 of 147,194 units accounted for 8.9 percent of total U.S. CPT imports during this period.⁴⁰ Korea accounted for 5.5 percentage points and Japan for 3.3 percentage points of the total 8.9 percent. Based on total U.S. consumption of CPTs during 1997-98, imports of CPTs from the subject countries accounted for 0.3 percent.

³⁴ Unstable exchange rates, high transportation costs, longer lead times, and less sales support are major impediments to shifting sales of CPTs to other country markets when there is sufficient local production (producer questionnaire responses of ***).

³⁵ Producer questionnaire responses of ***.

³⁶ *** producer questionnaire response.

³⁷ The data on U.S. CPT imports are shown in detail in tables IV-1 and IV-2 and briefly discussed here. Data on foreign-country production, capacity, capacity utilization, and shipments of CPTs are shown in detail in Part IV of the report and are discussed here.

³⁸ About 1.2 million units of the total imported CPTs, or 76.2 percent, were screen sizes under 19 inches; these small CPTs are no longer produced in the United States. On a c.i.f., duty-paid value basis, 37.8 percent of total U.S. CPT imports during this period were the small-screen CPTs.

³⁹ Based on the data in table I-4, total U.S. consumption of CPTs refers to both U.S. CTV producer demand for CPTs and U.S. consumer demand for imported CTVs using U.S.-produced CPTs.

⁴⁰ About 71.0 percent, or 104,181 units, of the total imported subject CPTs during this period were screen sizes under 19 inches, which are no longer produced in the United States. On a c.i.f., duty-paid value basis, 26.7 percent of total subject U.S. CPT imports during this period were the small-screen CPTs.

Foreign producer questionnaire responses provided CPT production and shipment data and detailed written responses to many of the questions for CPT producers in Japan and Korea, but little information was received regarding CPT production in Canada and Singapore. CPTs reportedly are no longer produced in Canada, and Sony is believed to be the only CPT producer in Singapore. The reported information suggests that foreign producers in Japan and Korea have at least some ability in the short run to supply CPTs to the U.S. market in response to changes in demand for CPTs. This is based on some unused capacity in these countries to produce CPTs, including small screen size (under 19 inches) CPTs, very large screen size (30 inches and above) CPTs, wide-screen standard-definition CPTs, flat-screen CPTs, and, for Japan, high-definition CPTs. Currently, there is no U.S. production of the small screen sizes and only limited production of these other products. Canada has no ability to supply the U.S. market with CPTs in the short run and Singapore, where Sony is the only CPT producer, may have some ability to supply the U.S. market, but Sony's U.S. CPT production likely reduces the incentive to export CPTs to the United States.⁴¹ Japan, Korea, and Singapore are additionally constrained in supplying CPTs to the U.S. market due to cost advantages of U.S. and/or Mexican CPT production facilities owned by the subject foreign firms.

Canada

CPTs are no longer produced in Canada. The last CPT producer in that country, Mitsubishi Canada, shut down in December 1996. The firm scrapped some of the equipment and sold the rest of it to ***.

Japan

Currently, the following three firms produce CPTs in Japan: Matsushita, Sony, and Toshiba. Sony did not report any information on its Japanese operations and indicated that it does not have much interest in the antidumping measure because it produces CPTs in the United States. Hitachi last produced CPTs in Japan in 1998 and has since ***. Matsushita and Toshiba are the only responding Japanese firms reporting production of HD CPTs in Japan. Mitsubishi reported producing ***.⁴² The three reporting Japanese CPT producers—Matsushita, Mitsubishi, and Toshiba--indicated that ***. ***,⁴³ ***, ***, Matsushita estimates that today it would cost ***.⁴⁴ All three reporting Japanese CPT producers indicated that revocation of the antidumping orders on CPTs would not affect their Japanese CPT operations, including their exports to the United States. Both Matsushita and Toshiba indicated that their U.S. CPT production facilities ***. Of the total U.S. CPT imports from Japan during January 1997-September 1999, 35.8 percent on a quantity basis and 15.5 percent on a value basis were CPTs under 19 inches in screen size.⁴⁵ The share of small screen sizes of imported Japanese CPTs increased steadily

⁴¹ In addition, Sony's Trinitron CPT can be used only to produce the Sony CTVs, thereby further limiting U.S. demand for this CPT. It is not known, however, the extent to which Sony's Singapore plant can produce CPTs in sizes that cannot be made in Sony's U.S. facilities.

⁴² Mitsubishi is believed to be ***.

⁴³ ***.

⁴⁴ This is about *** based on 110.95 yen per dollar, the exchange rate on February 24, 2000 reported by the New York Federal Reserve Bank.

⁴⁵ In addition, U.S. imports of HD CPTs from Japan accounted for 0.2 percent by quantity and 0.8 percent by value of total U.S. CPT imports from Japan during this period. The quantity and value shares of HD CPTs in total

(continued...)

during this period, such that during January-September 1999 the small-screen ratio was 82.3 percent by quantity and 60.5 percent by value.

Industry capacity.—Combined CPT production capacity of the three responding Japanese producers fell as did CPT production such that capacity utilization fell from *** percent in 1997 to *** percent in 1998, and then to *** percent in January-September 1999 compared to *** percent during the interim 1998 period. Capacity utilization is projected to rise to *** percent in 2000.

The reporting Japanese producers had an average annual capacity to produce almost *** 4:3, direct-view CPTs in 1999, but at least *** percent of this capacity was for CPTs with screen sizes ***. In addition, the reporting Japanese producers had annual capacity to produce *** 16:9 direct-view CPTs and at least *** percent of this capacity was for CPTs with screen sizes of ***.

Excess capacity utilization levels suggest only a modest ability of Japanese producers to increase exports to the United States in response to an increase in demand. This ability may be constrained by the advantages that NAFTA has given to CPT production facilities located in NAFTA countries; the three currently operating Japanese CPT producers have CPT production facilities in the United States.

The decline in CPT production capacity in Japan occurred as the Japanese producers constructed CPT facilities in other countries, thereby reducing their need for such large capacity at home. Currently in Japan, CPT screen sizes less than 28 inches are largely imported,⁴⁶ while CPTs 28 inches and larger are generally produced domestically.⁴⁷ Japanese CTV demand, which averaged about 11.0 million units annually during 1994-98,⁴⁸ has been relatively stable during this period. *** reports that Japanese CTV demand is forecasted to remain essentially unchanged in total volume during 1997-2003, while that in the United States is expected to increase 4 percent annually.⁴⁹

*** reported separate capacity and production figures for their production of HD CPTs during January 1997-September 1999 and estimates for 1999 and projections for 2000.⁵⁰ The firms' combined HD capacity generally fell as did the HD CPT production, such that capacity utilization fell from *** percent in 1997 to *** percent in 1998, and then fell to *** percent in January-September 1999 compared to *** percent during the interim 1998 period. Capacity utilization for HD CPTs is projected to rise to *** percent in 2000. ***.⁵¹ Excess capacity utilization levels suggest a limited ability of

⁴⁵ (...continued)

U.S. CPT imports from Japan fluctuated during January 1997-September 1999, but ended in January-September 1999 at the average levels for the full period.

⁴⁶ Korea is reportedly an important import source for the smaller CPTs.

⁴⁷ Reported by ***.

⁴⁸ This compares with direct-view CTV demand in the United States that averaged about 22.2 million units annually during 1994-98.

⁴⁹ These forecasts are based on results of a 1997 study prepared by Stanford Resources, Inc. and reported by ***.

⁵⁰ As noted earlier in Part II and later in Part IV, Japanese CPT producers use different technical specifications for high-definition in Japan than that used in the United States. As a result, the Japanese HD CPTs may not be directly comparable to the U.S.-produced HD CPTs.

⁵¹ This information was reported in response to a separate staff request for more detailed information regarding Japanese HD CPT production and exports.

Japanese producers to increase exports of HD CPTs to the United States in response to an increase in demand.⁵²

Inventory levels.—Combined CPT inventories in Japan of the three reporting producers as a share of their total CPT shipments rose from 10.1 percent in 1997 to *** percent in 1998, but fell to *** percent during January-September 1999 compared to *** percent during the interim period in 1998. The combined CPT inventory ratio is projected to be *** percent in 2000. Inventories of the HD CPTs were about *** percent of total shipments during 1997-98 and were *** percent of total shipments during January-March 1999, or about equal to this ratio during the 1998 interim period. The HD CPT inventory ratio is projected to be almost *** percent in 2000. Inventory levels suggest a modest ability to expand the CPT supply to the United States in response to an increase in demand. This ability may be constrained by reports of the Japanese producers that CPTs made for various customers are generally not interchangeable, standard definition CPTs are not interchangeable for HD CPTs, and wide-screen CPTs are not interchangeable with conventional-screen CPTs.

Export markets.—The U.S. market accounted for only *** percent of total Japanese shipments of CPTs in 1997, less than *** percent during 1998, and is forecasted to be *** in 2000. Exports of CPTs to third-country markets as a share of total shipments ranged from *** percent during 1998 to *** percent during January-September 1999 and are forecasted to be *** percent in 2000.⁵³ There have been no exports of Japanese CPTs to Mexico during this period and none are expected in 2000. Home-market shipments, particularly internal consumption/transfers, have accounted for the bulk of Japanese CPT shipments throughout the period, although the importance of these transfers is expected to decline in 2000 as exports to third-country markets are expected to increase. The reported exports of CPTs to third-country markets suggest a significant ability to expand the CPT supply to the United States in response to an increase in demand. This ability may be constrained, however, for the reasons cited above in the discussions of capacity and inventories.

Korea

Currently, three firms produce CPTs in Korea and all three export to the United States—LG Electronics, Inc., Orion Electric Co. Ltd., and Samsung Display Devices Co., Ltd. All three firms responded to the foreign producer questionnaire and indicated that they were not able to switch production easily between CPTs and other products, such as CDTs. LG Electronics indicated that substantial additions and changes to equipment would be necessary to change production lines from CPTs to CDTs. The firm indicated that the changeover would cost about *** won and take *** to complete.⁵⁴ Orion indicated that the changeover to CDTs would cost about ***. Orion switched from producing ***, due to increased demand and higher profit margins on these latter products compared to the CPTs. All three reporting Korean CPT producers indicated that revocation of the antidumping orders on CPTs would not affect their Korean CPT operations, including their exports to the United States. The

⁵² ***.

⁵³ Principal third-country export markets for the Japanese CPT producers are Australia, China, Malaysia, and the United Kingdom. Japan's exports of CPTs to China increased from 113,844 units in 1997 to 613,075 units in 1999, or by over 400 percent. These Japanese exports were flat and curved 4:3 CPTs ranging in screen size from 27 inches to 36 inches (Japanese producers' posthearing brief, exhibit B, p. 4).

⁵⁴ This is about *** based on 1,144.00 won per dollar, the exchange rate on February 24, 2000 reported by the New York Federal Reserve Bank.

Korean producers have indicated that their Mexican CPT production facilities have significant cost advantages over their Korean facilities.⁵⁵ None of the reporting Korean producers have production capacity for the HD CPTs, but ***. Of the total U.S. CPT imports from Korea during January 1997-September 1999, 79.9 percent on a quantity basis and 76.8 percent on a value basis were CPTs under 19 inches in screen size. The share of small screen sizes of imported Korean CPTs fluctuated during this period; during January-September 1999 the small-screen ratio was 98.2 percent by quantity and 96.0 percent by value.

Industry capacity.—Combined CPT production capacity of the three responding Korean producers fell steadily each period as did production such that capacity utilization fell from 94.1 percent in 1997 to 85.9 percent in 1998, but then it rose to 88.0 percent in January-September 1999 compared to 83.8 percent during the interim 1998 period. Capacity utilization is projected to rise to 91.5 percent in 2000 as production capacity is projected to fall to 14.1 million CPTs. The decline in CPT production capacity in Korea occurred as the Korean producers constructed CPT facilities in other countries, thereby reducing their need for a large capacity at home. Korean producers had an average annual capacity to produce *** analog, 4:3, direct-view CPTs in 1999, but *** percent of this capacity was for CPTs with screen sizes ***. In addition, Korean producers have annual capacity to produce ***. Fairly low excess capacity utilization levels suggest a limited ability of Korean producers to increase exports to the United States in response to an increase in demand. This ability may be constrained by the advantages that NAFTA has given to CPT production facilities located in NAFTA countries; two of the three reporting Korean producers have CPT production facilities in Mexico.⁵⁶

Inventory levels.—Combined CPT inventories in Korea of the three reporting producers as a share of their total CPT shipments fell from 3.5 percent in 1997 to 2.8 percent in 1998, but rose to 3.7 percent during January-September 1999 compared to 3.0 percent during the interim period in 1998. These small inventory levels suggest a slight ability to expand the CPT supply to the United States in response to an increase in demand. This ability may be constrained by reports of the Korean producers that CPTs made for various customers are generally not interchangeable.

Export markets.—The U.S. market accounted for less than *** percent of total reported Korean shipments of CPTs during January 1997-September 1999 and is forecasted to be *** percent in 2000. Exports of CPTs to third-country markets (excluding Mexico) as a share of total shipments were substantial and ranged from 56.7 percent during 1997 to 65.2 percent during January-September 1999 and are forecasted to be 67.8 percent in 2000.⁵⁷ There have been some exports of Korean CPTs to Mexico during this period which, as a share of total shipments, averaged *** percent during January 1997-September 1999 and are expected to be *** percent in 2000. The reported exports of CPTs to third-country markets suggests a significant ability to expand the CPT supply to the United States in response to an increase in demand. This ability may be constrained, however, for the reasons cited above in the discussions of capacity and inventories.

⁵⁵ None of the Korean CPT producers have CPT production capacity in the United States. LG Electronics purchased Zenith, including the latter's closed CPT production facility in Melrose Park, IL.

⁵⁶ Samsung and Orion have CPT production facilities in Mexico with a combined annual capacity of *** units.

⁵⁷ Principal third-country export markets for the Korean CPT producers are China and countries in Southeast Asia and Europe.

Singapore

Sony is believed to be the only CPT producer in Singapore, but the company did not report any information on its operations in that country. Hitachi had produced CPTs in Singapore, but reportedly ***. Of the total U.S. CPT imports from Singapore during January 1997-September 1999, 79.0 percent on a quantity basis and 77.6 percent on a value basis were CPTs under 19 inches in screen size. The share of small screen sizes of imported Singapore CPTs fluctuated but remained high during this period; during January-September 1999 the small-screen ratio was 86.7 percent by quantity and 64.1 percent by value.

Nonsubject imports

As indicated earlier, nonsubject countries supplied 91.0 percent of total U.S. imports of CPTs during January 1997-September 1999. CPTs imported from Malaysia accounted for 62.5 percent of total U.S. imports during this period, but only 1.6 percent of total U.S. consumption of CPTs during 1997-98. No details of the CPT industry in Malaysia are readily available,⁵⁸ but any increase in U.S. imports of CPTs from Malaysia faces the cost advantages of producing in Mexico that NAFTA has made possible, and the increased freight disadvantages of shipping the larger screen sizes that have become increasingly popular in the United States. Of the total U.S. CPT imports from nonsubject countries during January 1997-September 1999, 76.7 percent on a quantity basis and 40.5 percent on a value basis were CPTs under 19 inches in screen size. The share of small screen sizes of imported CPTs from nonsubject countries increased steadily during this period, such that during January-September 1999 the small-screen ratio was 99.0 percent by quantity and 75.3 percent by value.

U.S. Demand

Demand for CPTs is derived from the demand for CTVs. As measured by total U.S. CPT consumption, U.S. demand for direct-view CPTs averaged 22.6 million units annually during 1994-97 before dropping to 20.7 million units in 1998 (table I-4).⁵⁹ U.S. demand for CPTs fluctuates with U.S. production of CTVs and with production of CTVs in Mexico; many Mexican-produced CTVs are produced with U.S.-produced CPTs and then are exported to the United States. These imported CTVs reflect U.S. consumer demand for the U.S.-produced CPTs used in their production.

Long-run U.S. demand for CTVs fluctuates with changes in income, number of households, and new product innovations. But despite robust GDP growth in the United States during 1994-98, an increasing number of households,⁶⁰ and new product development, total U.S. CTV consumption quantity generally fell during this period. Such a decline is consistent with demand in a mature industry and it would have likely been even more pronounced without the favorable demand factors.⁶¹ In addition, many

⁵⁸ ***.

⁵⁹ Total U.S. CPT consumption increased at an average annual compound rate of about 5.5 percent during 1984-94, and then U.S. CPT consumption remained at about the 1994 level through 1997 (table I-4).

⁶⁰ In addition, the number of CTVs per household continued to increase during this period, from about 2.2 CTVs per household in 1994 to almost 2.4 CTVs per household in 1998 (Statistical Abstract of the United States and submitted by *** in its producer questionnaire response).

⁶¹ Increasing popularity of personal computers during this period also may have acted to dampen demand for CTVs. Likely based on a number of factors, time spent per day viewing television generally fell during 1994-98 and
(continued...)

of the new product innovations, such as the flat-screen and wide-screen (high-definition) CTVs, are still too recent and expensive to have made much of an impact on U.S. demand during 1994-98.⁶² The decline occurred whether consumption of direct-view CTVs is viewed alone or together with CTV/VCRs as a single unit and with projection CTVs.⁶³ While it is likely that the CTV/VCRs and possibly the smaller projection CTVs have displaced some of the direct-view CTVs, projection CTVs reportedly also extended the market for large-screen television viewing.⁶⁴ Annual U.S. CTV consumption quantity data during 1994-98, which were collected by EIA, are shown in figure II-1 for direct-view CTVs, CTV/VCRs, and projection CTVs.⁶⁵ U.S. demand for CTV/VCRs and for projection CTVs rose during this period, while demand for direct-view CTVs fell. Because a majority of total U.S. CTV consumption is accounted for by direct-view CTVs, total CTV consumption also fell during this period.⁶⁶

Total U.S. CTV consumption fell from 27.4 million units in 1994 to 26.4 million units in 1998, or by 3.6 percent. U.S. consumption of direct-view CTVs fell from 24.7 million units in 1994 to 22.2 million units in 1998, or by 10.1 percent. On the other hand, the quantity of U.S. demand for combination CTV/VCRs rose by 56.0 percent during this period, while demand for projection CTVs rose by 68.2 percent.

The fall in U.S. demand for direct-view CTVs during 1994-98 was driven by declines in screen sizes of 24 inches and under. However, a fluctuating but rising demand for screen sizes of 25-29 inches, and a steady increase in demand for screen sizes above 30 inches limited the decline in overall demand during this period. These trends in U.S. demand for direct-view CTVs by screen-size categories are shown in figure II-2.

CEMA forecasted annual CTV demand in the United States based on projected unit sales to dealers.⁶⁷ According to CEMA, demand for total direct-view CTVs will increase at an annual compound growth rate of 1.3 percent during 1998-2003, while demand for projection CTVs will increase at an annual compound growth rate of 17.1 percent. CEMA also estimated that CTV/VCRs will increase at an annual compound growth rate of 14.6 percent during 1998-2001 and then level off at the 2001 sales level during 2002-03. Actual unit sales of these three categories of CTVs in 1998 and forecasts for 1999-2003 are shown in figure II-3. The forecasted growth in U.S. demand for direct-view CTVs was based on an increase in the total number of digital units sold, from about 1,400 units in 1998 to 764,000 units in 2003.

⁶¹ (...continued)

this decline occurred for each category of viewer—men, women, teens, and children (*Television Bureau of Advertising, Inc.*, "TV Basics," copyright 1999 and retrieved from the Internet on February 28, 2000; the data were gathered by Nielsen Media Research).

⁶² Demand for the larger screen sizes, however, increased during this period.

⁶³ The imaging devices used in projection CTVs are not subject to the current reviews.

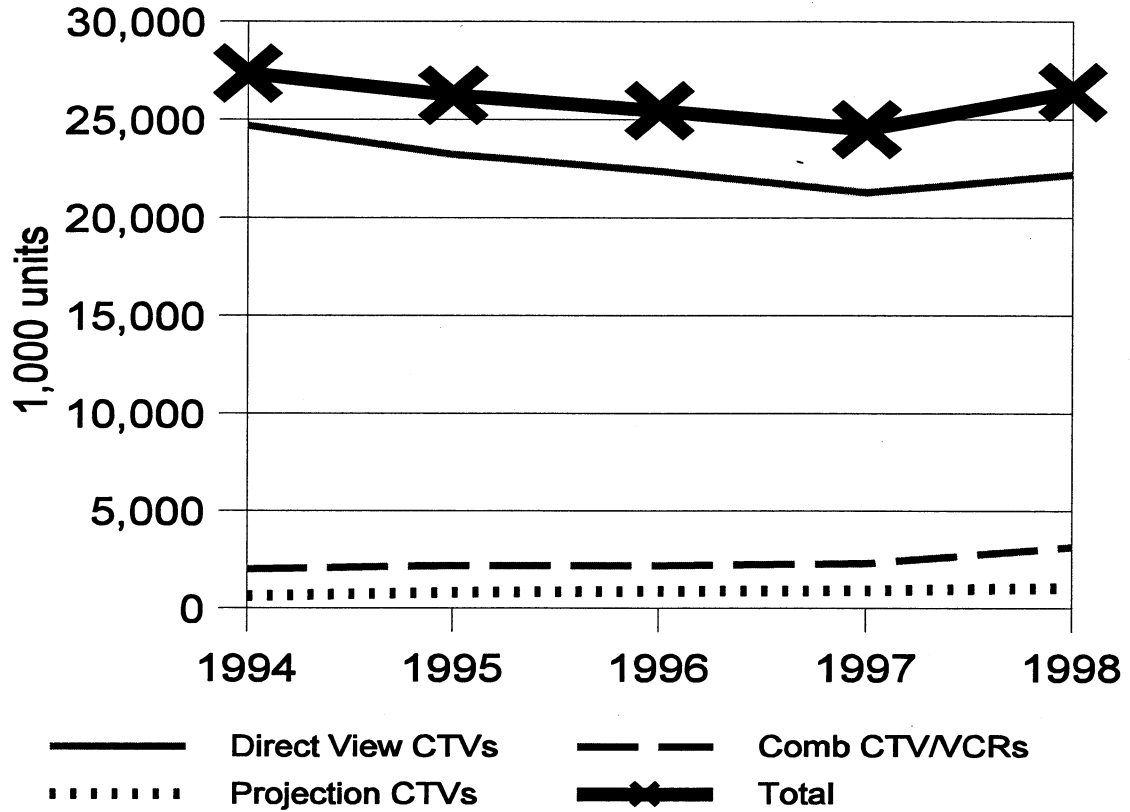
⁶⁴ The largest direct-view CTV screen is 40 inches, whereas projection CTVs have screen sizes that are generally larger than 40 inches. Mitsubishi sells its projection CTVs in the United States in sizes ranging from 45 inches to 80 inches with retail prices ranging from \$1,599 to \$11,000 (Mitsubishi's 2000 Product Catalog; prices supplied by Bahman Shojae, salesman at The Big Screen Store, Rockville, MD, on February 23, 2000). On the other hand, conventional direct-view CTV sizes generally range up to 36 inches with retail prices up to \$1,100; the Sony flat-screen CTV that is otherwise like the conventional CTV has a 36-inch screen and a retail price of \$1,599-\$1,799 (Sears & Roebuck, Silver Spring, MD, February 15, 2000).

⁶⁵ Full-year 1999 data are not yet available.

⁶⁶ Direct-view CTV demand rose somewhat in 1998, as did total U.S. CTV consumption.

⁶⁷ This association has changed its name and is now known as the Consumer Electronics Association (CEA). These forecasts were provided by *** as an attachment to its U.S. producer questionnaire response.

Figure II-1
U.S. demand for CTVs: The quantity of U.S. demand for CTVs by product category and by years, 1994-98

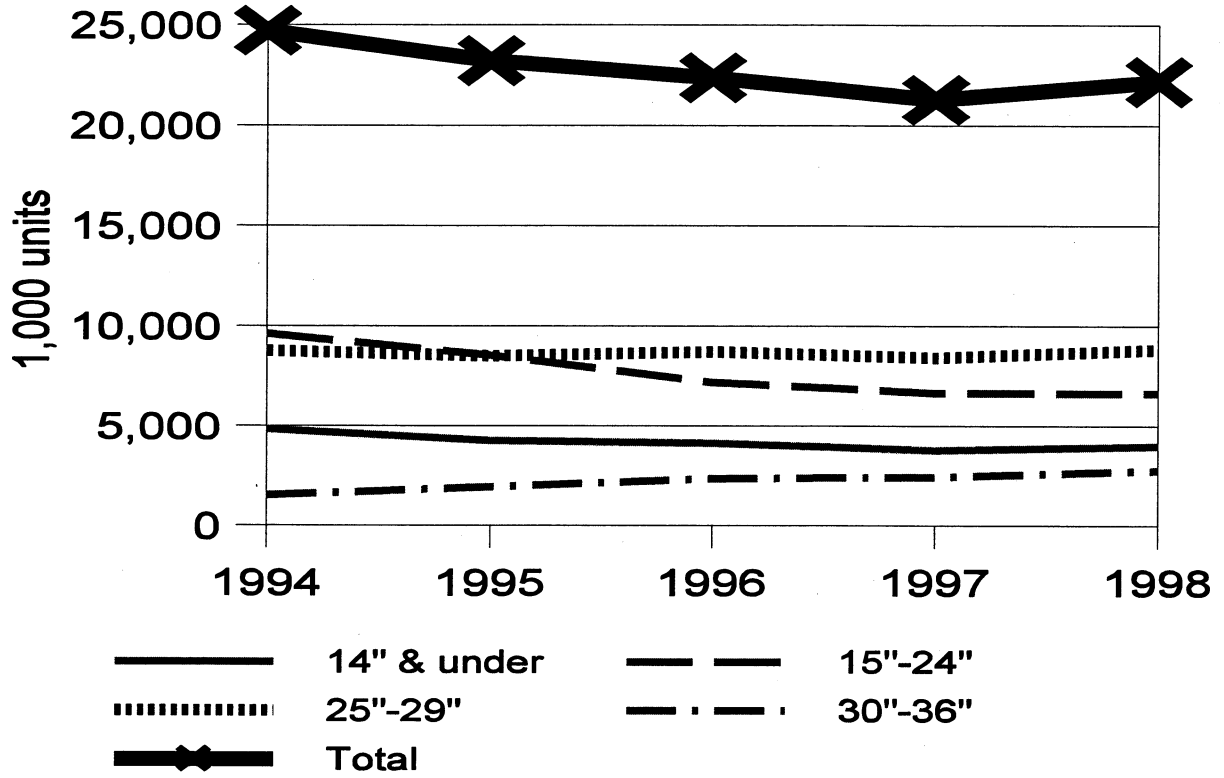


Note: The term "projection CTVs" refers to those units which do not contain CPTs subject to these reviews.

Source: EIA.

Figure II-2

U.S. demand for direct-view CTVs: The quantity of U.S. demand for direct-view CTVs by screen-size category and by years, 1994-98

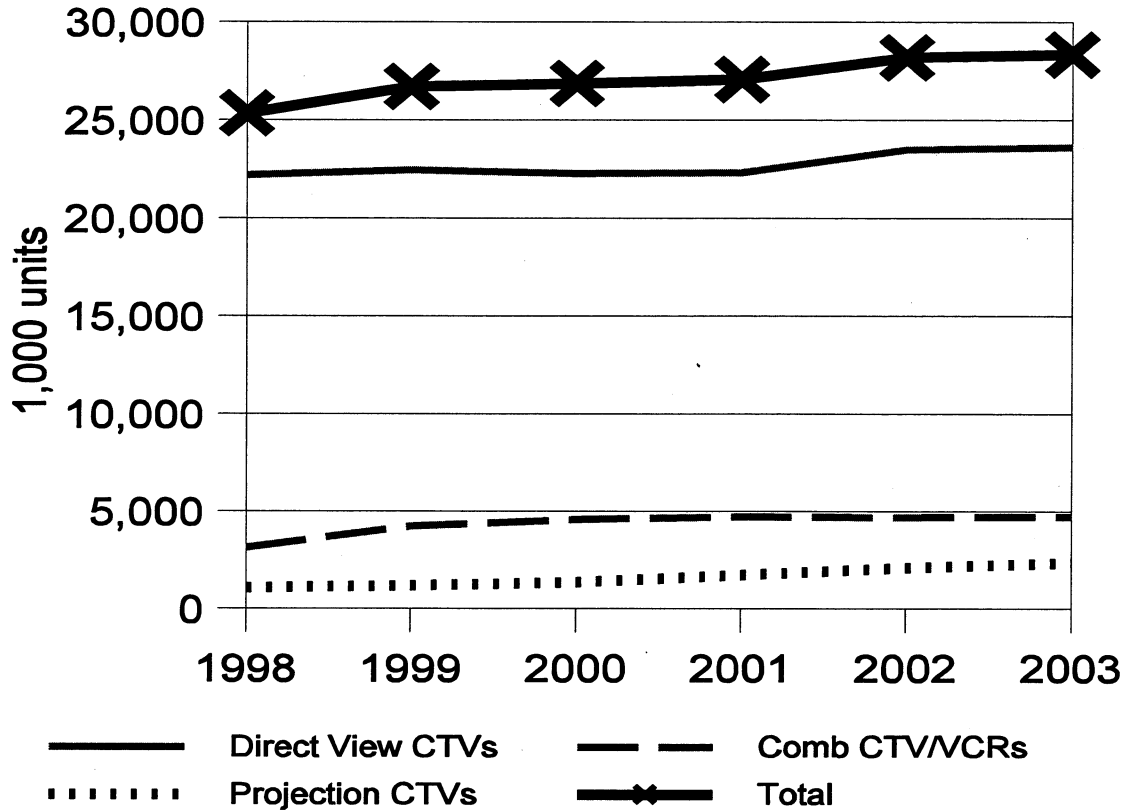


Note: The term "projection CTVs" refers to those units which do not contain CPTs subject to these reviews.

Source: EIA.

Figure II-3

Forecasts of U.S. demand for CTVs: The quantity of U.S. demand for CTVs by product category and by years, actual 1998 and forecasted 1999-2003



Note: The term "projection CTVs" refers to those units which do not contain CPTs subject to these reviews.

Source: EIA.

On the other hand, the forecast for projection CTVs was based on the assumption that digital models would outnumber analog models by 2002, as the number of digital units rise and the analog units fall. Based on these forecasts, the share of total U.S. CTV demand accounted for by direct-view CTVs would fall from 84.0 percent in 1998 to 76.9 percent in 2003, while the share held by projection CTVs would rise from 4.1 percent to 7.8 percent and the share held by CTV/VCRs would rise from 11.9 percent to 15.4 percent. The share of total CTV demand accounted for by digital CTVs would rise from almost zero in 1998 to 7.8 percent in 2003, with projection CTVs accounting for the majority of this digital market share.

CEMA also forecasted the quantity of U.S. demand for analog direct-view CTVs by size categories based on estimated sales to dealers. U.S. demand for screen sizes 20 inches and under was forecasted to fall by a compound annual rate of 3.9 percent during 1998-2003, while 25-inch and 27-inch screen sizes were expected to grow by 2.9 percent annually, and over 27-inch screen sizes were expected to grow by 7.4 percent annually. The larger screen sizes of 25 inches or more would increase their share of the total analog direct-view CTV market from 52.2 percent in 1998 to 62.0 percent in 2003. U.S. demand for flat-screen conventional CTVs (no curvature in the faceplate) and HD CTVs, the latter in either 16:9 or 4:3 aspect screen ratios, is currently very limited and in the near future is expected to remain at relatively low levels.⁶⁸ Most of the responding CTV producers, importers, and purchasers indicated in their questionnaire responses that these products will eventually come to dominate the U.S. CTV market, with flat-screen conventional CTVs making progress before HD CTVs. High costs for these products,⁶⁹ limited programming in the 16:9 and high-definition formats, and limited broadcasting with a digital signal have all acted to restrain demand for these products.⁷⁰ *** indicated in its producer questionnaire response that NAFTA demand for wide-screen CTVs would begin to pick up by 2001. *** reported in its foreign producer questionnaire response that demand for flat-screen CPTs would pick up in 2000, particularly in the screen sizes of 32 inches and above. Flat-panel displays are another CTV innovation, which are generally less than 5 inches in thickness; LCD and plasma display panels are two types currently being developed and only a few units have been sold. The flat-panel displays are currently very expensive, reportedly \$10,000 or more, and the picture quality is not as good as that of analog direct-view CTVs. Most of the responding CTV firms indicated that flat-panel display CTVs will not be sold in any quantity for at least 5 years.

Unlike many other countries, the United States is converting to digital signals and high-definition formats at the same time.⁷¹ The conversion to HD CTV in the United States, however, has not been

⁶⁸ *Consumer Reports* indicated that the high cost of HD CTVs and limited HD broadcast signals make this a boutique technology product for years to come, and should not deter a consumer from buying large-screen (32-inch through 36-inch) conventional CTVs (February 1999, p. 24).

⁶⁹ Sony's U.S.-produced 36-inch, 4:3, flat-screen, analog direct-view CTV is currently selling for \$1,600 to \$1,800 compared to about \$1,000 for the Sony U.S.-produced 35-inch, 4:3, regular-screen, analog direct-view CTV (Sears & Roebuck, Silver Spring, MD, on February 15, 2000). The Sony 34-inch HD CTV sells for \$6,500 to \$8,000, while the Thomson 34-inch HD CTV will reportedly be selling for about \$3,500 (*Consumer Reports*, March 1999, p. 16; *The Associated Press Online News*, "How soon for HDTV? Its Future is Unclear," November 1, 1999; and *Cahners Business Information*, "Breakthrough HDTV pricing by Thomson," *Twice.com*, January 7, 2000).

⁷⁰ In 1999, only 7,187 direct-view HD CTVs were sold in the United States and accounted for less than 0.03 percent of total U.S. direct-view CTVs sold in that year. About 67,000 direct-view digital CTVs are now forecasted to be sold in the United States during 2000 and only a small portion of these will be HD CTVs (based on CEMA data and forecasts reported in the Japanese producers' posthearing brief, p. 4).

⁷¹ Japanese HD CTV (675,000 pixels per frame), which has less resolution than that envisioned for the United States, is broadcast over an analog signal using a 20 MHz bandwidth. In the United States, television channels are

(continued...)

smooth and is still subject to a number of important uncertainties. To achieve full conversion, programs must be recorded in the high-definition format, broadcasters must be able to send this format on a digital signal, CTV receivers in households must be able to receive the digital signal, and CPTs must be able to display the high-definition format. Today, relatively few programs are recorded in the high-definition format and only 119 of the total 1,616 U.S. commercial and educational television stations are equipped to broadcast digital signals,⁷² but only via airwaves and satellite.⁷³ In April 1997, the FCC gave broadcasters a reported \$70 billion worth of spectrum to broadcast digital alongside analog until 2006, with the mandate that in 2006 all broadcasts must be fully digital and broadcasters must relinquish the extra broadcast spectrum and broadcast only in digital.⁷⁴ The current digital standard is not perfect and may not reach homes where the terrain is hilly or antenna height is restricted.⁷⁵ As a result, several hundred broadcasters have petitioned the FCC to give broadcasters a choice in the digital scheme they can adopt, but that would require modifying key technical standards that were set in 1996.⁷⁶ The digital signal can also be broadcast by satellite and by cable. In 1999, 23.2 percent of the 99.4 million U.S. television households received their television signal via the airwaves, 9.3 percent received their television signal via satellite, and 67.5 percent received their television signal via cable.⁷⁷ On February 23, 2000, CEA and NCTA officials announced agreement on technical standards for hooking up new HD CTVs to digital cable systems, and some industry officials felt that the agreement will pave the way for the introduction of cable compatible HD CTVs in 14-18 months. Other officials, such as Lynn Claudy, NAB senior Vice President of Technology, indicated that the agreement avoided addressing issues such

⁷¹ (...continued)

each allocated only a 6 MHz bandwidth. A digital signal and existing compression technology will allow U.S. television stations to broadcast the more demanding U.S. high-definition format (ranging from 921,600-2,073,600 pixels per frame) and also to send compressed audio and data information all using a single 6 MHz bandwidth. In comparison, the standard definition format in the United States involves only 307,200-337,920 pixels per frame. Two other important advantages of a digital signal are that it will enable a television station to broadcast several standard definition programs simultaneously on the same bandwidth, and the reception of the digital signal will not fade like that from an analog signal. (*PBS Online, Inc.*, "Digital TV: A Cringley Crash Course," retrieved from the Internet on February 28, 2000).

⁷² Film studios are reportedly holding back on high-definition programming until copyright issues are resolved.

⁷³ These 116 stations reportedly reach 60 percent of U.S. households with their digital broadcast signals, but it is likely that a major share of the total airwave and satellite broadcasts to these households is still the analog signal.

⁷⁴ This deadline is based on the condition that at least 85 percent of the U.S. television households will be equipped to receive a digital signal by 2006; otherwise it likely will be extended (Japanese producers' posthearing brief, p. 5, fn. 23). This threshold could be reached by households owning digital projection CTVs, digital set-top converters (these allow analog CTVs to receive digital programming), or digital direct-view CTVs, none of which needs to be high definition. As a result, the threshold demand level for digital broadcasting could be met with far less demand for digital direct-view CTVs; CEA projects that sales of set-top converters will outnumber sales of digital direct-view CTVs by 6 to 1 in 2003 (Korean producers' posthearing brief, p. 5, fn. 6).

⁷⁵ Television stations reportedly are seeking tall buildings where they can mount antennas to broadcast digital signals carrying programming in high-definition format. Later this year, European American Realty will begin constructing an office building in Chicago, IL, that it claims will be the tallest building in the world, at 108 stories or 2,000 feet high. The building design includes a 450-foot antenna on the top of the building and 13 floors just below the antenna for HD CTV equipment. Completion of this building may occur as early as 2004 (*Popular Mechanics*, "The Sky's the Limit," March 2000, pp. 57-59).

⁷⁶ *Business Week*, "HDTV: You're Not Going To Like This Picture," October 25, 1999.

⁷⁷ *Television Bureau of Advertising, Inc.*, "TV Basics," copyright 1999 and retrieved from the Internet on February 28, 2000. The data were gathered by Nielsen Media Research.

as copyright protection and hardware connectors that have been a problem all along. Claudy indicated that cable-compatible HD CTVs were several years away from introduction.⁷⁸ Kevin Hause, manager of consumer device research for International Data Corporation, predicted at a conference in Washington, D.C. during October 1999 that high price points will keep digital sets out of most consumers' hands for at least the next three to four years.⁷⁹ In addition, Bruce Drushel, a Miami University communications professor, indicated that it will take a long time before HD CTV catches on; he noted that the change to color TV took a long time, and that was not nearly as much of a leap forward in technology.⁸⁰

U.S. producers, importers, and purchasers, and the subject foreign producers were asked to discuss any substitute products for direct-view CTVs. No products were reported to be close substitutes for direct-view CTVs, although some responses indicated that projection CTVs may substitute somewhat for direct-view CTVs at the 36-inch and 40-inch sizes. Flat panel displays, high definition direct-view CTVs, and projection CTVs (whether digital or analog) were all priced much higher than direct-view analog CTVs, and the picture quality of flat panel displays and some projection CTVs was considered inferior to that of direct-view analog CTVs. The responding firms indicated that prices of direct-view analog CTVs would have to rise 400-1,000 percent before high definition and flat panel displays would substitute for direct-view analog CTVs. *** reported in its foreign producer questionnaire response that when the prices of flat panel displays fall to about 1.5 times the price of direct-view CTVs and the picture quality improves, the former products will displace more than 50 percent of U.S. demand for direct-view CTVs.

SUBSTITUTABILITY ISSUES

Factors Affecting Purchasing Decisions

CTV producers were requested in the purchaser questionnaire to list the top three purchase factors that they consider when deciding from whom to purchase their CPTs. Based on responses of the eight reporting purchasers, quality, price, and supplier capacity/availability were considered to be, in declining order of importance, the top three purchase factors. Purchasers also reported that quality considerations included the average life of the CPT, picture quality, line reject rate,⁸¹ process controls/quality system within the manufacturing organization, past experience with vendor, and sample checking prior to production use.

Six U.S. CTV producers also responded to a request in the purchaser questionnaire to rank 14 specified purchase factors as very important (VI), somewhat important (SI), or not important (NI) for the U.S.-produced CPTs, CPTs imported from the subject countries, and CPTs imported from any nonsubject

⁷⁸ *Consumer Electronics*, "Set Makers, Cable Agree on DTV-Cable Compatibility," February 28, 2000.

⁷⁹ *Cable World*, "Technical Snags, Price Slow HDTV Progress," October 11, 1999.

⁸⁰ *The Cincinnati Enquirer*, "How Soon for HDTV? It's Future Is Unclear," November 1, 1999. CTVs were introduced in 1953, but 10 years later only 1.8 percent of U.S. households had a CTV. The desktop personal computer (PC) was introduced in 1975 and 7 years later only 0.83 percent of U.S. households had purchased a PC. By the tenth year, however, 11.1 percent of U.S. households had purchased a PC. Since the introduction of HD CTVs in August 1998, 134,402 HD CTVs (an estimated three-quarters of which were HD projection CTVs) had been shipped to U.S. dealers by the end of 1999 (less than 0.5 percent of the total number of CTVs shipped during this period). Gary Shapiro, president and CEO of CEA indicated at the end of 1999 that expanded (high-definition) programming will be needed in 2000 to exponentially grow sales. (Japanese producers' posthearing brief, exhibit A).

⁸¹ ***.

countries. The total number of responses is shown in table II-1 for each purchase factor and each reported country. Rankings of purchase factors were reported for U.S.-produced CPTs and those imported from Japan, Korea, Malaysia, and Mexico; five purchasers reported for the U.S. product, two purchasers reported for the Korean and Mexican products, and a single purchaser reported for the Japanese and Malaysian products. Seven factors--availability, delivery time, lowest price, product consistency, product quality, reliable supply, and technical support--were generally considered the most important purchase factors for CPTs from the five countries.⁸² The main exception was lowest price, which was considered somewhat important by the single firm reporting for the Japanese CPTs. Two additional factors, product range and transportation network, were also considered very important for the Korean CPTs.

Comparison of the U.S.-Produced and Imported CPTs

U.S.-produced and imported CPTs are purchased almost exclusively by producers of CTVs. Purchaser questionnaire responses indicated that the end users typically know the country of origin of the product they purchased and the producer of the CPT. A majority of the U.S.-produced CPTs are purchased by affiliated U.S. producers of CTVs, whereas the subject imported CPTs were frequently imported for internal use by CTV producers unrelated to the foreign CPT producers. All U.S. producers of CTVs qualify their suppliers of CPTs and then obtain bids from two to four of these sources when making a purchase. The qualification process typically takes 3-6 months and costs \$3,000-\$100,000. Localized production of CPTs and CTVs has increased substantially throughout the major consuming markets of the world, including the U.S. market, during the last 10 years and has made it much more difficult for imports to compete in these markets.⁸³

As noted earlier, vertically integrated U.S. CTV producers exert close control over input quality, costs, and availability. U.S. CTV producers were asked to comment in their purchaser questionnaire responses regarding any differences in substitution between (1) U.S.-produced CPTs and imported CPTs available for arms-length sales and (2) U.S.-produced CPTs available for transfer to a related CTV producer and imported CPTs available for arms-length purchase. Of the four responding U.S. CTV producers, three indicated that weaker substitution existed for the second type of substitution involving transfer and arms-length CPTs. The lone dissenting U.S. CTV producer, ***, indicated that no difference existed.⁸⁴ *** indicated that it preferred to buy its U.S.-produced CPTs; if the choice was between different sources of open-market CPTs, it would buy the U.S.-produced CPTs due to cost. *** indicated that related CPT production supply takes precedence over open-market sales, especially in times of tight supply.⁸⁵ *** reported that substitution between internally produced and open-market CPTs is weaker than that between U.S. and imported open-market CPTs because of better communications and quicker response from related companies.⁸⁶

⁸² Product quality, price, and availability were reported and discussed earlier as the top three purchase factors.

⁸³ ***.

⁸⁴ *** does not own any North American CPT production facilities, but purchases its CPT requirements from unrelated firms.

⁸⁵ ***.

⁸⁶ The firm also indicated that substitution between U.S. and imported open-market CPTs is minimal due to significant cost advantages of U.S. production. ***.

Table II-1
Ranking of purchase factors reported by U.S. CTV producers, by country

Purchase factors	United States			Japan			Korea			Malaysia			Mexico		
	VI	SI	NI	VI	SI	NI	VI	SI	NI	VI	SI	NI	VI	SI	NI
Availability †	5	0	0	1	0	0	2	0	0	1	0	0	2	0	0
Delivery terms	2	3	0	1	0	0	1	1	0	1	0	0	0	2	0
Delivery time	5	0	0	1	0	0	2	0	0	1	0	0	2	0	0
Discounts offered	0	5	0	0	1	0	0	2	0	0	1	0	1	1	0
Lowest price †	4	1	0	0	1	0	2	0	0	1	0	0	2	0	0
Min. qty. requirements	0	4	1	1	0	0	1	1	0	0	1	0	0	1	1
Packaging	0	5	0	1	0	0	0	2	0	0	1	0	0	2	0
Product consistency	5	0	0	1	0	0	2	0	0	1	0	0	1	1	0
Product quality †	5	0	0	1	0	0	2	0	0	1	0	0	2	0	0
Product range	3	2	0	1	0	0	2	0	0	1	0	0	0	2	0
Reliable supply	5	0	0	1	0	0	2	0	0	1	0	0	2	0	0
Technical support	4	1	0	1	0	0	2	0	0	1	0	0	1	1	0
Transportation network	3	2	0	1	0	0	2	0	0	1	0	0	1	1	0
U.S. freight costs	1	4	0	1	0	0	0	2	0	0	1	0	1	1	0

Note: VI=very important, SI=somewhat important, and NI=not important. The overall top three purchase factors as discussed earlier are identified with the following symbol: †.

Source: Compiled from data submitted in response to Commission questionnaires.

Competition among suppliers in the U.S. CTV market affects competition among suppliers in the U.S. CPT market and vice-versa.⁸⁷ Such interrelated competition is due principally to the following three factors: (1) the large cost share of CPTs in the total cost to produce CTVs, (2) CPTs are used almost exclusively to produce CTVs, and (3) no close substitutes exist for CPTs or direct-view CTVs. As a result, substitution among different suppliers' CPTs, which is directly affected by competition in the CPT market, likely is also indirectly affected by competition in the CTV market. The nature and strength of the latter indirect effect are not precisely known; the effect may be due to prices and/or features of other CTV components, such as the receiver, in addition to, or rather than, prices/features of the CPT. Also, effects on CPT substitution derived from downstream market competition may be realized only in the long run due to annual supply contracts and to possible uncertainties about the source of any impact due to the indirect nature of the effects. However, downstream market effects at some point may be significant on competition and possibly substitution among CPTs, including those that may be substantially different in specifications, such as the Sony Trinitron CPT, and otherwise do not appear to compete at the CPT level of the market.

Expansion of Japanese, Korean, and U.S.-owned CPT and/or CTV production facilities in the United States and Mexico during the last 10 years, which was substantially aided by the start of NAFTA on January 1, 1994, have reportedly made it generally much more difficult, if not impossible, for CPTs produced in the subject countries (and CPTs produced in other non-NAFTA countries) to compete in the U.S. market. The major exception would be for CPTs not produced in the United States, such as CPTs under 19 inches in screen size, and, until recently, wide-screen and HD CPTs.⁸⁸ The trend in increased local North American production and reduced imports also occurred with projection CTVs, which were not covered under the antidumping orders and carried a regular import duty rate of only 3.3 percent.⁸⁹ In addition, although Japanese producers own and operate CPT and CTV plants in Europe, they did not increase exports of their European-produced CPTs to the United States reportedly because local North American production was cheaper.⁹⁰

Purchaser Sourcing Patterns

The purchaser questionnaires asked U.S. CTV producers to compare U.S.-produced and imported CPTs in terms of the 14 specified purchase factors discussed earlier and indicate for each factor whether the domestic product was superior (S), comparable (C), or inferior (I); comparisons among foreign countries were also requested. Six U.S. CTV producers reported the requested information for comparisons between the U.S. CPTs and those imported from Japan, Korea, Malaysia, and Mexico, and for comparisons between the imported Mexican and Korean CPTs. Table II-2 shows the number of responses for each purchase factor in each two-country comparison. All six responding firms did not

⁸⁷ As indicated earlier, U.S. CPT producers have difficulty passing their cost increases through in the form of higher prices to their CTV customers. Indeed, fierce price competition in the U.S. market has led Thomson to plan to move its U.S. production of the 31-inch and 32-inch conventional CPTs to Mexico by 2001.

⁸⁸ In addition, flat-screen CPTs are becoming more popular in the U.S. market, but it is unlikely that these products will be imported. Sony already produces flat-screen CPTs in the United States; American Matsushita is currently spending \$80 million to begin U.S. production of flat-screen CPTs in June 2000; and Toshiba DD is planning to invest \$25 million to begin production of *** by June 2001 (Japanese producers posthearing brief, exhibit B, p. 3). The CPT producers in Korea have capacity to produce *** units of 25-inch and *** units of 29-inch flat-screen 4:3 CPTs annually (Korean producers' posthearing brief, exhibit 2).

⁸⁹ Japanese producers' posthearing brief, p. 8, fn. 27.

⁹⁰ Japanese producers' posthearing brief, pp. 10-11.

Table II-2

Comparisons of U.S.-produced CPTs with CPTs imported from Japan, Korea, Malaysia, and Mexico and comparisons of imported CPTs from Mexico with those from Korea, reported by U.S. CTV producers

Purchase factors	United States compared to--												Mexico compared to-		
	Japan			Korea			Malaysia			Mexico			Korea		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability †	1	1	0	1	1	0	0	1	0	2	1	0	1	0	0
Delivery terms	1	1	0	2	0	0	1	0	0	0	3	0	1	0	0
Delivery time	1	1	0	2	0	0	1	0	0	2	1	0	1	0	0
Discounts offered	1	1	0	1	1	0	1	0	0	0	2	1	0	1	0
Lowest price †	1	1	0	0	1	1	0	0	1	0	2	1	0	1	0
Min. qty. req.	1	1	0	2	0	0	1	0	0	0	3	0	1	0	0
Packaging	1	1	0	0	2	0	0	1	0	1	2	0	0	1	0
Product consistency	0	2	0	1	1	0	0	1	0	0	3	0	1	0	0
Product quality †	0	2	0	1	1	0	0	1	0	0	3	0	1	0	0
Product range	1	1	0	1	1	0	0	1	0	3	0	0	0	0	1
Reliable supply	0	2	0	1	1	0	0	1	0	2	1	0	1	0	0
Technical support	1	1	0	2	0	0	1	0	0	3	0	0	0	1	0
Transportation network	1	1	0	2	0	0	1	0	0	3	0	0	1	0	0
U.S. freight costs	1	1	0	1	0	1	0	0	1	2	0	1	0	1	0

Note: S=superior, C=comparable, and I=inferior. The overall top three purchase factors as discussed earlier are identified with the following symbol: †.

Source: Compiled from data submitted in response to Commission questionnaires.

respond for every country such that the number of responses for each country-pair comparison was limited.

Based on the responses of two purchasers, U.S. and imported Japanese CPTs were found by both firms to be comparable in product consistency, product quality, and reliable supply. The firms split, however, in their comparisons of the other purchase factors, with one firm indicating that the U.S. product was superior and the other firm indicating that both products were comparable. Among the purchase factors that showed a split response were lowest price and availability, two of the top three factors discussed earlier.

Based on the responses of two purchasers comparing U.S. and imported Korean CPTs, both firms indicated that the U.S. product was superior in delivery terms, delivery time, minimum quantity requirements, technical support, and transportation network. On the other hand, one response indicated that the U.S. product was inferior based on lowest price, while the other indicated that the U.S. and Korean products were comparable. In addition, one firm indicated that the U.S. product was superior in U.S. freight costs, while the other firm felt the U.S. product was inferior. For the remaining purchase factors, the two responding firms split between reporting the U.S. product superior and both products comparable. These latter split responses included product quality and availability, two of the top three ranked purchase factors.

Based on the responses of a single purchaser comparing the U.S. and imported Malaysian CPTs, the U.S. product was reported to be superior in delivery terms, delivery time, discounts offered, minimum quantity requirements, technical support, and transportation network. The U.S. product was judged inferior based on lowest price and U.S. freight costs, while the U.S. and Malaysian products were considered comparable for the remaining purchase factors, including product quality and availability.

Based on the responses of three purchasers comparing U.S. and imported Mexican CPTs, all three firms indicated that the U.S. product was superior in product range, technical support, and transportation network. Two of the three responding firms indicated that the U.S. product was superior in availability, delivery time, reliable supply, and U.S. freight costs. The remaining purchaser indicated that the U.S. and Mexican products were comparable for the first three of these purchase factors, and the U.S. product was inferior in U.S. freight costs. The responding purchasers judged the U.S. and Mexican products generally comparable for the remaining purchase factors, including product quality and lowest price. However, one of the responding purchasers indicated that the U.S. product was inferior to the Mexican product based on the factor of lowest price.

Based on the responses of a single purchaser comparing the imported Mexican and Korean CPTs, the Mexican product was reported to be superior in availability, delivery terms, delivery time, minimum quantity requirements, product consistency, product quality, reliable supply, and transportation network. The Mexican product was judged inferior based on product range, while both the Mexican and Korean products were considered comparable for the remaining purchase factors, including lowest price.

ELASTICITY ESTIMATES⁹¹

U.S. Supply Elasticity

The domestic supply elasticity for CPTs measures the sensitivity of quantity supplied by U.S. producers to a change in the U.S. market price of CPTs. The elasticity of domestic supply depends on several factors including U.S. producers' level of excess capacity, the ease with which U.S. producers can alter productive capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced CPTs.⁹² Analysis of these factors indicates that, overall, U.S. producers have limited flexibility in the short run to alter their supply of CPTs in response to relative changes in the demand for their product; thus, the domestic elasticity of supply is estimated to be in the range of 1 to 3.

U.S. Demand Elasticity

The U.S. price elasticity of demand for CPTs measures the sensitivity of the overall quantity demanded for this product to changes in the U.S. market price of CPTs. The price elasticity of demand depends on the cost share of CPTs in downstream products, the price elasticity of demand for downstream products, and the substitutability of other inputs for CPTs in the downstream products. Based on available information, the demand elasticity for CPTs is believed to be in the range of -0.5 to -0.8.

Substitution Elasticity⁹³

The elasticity of substitution largely depends upon the degree to which there is an overlap of competition between U.S.-produced and imported CPTs, and product differentiation. Product differentiation, in turn, depends on such factors as physical characteristics (e.g., grades and quality) and conditions of sale (e.g., delivery lead times, reliability of supply, product service, etc.). Based on available information discussed earlier, the elasticity of substitution between domestic CPTs and the imported CPTs from the subject countries is estimated to be zero for Canada, and to range from 1 to 3 for CPTs from Japan and Korea, and from 0.9 to 2 for CPTs from Singapore.

⁹¹ The parties did not comment on the staff's suggested elasticity estimates nor did they attempt to estimate quantitatively with an economic model the effects of revocation. The parties in support of continuation of the orders indicated in their prehearing brief that the subject imported CPTs would increase to the levels existing during the original investigations, and then used accounting calculations to measure the current impact of such imports. They did not fully explain the demand and supply relationships in the U.S. CPT industry that would lead to such an import increase or provide an analytical basis for their calculations. The parties in support of revocation of the orders indicated that the subject imports would not increase significantly due to irrevocable changes in the U.S. CPT industry, which included increased localized production resulting in part from NAFTA and the shift in U.S. demand to the larger screen sizes; these latter changes would not be altered with revocation of the orders.

⁹² Domestic supply response is assumed to be symmetrical for both an increase and a decrease in demand for the domestic product. Therefore, factors opposite to those resulting in increased quantity supplied to the U.S. market result in decreased quantity supplied to the same extent.

⁹³ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the U.S. domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject imported products (or vice versa) when prices change.

Modeling the Potential Effects of Revocation of the Antidumping Duty Orders

This analysis uses a nonlinear partial equilibrium model that assumes that domestic and imported products are less than perfect substitutes. Competition in the U.S. market is characterized by measures of the sensitivity of buyers and sellers to price changes and under the assumption that the substitutability between products remains constant. Such models, also known as Armington models, are relatively standard in applied trade policy analysis, and are used extensively for the analysis of trade policy changes both in partial and general equilibrium.⁹⁴ The analysis addresses the following questions: if the current antidumping duty orders were revoked and the current level of dumping remains unchanged, what would be the likely short run impact on subject import prices and volumes in the U.S. market and what would be the likely short run impact on both nonsubject import and U.S. producer prices and volumes of this increased competition from subject imports?

The analysis uses the most recent one-year period of historical data, 1998, as the base year, and also estimates partial-year (January-September) effects for 1999. Therefore, current trends in the U.S. industry that are unrelated to the antidumping duty orders are not explicitly modeled and such trends should be taken into account when considering the implications of the results. The model results suggest the possible effects of revoking the duty orders on market prices, volumes, and revenues in percentage change terms over single-year or partial-year time periods. The possible effects over a longer time period are not part of the modeling exercise. Finally, the model does not assume that all of the reduction in antidumping duties will be passed forward to U.S. prices of the subject imports.

The value (c.i.f., landed, U.S. port-of-entry values) of CPT imports by subject country, annually during 1997-98 and for January-September of 1998 and 1999, and current antidumping margins for the subject exporting companies are shown in table II-3. All foreign producers/exporters in the subject countries are subject to the current antidumping duty orders. However, Canada no longer produces CPTs, while Japan, Korea, and Singapore produce CPTs and have exported CPTs to the United States during January 1998-September 1999. Removal of the duty order on Canada likely would not lead to imports from this source because there is no longer CPT production in Canada and no firms reported any plans to produce CPTs in Canada.⁹⁵ In addition, removal of the duty order on Korea is unlikely to lead to significantly increased imports of CPTs from this source,⁹⁶ because Korean producers have had what amounts to inconsequential margins effective since 1989 and their CPT exports to the United States have been limited during this approximately 11-year period.⁹⁷ Commerce determined that the Korean

⁹⁴ For a discussion of the use of Armington type models of this type for trade policy analysis, see Joseph Francois and H. Keith Hall (1997) "Partial Equilibrium Modeling," Chapter 5 of *Applied Methods for Trade Policy Analysis: A Handbook*, Joseph F. Francois and Kenneth A. Reinert, editors, Cambridge University Press, 1997. See also Armington (1969) "A Theory of Demand for Products Distinguished by Place of Production," *IMF Staff Papers*, vol. 16, pp. 159-178.

⁹⁵ The parties in support of continuation of the orders indicated that the CPT antidumping duty order covering imports from Canada should be revoked (prehearing brief, p. 6, fn. 1).

⁹⁶ The increase in the value of imported CPTs from Korea during January-September 1999 compared to the 1998 partial-period level was the result of an increase in imported CPTs less than 19 inches in screen size from Korea; these CPTs are not produced in the United States.

⁹⁷ Korean CPT producers have had margins ranging from zero to 0.12 percent since a 1989 review by Commerce.

Table II-3

CPT imports: Values of imports by subject country and current antidumping duty margins for producing/exporting companies, 1997-98, January-September 1998, and January-September 1999

Country/ Company	1997	1998	January-September		Current margin
			1998	1999	
	<i>Value (\$1,000)</i>				<i>(Percent)</i>
Canada	121	63	63	5	/ / / / /
Mitsubishi	/ / / / /				0.63
All others	/ / / / /				0.63
Japan	19,240	4,447	3,651	1,684	/ / / / /
Matsushita	/ / / / /				27.46
Toshiba	/ / / / /				33.50
All others	/ / / / /				27.93
Korea	1,336	1,357	1,141	2,612	/ / / / /
Samsung	/ / / / /				1.91
All others	/ / / / /				1.91
Singapore	104	71	63	142	/ / / / /
All others ¹	/ / / / /				5.33

¹ Includes Sony.

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

producers would resume dumping their CPTs at a margin of 1.91 percent should the United States revoke its antidumping order on Korea.⁹⁸

The staff's estimates of the effects of removing the orders on Japan, Korea, and Singapore assume that imports of CPTs from Japan were dumped at prices averaging 29.63 percent below actual price levels in 1998 and January-September 1999,⁹⁹ while imports from Korea were dumped at 1.91 percent and imports from Singapore were dumped at 5.33 percent. U.S. CPT market shares (value basis) in 1998 were 0.3 percent for Japan, 0.1 percent for Korea, and less than 0.005 percent for Singapore; market shares during January-September 1999 were 0.1 percent for Japan, 0.2 percent for Korea, and 0.01 percent for Singapore. The estimated entire decrease in the domestic industry's total revenue in 1998 and January-September 1999 that would result from revocation of the CPT antidumping orders on Japan, Korea, and Singapore ranged from 0.0 to 0.1 percent; total revenues of nonsubject imports also would fall by the same amount. The component price and quantity effects are equally small or smaller than the total revenue effects, which are a combination of the price and quantity effects.

⁹⁸ Under the current antidumping statute, this margin level would be considered *de minimis* and any effects of dumping would be considered minimal. During the sunset review, however, the 1.91 percent margin for Korea is not considered *de minimis*.

⁹⁹ Only three firms are left producing CPTs in Japan—Matsushita, Sony, and Toshiba. The average dumping margin used for Japan was a simple average of the individual company margins for Matsushita and Toshiba and the “all other” margin assigned by Commerce; Sony was not assigned a company-specific margin.

PART III: U.S. PRODUCERS' OPERATIONS

INDUSTRY OVERVIEW

Information on capacity, production, shipments, inventories, and employment of U.S. CPT producers is presented in this section of the report, and is based on questionnaire responses of seven firms that accounted for all known production of CPTs during 1997 through September 1999.¹ Table III-1 presents a list of U.S. producers, with each company's position with respect to revocation of the duty orders, share of reported 1998 U.S. production, and U.S. production locations.

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Data on U.S. producers' capacity, production, and capacity utilization for CPTs are presented in table III-2. Such data excluding Zenith's CPT operations are presented in appendix F.

U.S. Producers' Imports

Four U.S. producers and/or their affiliated firms imported CPTs from the subject countries during the period of these reviews. Generally, such imports were less than 5 percent of the firms' U.S. production of CPTs and were imported because certain screen sizes (less than 19 inches by ***) are not produced in the United States or sufficient capability was not available from affiliated U.S. CPT producers (e.g., ***). Data on U.S. producers' imports of CPTs and ratios to production are presented in table III-3.

¹ Additional information regarding U.S. CPT industry data excluding Zenith is presented in appendix F.

Table III-1**CPTs: U.S. producers, position on revocation of the orders, U.S. production locations, and shares of 1998 production**

Firm	Position on revocation	Plant locations	Share of 1998 production (percent)
American Matsushita	Supports ¹	Troy, OH	***
Hitachi	*** ²	Greenville, SC	***
Philips Display	*** ³	Ottawa, OH	***
Sony	***	Pittsburgh, PA	***
Thomson-ATO	Opposes ^{4,5}	Lancaster, PA	***
Toshiba DD	Supports ^{6,7}	Horseheads, NY	***
Zenith	*** ⁸	Melrose Park, IL	*** ⁹

¹ American Matsushita stated that "****."

² Hitachi stated that "****."

³ The IBEW, which supports continuation of the duty orders, represents workers engaged in CPT production at Philips Display.

⁴ Thomson-ATO stated that "****."

⁵ The IBEW and IUE, which support continuation of the duty orders, represent workers engaged in CPT production at Thomson-ATO.

⁶ Toshiba stated that "****."

⁷ The IBEW, which supports continuation of the duty orders, represents workers engaged in CPT production at Toshiba DD.

⁸ Zenith stated that "****."

⁹ Zenith ceased CPT operations during October-December 1998.

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

Table III-2
CPTs: U.S. production capacity, production, and capacity utilization, by firms, 1997-98, January-September 1998, and January-September 1999

Firm	Calendar year		January-September	
	1997	1998	1998	1999
Capacity (1,000 units)				
American Matsushita	***	***	***	***
Hitachi ED	***	***	***	***
Philips Display	***	***	***	***
Sony Electronics	***	***	***	***
Thomson-ATO	***	***	***	***
Toshiba DD	***	***	***	***
Zenith	***	***	***	***
Total	24,608	23,545	19,286	16,133
Total, excluding Zenith	***	***	***	16,133
Production (1,000 units)				
American Matsushita	***	***	***	***
Hitachi ED	***	***	***	***
Philips Display	***	***	***	***
Sony Electronics	***	***	***	***
Thomson-ATO	***	***	***	***
Toshiba DD	***	***	***	***
Zenith	***	***	***	***
Total	22,016	20,446	15,780	13,821
Total, excluding Zenith	***	***	***	13,821
Capacity utilization (percent)				
American Matsushita	***	***	***	***
Hitachi ED	***	***	***	***
Philips Display	***	***	***	***
Sony Electronics	***	***	***	***
Thomson-ATO	***	***	***	***
Toshiba DD	***	***	***	***
Zenith	***	***	***	***
Average	89.5	86.8	81.8	85.7
Average, excluding Zenith	***	***	***	85.7

¹ Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-3
CPTs: U.S. producers' (and affiliated firms) imports and production, 1997-98, January-September 1998, and January-September 1999

* * * * *

HD CPT Operations

With respect to the production of HD CPTs, the Commission's questionnaires during these full reviews (question II-15) requested that U.S. producers identify the capability and describe the state of development of HD CPTs in the firm, as well as the industry in general, reporting any planned investment in new or additional capability to product HD CPTs. Available data on HD CPT operations in the United States were provided by Thomson and are presented in table III-4. Thomson produced a pilot run of *** HD CPTs during 1999, and is projected to produce *** HD CPTs in 2000. Shipments of HD CPTs to unaffiliated U.S. CTV producers² are projected to account for *** percent of total shipments with the remainder projected to be exported to Thomson-ATO's affiliated CTV producer in Mexico.

Table III-4
CPTs: Thomson's HD CPT operations, 1997-98, January-September 1998, January-September 1999, and projected 1999 and 2000

* * * * *

Regarding the state of development of HD CPTs by U.S. producers, the following comments were received:

"Plan to produce HD CPTs in ***."

Thomson

"During October 1999, Thomson facilitated its VLS production line in Marion, IN, to produce HD 16:9 picture tubes. The total capital, R&D and tooling cost is \$***."

"We plan to produce HD CPTs ***. All competitors in the industry have working lab models of HD CPTs. The development activity primarily to redesign or modification of the mask and CPT electron gun."

² Officials at Thomson-ATO in Marion, IN, identified *** (February 23, 2000, field trip interview with ***).

“We are continually working to improve performance of our products. However, there are no plans to produce products specifically called ‘high definition.’ ”

In testimony provided at the Commission’s hearing in these reviews, officials of American Matsushita and Toshiba DD stated that their firms had the basic infrastructure in place to produce HD CPTs.³ The companies further described this “infrastructure” as follows:

Toshiba DD

“If the screen aspect ratio is 4:3, some specific equipment, like the exposure tables and mask dies, would need to be changed but otherwise the basic equipment could be used with little modification. If the screen aspect ratio is 16:9, TDD would need to modify the existing equipment to accommodate the new dimensions and rectangular shape of the CPTs. The basic production process for 16:9 would be the same as for 4:3. However, all of the fixtures that carry the CPTs during the production process would need to be modified and the Lehrs (ovens) for the thermal processing of the CPTs would need to be extended. The equipment modifications are substantial, but could be accomplished within six to nine months for 16:9 CPTs.”⁴

American Matsushita

“*** production line is in the process of being modified to be able to produce flat-screen CPTs. The modification should be completed in the first quarter 2000. Some additional investment would be required to modify this line further to manufacture 16:9 CPTs. Much of the same equipment can be used to produce HD CPTs as flat screen CPTs. The production equipment would have to be retooled to accommodate the different size and shape of the HD CPT and the production speed of the line will have to be slowed considerably due to the addition thermal processing that would be required. In addition, an \$80 million investment has been committed to build a new production line for flat CPTs, which is expected to be completed by September, 2000. This new line is being designed with the capability to be modified to produce HD CPTs with some additional future investment. The process is basically the same as for 4:3 CPTs but necessary mechanics (tooling) to handle 16:9 CPTs (funnels, panels, and complete tubes) must be made because of their different shape. There may also be additional software changes. The basic production equipment for HD CPT production should be in place by ***.”⁵

³ TR, pp. 149 and 194.

⁴ February 24, 2000, supplemental response of Willkie, Farr, p. 1.

⁵ Ibid., pp. 2-3, and TR, p. 148.

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of CPTs are presented in table III-5. The increase in shipments of larger size CPTs is depicted in figure III-1, based on data for sales of CTVs to distributors. Data on U.S. producers' shipments of CPTs, by screen size, are presented in table III-6 and appendix F (excluding Zenith). Shipments of VLS CPTs (32 inches and greater) accounted for *** percent of total U.S. shipments during 1997, and *** percent during January-September 1999.

U.S. PRODUCERS' INVENTORIES

Data on U.S. producers' inventories of CPTs are presented in table III-7 and appendix F (excluding Zenith).

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

U.S. producers' employment data for CPTs are presented in table III-8 and appendix F (excluding Zenith).

U.S. PRODUCERS' CPT OPERATIONS IN MEXICO

Thomson-ATO is the only U.S. producer to report capability to produce CPTs in affiliated plants in Mexico, and such data are presented in table III-9. During 1999, the firm produced approximately 900,000 small size 19-inch and 20-inch CPTs at its facility in Mexico City, for ***.⁶ The plant has been in operation since 1969. In addition, Thomson has invested a reported \$215 million in a VLS (31-inch and larger) CPT plant in Mexicali, Mexico.⁷ The plant is expected to begin operation in 2001, producing approximately 1 million tubes per year.⁸

⁶ See also, TR, p. 112, and December 6, 1999, *TV Digest*, p. 12.

⁷ According to Tom Carson, Vice President of Thomson-ATO, the firm is also considering the addition of 32-34 inch flat-faced tubes at its Mexicali plant (March 6, 2000, *TV Digest*, p. 12).

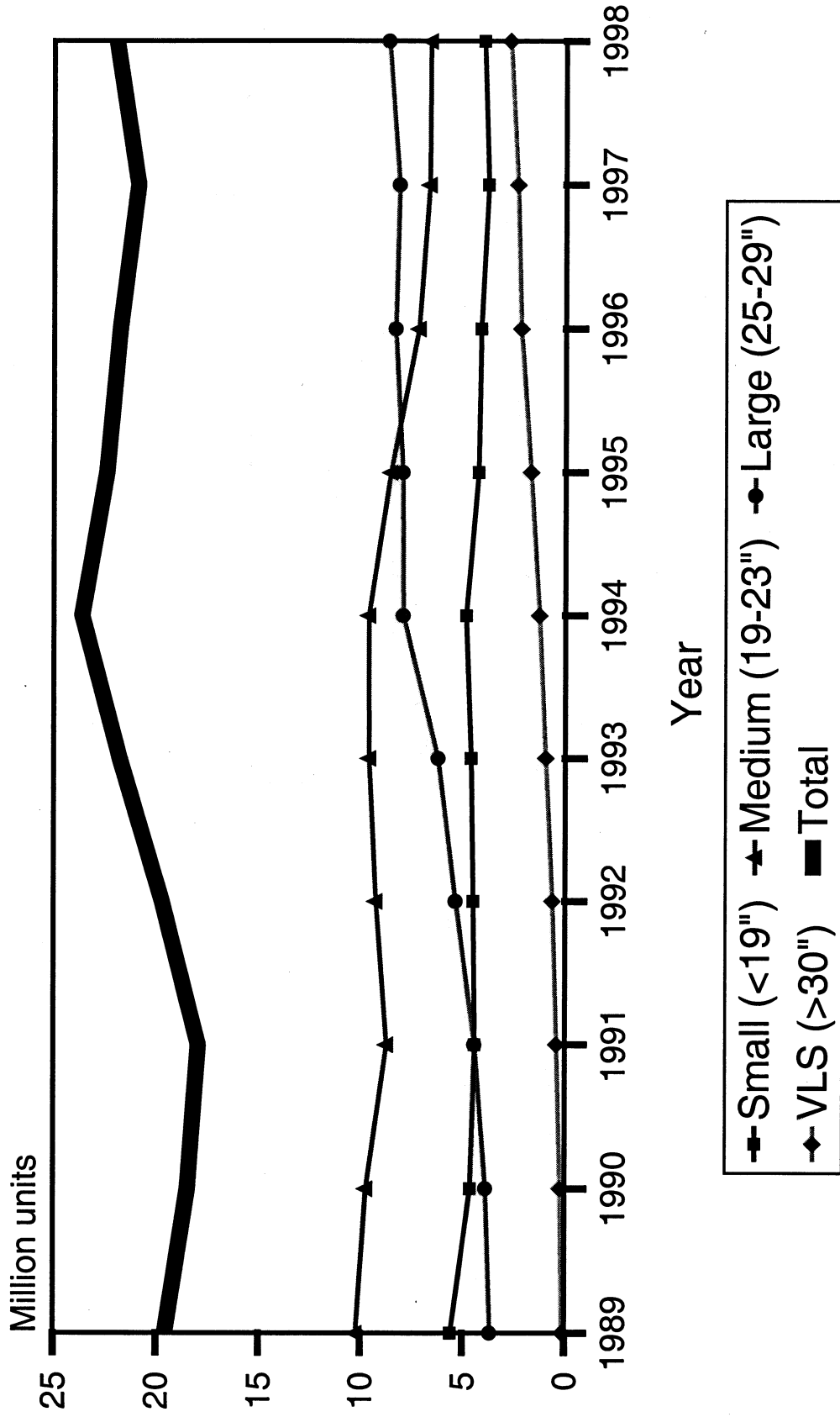
⁸ December 1, 1999, press release of Thomson Multimedia (see prehearing brief of Kaye, Scholer, exhibit 4).

Table III-5
CPTs: U.S. producers' shipments, by types, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (1,000 units)			
Open-market U.S. shipments	4,537	4,945	3,644	3,988
Captive U.S. shipments	5,016	4,683	3,548	3,084
Total U.S. shipments	9,553	9,627	7,192	7,071
Export shipments to Mexico	9,287	8,660	6,961	5,599
Export shipments to all others	2,973	1,944	1,554	857
Total export shipments	12,260	10,604	8,515	6,456
Total shipments	21,813	20,231	15,707	13,527
	Value (1,000 dollars)			
Open-market U.S. shipments	705,423	723,709	530,722	625,521
Captive U.S. shipments	865,730	806,098	575,409	579,255
Total U.S. shipments	1,571,153	1,529,808	1,106,131	1,204,776
Export shipments to Mexico	1,020,620	1,179,010	921,325	775,302
Export shipments to all others	485,004	353,243	271,141	131,545
Total export shipments	1,505,624	1,532,253	1,192,466	906,847
Total shipments	3,076,777	3,062,061	2,298,597	2,111,623
	Unit value			
Open-market U.S. shipments	\$155.49	\$146.35	\$145.66	\$156.87
Captive U.S. shipments	172.60	172.15	162.16	187.84
Average U.S. shipments	164.47	158.90	153.80	170.38
Export shipments to Mexico	109.90	136.14	132.36	138
Export shipments to all others	163.14	181.71	174.48	153
Average export shipments	122.81	144.50	140.04	140.47
Average total shipments	141.06	151.35	146.34	156.10
	Share of total shipments, quantity (percent)			
Open-market U.S. shipments	20.8	24.4	23.2	29.5
Captive U.S. shipments	23.0	23.1	22.6	22.8
Total U.S. shipments	43.8	47.6	45.8	52.3
Export shipments to Mexico	42.6	42.8	44.3	41.4
Export shipments to all others	13.6	9.6	9.9	6.3
Total export shipments	56.2	52.4	54.2	47.7
	Share of total shipments, value (percent)			
Open-market U.S. shipments	22.9	23.6	23.1	29.6
Captive U.S. shipments	28.1	26.3	25.0	27.4
Total U.S. shipments	51.1	50.0	48.1	57.1
Export shipments to Mexico	33.2	38.5	40.1	36.7
Export shipments to all others	15.8	11.5	11.8	6.2
Total export shipments	48.9	50.0	51.9	42.9

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-1
 CTVs: U.S. sales to distributors, by screen size, 1989-98



Source: EIA.

Table III-6
CPTs: U.S. producers' U.S. shipments, by screen size, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (1,000 units)			
16-19 inches ¹	***	***	***	***
20-24 inches	***	***	***	***
25-26 inches	***	***	***	***
27-31 inches	3,153	3,332	2,386	2,891
32-34 inches	1,028	1,122	769	928
35 inches and greater	***	***	***	***
Total	9,553	9,627	7,192	7,073
	Value (1,000 dollars)			
16-19 inches	***	***	***	***
20-24 inches	***	***	***	***
25-26 inches	***	***	***	***
27-31 inches	453,948	473,823	340,610	397,459
32-34 inches	306,283	314,755	222,288	238,368
35 inches and greater	***	***	***	***
Total ²	1,554,404	1,527,904	1,101,874	1,203,918
	Unit value			
16-19 inches	***	***	***	***
20-24 inches	***	***	***	***
25-26 inches	***	***	***	***
27-31 inches	143.98	142.22	142.76	137.48
32-34 inches	297.87	280.59	289.08	256.97
35 inches and greater	***	***	***	***
Average	162.71	158.70	153.21	170.22
	Share of quantity (percent)			
16-19 inches	***	***	***	***
20-24 inches	***	***	***	***
25-26 inches	***	***	***	***
27-31 inches	33.0	34.6	33.2	40.9
32-34 inches	10.8	11.7	10.7	13.1
35 inches and greater	***	***	***	***
Total	100.0	100.0	100.0	100.0
	Share of value (percent)			
16-19 inches	***	***	***	***
20-24 inches	***	***	***	***
25-26 inches	***	***	***	***
27-31 inches	29.2	31.0	30.9	33.0
32-34 inches	19.7	20.6	20.2	19.8
35 inches and greater	***	***	***	***
Total	100.0	100.0	100.0	100.0

¹ There were no reported U.S. shipments in the "15 inches and under" screen size category.

² Total U.S. shipment values do not reconcile with data presented in table III-5 because of inconsistencies in questionnaire responses that were adjusted to exclude export shipments.

Source: Compiled from questionnaire responses.

Table III-7
CPTs: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
Inventories (1,000 units)	1,072	1,235	953	1,578
Ratio of inventories to production (percent)	4.9	6.0	4.5	8.6
Ratio of inventories to U.S. shipments (percent)	11.2	12.8	9.9	16.7
Ratio of inventories to total shipments (percent)	4.9	6.1	4.6	8.7

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-8
CPTs: U.S. producers' employment-related indicators, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
Production and related workers (PRWs)	12,502	12,691	12,509	10,808
Hours worked by PRWs (1,000 hours)	21,996	22,487	16,671	14,188
Productivity (units produced per hour)	0.9	0.8	0.8	0.8
Wages paid to PRWs (1,000 dollars)	373,878	376,833	283,171	252,777
Hourly wages	\$13.83	\$13.32	\$13.30	\$13.84
Unit labor costs (per unit)	\$16.98	\$18.43	\$17.94	\$18.29

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-9
CPTs: Thomson's CPT operations in Mexico, 1997-98, January-September 1998, January-September 1999, and projected 1999 and 2000

* * * * *

FINANCIAL EXPERIENCE OF THE U.S. INDUSTRY

Background

Seven companies provided usable financial data on their operations that produced or are producing CPTs. Three of the seven reporting companies provided financial data using fiscal years that were on a calendar-year basis, while the remaining four companies reported data for a fiscal year ending March 31.⁹

The seven firms differ considerably by the size of their sales, product mix (screen sizes and faceplates), and profitability. They also differ in terms of their ratio of intracompany transfers to total sales. For example, the ratio of intracompany transfers to total sales is nearly 100 percent for ***; about 60 percent for ***; but nearly zero in the case of ***. Several companies reported producing such items as projection tubes, computer monitors, and color display tubes in the same plants where they produced CPTs.

Zenith exited the industry recently, stating its intention to become a distributor of color televisions and other consumer electronics products. Zenith began its reorganization during 1998 and ceased production in the United States by the end of the first quarter of 1999.¹⁰

CPT Operations

Income-and-loss data for the seven U.S. producers on their operations producing CPTs are presented in table III-10. Income-and-loss data for the industry excluding Zenith are shown in appendix table F-5. Table III-11 presents financial information on a company-by-company basis for net sales (quantity and value), operating income, the ratio of profit or (loss) to operating income, and the per-unit values of net sales, cost of goods sold ("COGS"), and operating income. The industry variance analysis is shown in table III-12 (the variance analysis for the U.S. industry excluding Zenith is presented in appendix table F-6).

Although the quantity and value of total sales fell during the periods investigated (table III-10), unit prices increased. This may be attributed to a product mix shift toward larger size and more profitable CPTs. The industry's operating income increased by approximately \$121 million (206 percent) between 1997 and 1998, and by \$56 million (49 percent) between January-September 1998 and the same period in 1999. The industry's net income increased by \$100 million (381 percent) between 1997 and 1998, and by \$58 million (66 percent) between January-September 1998 and the same period in 1999. Similarly, the ratios of operating income and net income to sales increased dramatically. U.S. producers reduced expenses in the three categories of COGS; the most significant reduction occurred in the category of raw materials, which declined both in absolute terms and as a ratio to net

⁹ *** each reported on a calendar-year basis; *** each have a fiscal year ending March 31. Some of the differences between the data reported in the financial section and the trade section of the Commission's questionnaire are attributable to these timing differences.

¹⁰ Zenith reorganized pursuant to a prepackaged plan of reorganization under the U.S. bankruptcy laws, approved by the Bankruptcy Court on November 5, 1999. Under this plan, Zenith became a wholly owned subsidiary of LG Electronics. According to the company's SEC filing on Form S-4/A, it ceased production at its Melrose Park, IL facility in March 1999. Certain equipment at that facility was sold to Philips Electronics North America, payable in credits against the purchase of picture tubes from Philips. Other assets, including the company's headquarters building and its manufacturing/assembly operations in the United States and Mexico were divested. For a description of Zenith's restructuring plan and asset divestitures, see Zenith's Form S-4/A, July 9, 1999, pp. 33-37, found at Internet site <http://www.sec.gov/Archives/edgar/data/109265/0000950131-99-004212.txt>, retrieved on December 15, 1999.

Table III-10
Results of operations of U.S. producers in the production of CPTs, fiscal years 1997-98, January-September 1998, and January-September 1999

Item	Fiscal year		January-September	
	1997	1998	1998	1999
Quantity (1,000 units)				
Trade sales	6,380	5,626	4,267	5,144
Company transfers	15,580	14,225	11,367	8,452
Total sales	21,960	19,851	15,634	13,596
Value (\$1,000)				
Trade sales	950,839	833,870	620,439	735,720
Company transfers	2,185,023	2,218,933	1,666,146	1,377,521
Total sales	3,135,862	3,052,803	2,286,585	2,113,241
Cost of goods sold	2,922,465	2,714,153	2,053,621	1,804,338
Gross profit	213,397	338,650	232,964	308,903
SG&A expenses	154,489	158,351	117,356	136,970
Operating income	58,908	180,299	115,608	171,933
Interest expense	24,194	18,057	15,257	13,144
Other expense	12,004	39,223	17,354	18,543
Other income items	3,464	2,969	5,023	5,583
Net income	26,174	125,988	88,020	145,829
Depreciation/amortization	163,482	164,223	130,869	108,100
Cash flow	189,656	290,211	218,889	253,929
Ratio to net sales (percent)				
Cost of goods sold	93.2	88.9	89.8	85.4
Gross profit	6.8	11.1	10.2	14.6
SG&A expenses	4.9	5.2	5.1	6.5
Operating income	1.9	5.9	5.1	8.1
Net income	0.8	4.1	3.8	6.9
Unit value				
Total sales	\$142.80	\$153.79	\$146.26	\$155.43
Cost of goods sold	133.08	136.73	131.36	132.71
Gross profit	9.72	17.06	14.90	22.72
SG&A expenses	7.04	7.98	7.51	10.07
Operating income	2.68	9.08	7.39	12.65
Net income	1.19	6.35	5.63	10.73
Number of firms reporting				
Operating losses	2	1	3	1
Data	7	7	7	7
Source: Compiled from data submitted in response to Commission questionnaires.				

sales. This cost reduction reflects the decline in quantities of CPTs sold during the periods investigated and represents a smaller amount of raw materials needed to support the smaller volume of sales; the reduced ratio of the cost of raw materials to net sales likely reflects a shift in product mix. However, nearly all producers reported higher selling, general and administrative (“SG&A”) costs, leading to increases in that category of about \$4 million (2 percent) between 1997 and 1998, and of nearly \$20 million (17 percent) between January-September 1998 and January-September 1999.

*** each reported operating losses during one or more of the periods investigated (table III-11). In the cases of ***, these losses ranged from *** of net sales, and apparently stem from high production costs. ***.

Table III-11

Net sales, operating income, operating margins, and per-unit values of sales, COGS, and operating income of U.S. producers, by firms, in the production of CPTs, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

This information is further depicted in the variance analysis for the industry in table III-12. A variance analysis depicts the effects of prices and volume on the producers’ net sales, and of costs and volume on their total cost. The substantial increases in operating income between 1997 and 1998 of \$121 million, and between January-September 1998 and January-September 1999 of \$56 million, were attributable to favorable price variances (higher average prices) that overcame unfavorable net cost/expense variances (increasing unit costs) as well as unfavorable net volume variances (the volume of sales fell). Higher average unit prices are attributable to a shift in product mix by U.S. producers who shipped relatively more CPTs of larger sizes (32 inches and greater) between 1997 and 1998, as well as between January-September 1998 and the same period in 1999.

Table III-12**Variance analysis for U.S. producers on their CPT operations, 1997-98 and January-September 1998-99**

Item	Fiscal year	January-September
	1997-98	1998-99
Value (\$1,000)		
Trade sales:		
Price variance	(4,597)	(12,238)
Volume variance	(112,372)	127,519
Trade sales variance	(116,969)	115,281
Company transfers:		
Price variance	223,942	138,648
Volume variance	(190,032)	(427,273)
Transfers variance	33,910	(288,625)
Total net sales:		
Price variance	218,104	124,728
Volume variance	(301,163)	(298,072)
Total net sales variance	(83,059)	(173,344)
Cost of sales:		
Cost variance	(72,356)	(18,421)
Volume variance	280,668	267,704
Total cost variance	208,312	249,283
Gross profit variance	125,253	75,939
SG&A expenses:		
Expense variance	(18,699)	(34,912)
Volume variance	14,837	15,298
Total SG&A variance	(3,862)	(19,614)
Operating income variance	121,391	56,325
Summarized as:		
Price variance	218,104	124,728
Net cost/expense variance	(91,055)	(53,333)
Net volume variance	(5,657)	(15,070)
Note.--Unfavorable variances are shown in parentheses; all others are favorable.		
Source: Compiled from data submitted in response to Commission questionnaires.		

Investment in Productive Facilities, Capital Expenditures, And Research and Development Expenses

The responding firms' data on capital expenditures, research and development ("R&D") expenses, and the value of their property, plant, and equipment used in the production of CPTs are shown in table III-13. Data on capital expenditures and R&D expenses on a firm-by-firm basis are shown in table III-14.

Capital expenditures were greatest in 1997 as U.S. producers improved their plant and equipment; these expenditures declined to a lower, but still considerable, level in 1998. This spending reportedly occurred pursuant to efforts to increase production capacity, or to improve production efficiency (e.g., by "producing CPTs and color display tubes on the same lines without incurring significant transition costs"), and thereby to maintain competitiveness. On the other hand, Thomson-ATO's 1999 capital expenditures at its ***.¹¹

With respect to R&D expenses, *** accounted for more than *** percent of total industry spending in that category. Such R&D expenses reportedly are focused on technological innovation to produce ***.¹²

Capital and Investment

Comments by domestic producers regarding the significance of the existing antidumping orders on imports of CPTs from Canada, Japan, Korea, and/or Singapore in terms of their effects on return on investment or their growth, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or scale of capital investments, are presented in appendix D. In that same appendix are comments by domestic producers regarding any anticipated changes in their revenues, costs, products, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of CPTs in the future if the antidumping orders on imports from Canada, Japan, Korea, and/or Singapore were revoked.

¹¹ Thomson-ATO, ***, provided to staff during fieldwork of February 23, 2000.

¹² Producers' questionnaire response of ***; see also, for example, producers' questionnaire responses of *** and ***.

Table III-13				
Value of assets, capital expenditures, and R&D expenses of U.S. producers of CPTs, fiscal years 1997-98, January-September 1998, and January-September 1999				
Item	Fiscal year		January-September	
	1997	1998	1998	1999
Value (\$1,000)				
Capital expenditures	188,786	133,645	75,434	68,082
R&D expenses	***	***	***	***
Fixed assets:				
Original cost	2,239,506	2,342,840	2,257,180	2,347,229
Book value	923,178	890,617	863,377	820,213
Source: Compiled from data submitted in response to Commission questionnaires.				

Table III-14
Capital expenditures and R&D expenses of U.S. producers, by firms, in the production of CPTs, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Tables IV-1 and IV-2 present data on U.S. imports of CPTs, and data for the period 1984-98 are graphically depicted in figure IV-1.¹ Additional data regarding U.S. producers' U.S. shipments and U.S. imports, and market shares by screen size and type, are presented in appendix H.

U.S. import data were compiled from official Commerce statistics. Information provided in response to the Commission's questionnaires was used to make adjustments to imports from Mexico. Imports of CPTs from Mexico ***.²

During 1998, imports from the subject countries amounted to 36,000 CPTs, and accounted for 0.4 percent of apparent U.S. consumption. Subject country imports with screen sizes of 25-26 inches accounted for 43.5 percent of total subject imports during 1998, and imports of CPTs with screen sizes less than 19 inches accounted for 33.7 percent of subject imports (table IV-3). Additional information regarding CPT products produced by U.S. producers, and CPT producers in Japan and Korea are presented in table IV-4.

U.S. IMPORTERS' INVENTORIES

U.S. importers reported no inventories of imports of CPTs during the period of these reviews.

¹ Additional data regarding imports of CTVs are presented in appendix G.

² December 15, 1999, telephone interview with ***.

Table IV-1
CPTs: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
	Quantity (units)			
Canada	700	6	6	23
Japan	31,405	13,985	11,472	6,384
Korea	26,084	21,724	18,206	44,262
Singapore	1,024	504	420	1,093
Subtotal	59,213	36,219	30,104	51,762
Malaysia	248,679	446,619	369,742	360,287
Mexico, adjusted	110,551	71,518	17,073	15,238
All others	210,048	18,455	16,657	16,194
Subtotal	569,278	536,592	403,472	391,719
Total	628,491	572,811	433,576	443,481
	Value (1,000 dollars)			
Canada	121	63	63	5
Japan	19,240	4,447	3,651	1,684
Korea	1,336	1,357	1,141	2,612
Singapore	104	71	63	142
Subtotal	20,801	5,938	4,918	4,442
Malaysia	12,193	18,187	15,132	14,447
Mexico, adjusted	8,217	6,246	2,615	4,787
All others	60,211	2,993	2,758	1,935
Subtotal	80,621	27,426	20,505	21,168
Total	101,422	33,364	25,424	25,610
	Unit value			
Canada	\$173.17	\$10,542.67	\$10,542.67	\$211.74
Japan	612.65	318.01	318.23	263.71
Korea	51.22	62.45	62.68	59.01
Singapore	101.51	140.72	150.35	130.01
Average	351.30	163.95	163.38	85.82
Malaysia	49.03	40.72	40.93	40.10
Mexico, adjusted	74.33	87.33	153.18	314.12
All others	286.65	162.15	165.60	119.47
Average	141.62	51.11	50.82	54.04
Average	161.37	58.25	58.64	57.75
--Table continued on next page.				

Table IV-1--Continued
CPTs: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
	Share of quantity (percent)			
Canada	0.1	(1)	(1)	(1)
Japan	5.0	2.4	2.6	1.4
Korea	4.2	3.8	4.2	10.0
Singapore	0.2	0.1	0.1	0.2
Subtotal	9.4	6.3	6.9	11.7
Malaysia	39.6	78.0	85.3	81.2
Mexico, adjusted	17.6	12.5	3.9	3.4
All others	33.4	3.2	3.8	3.7
Subtotal	90.6	93.7	93.1	88.3
Total	100.0	100.0	100.0	100.0
	Share of value (percent)			
Canada	0.1	0.2	0.2	(1)
Japan	19.0	13.3	14.4	6.6
Korea	1.3	4.1	4.5	10.2
Singapore	0.1	0.2	0.2	0.6
Subtotal	20.5	17.8	19.3	17.3
Malaysia	12.0	54.5	59.5	56.4
Mexico, adjusted	8.1	18.7	10.3	18.7
All others	59.4	9.0	10.9	7.6
Subtotal	79.5	82.2	80.7	82.7
Total	100.0	100.0	100.0	100.0

¹ Less than 0.05 percent.

Source: Compiled from responses to the Commission's questionnaires, official Commerce statistics, and the Customs Net Import File.

Table IV-2
CPTs: U.S. imports, by sources, 1984-98

Year	Canada	Japan	Korea ¹	Singapore	Subject countries	Italy	Malaysia	Mexico	Taiwan	All other sources	Total
Quantity (in units)											
1984	106,200	350,506	151,280	82,961	690,947	177	50	1,182	15,416	84,972	792,744
1985	229,418	500,615	776,255	152,582	1,658,870	0	0	699	23,206	18,240	1,701,015
1986	328,360	310,881	1,494,311	182,605	2,316,157	0	80	432	1,189	3,770	2,321,628
1987	217,694	147,485	269,226	46,163	680,568	126	0	7,707	42,457	694	731,552
1988	80,119	94,791	14,977	150	190,037	0	0	3,327	14,383	350	208,097
1989	70,681	122,301	21,885	0	214,867	38	96	65,637	15,743	681	297,062
1990	2,394	146,620	34,472	2,279	185,765	16,078	67	100,507	56,767	2,498	361,682
1991	48,321	109,459	6,075	259	164,114	884	0	187	100,987	67,219	333,391
1992	31,445	108,881	7,579	1,833	149,738	523	58,736	16	147,965	38,652	395,630
1993	38,374	109,092	11,931	1,893	161,290	135,186	34,650	19,061	143,119	53,398	546,704
1994	190,618	125,834	9,901	2,060	328,413	216,440	180,311	1,227	47,948	111,986	886,325
1995	392,317	127,838	10,293	994	531,442	352,825	275,738	4,196	15,280	102,578	1,282,059
1996	365,153	53,234	6,739	845	425,971	309,944	94,521	76,524	5,832	87,761	1,000,553
1997	700	31,405	26,084	1,024	59,213	197,450	248,679	110,551	2,603	9,995	628,491
1998	6	13,985	21,724	504	36,219	6,538	446,619	71,518	4,899	7,018	572,811
Value, landed-duty paid (1,000 dollars)											
1984	7,596	22,651	7,123	4,297	41,667	18	3	68	1,062	13,471	56,289
1985	15,532	27,786	29,735	7,174	80,227	0	0	42	1,559	17,121	98,949
1986	21,882	21,476	54,207	8,003	105,568	0	6	19	137	20,466	126,196
1987	15,506	31,247	10,667	1,917	59,337	12	0	1,072	2,535	10,664	73,620
1988	9,119	43,201	935	13	53,268	0	0	785	844	9,006	63,903
1989	10,294	66,296	1,513	0	78,103	8	8	6,743	1,189	223	86,274
1990	444	63,443	3,700	129	67,716	6,289	4	8,630	3,258	281	86,178
1991	6,367	54,579	465	38	61,449	331	0	13	5,420	14,445	81,658
1992	4,223	56,627	656	174	61,680	418	2,960	2	8,756	4,896	78,712
1993	3,333	54,762	843	147	59,085	39,651	1,753	1,779	7,571	12,853	122,692
1994	20,608	72,394	869	173	94,044	61,545	9,276	111	2,562	9,261	176,799
1995	42,598	81,740	848	93	125,279	99,274	15,263	366	1,412	7,053	248,647
1996	39,666	36,526	482	176	76,850	89,866	5,192	5,513	680	9,688	187,789
1997	121	19,240	1,336	104	20,801	58,699	12,193	8,217	340	1,172	101,422
1998	63	4,447	1,357	71	5,938	1,820	18,187	6,246	349	824	33,364

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Table IV-2--Continued
CPTs: U.S. imports, by sources, 1984-98

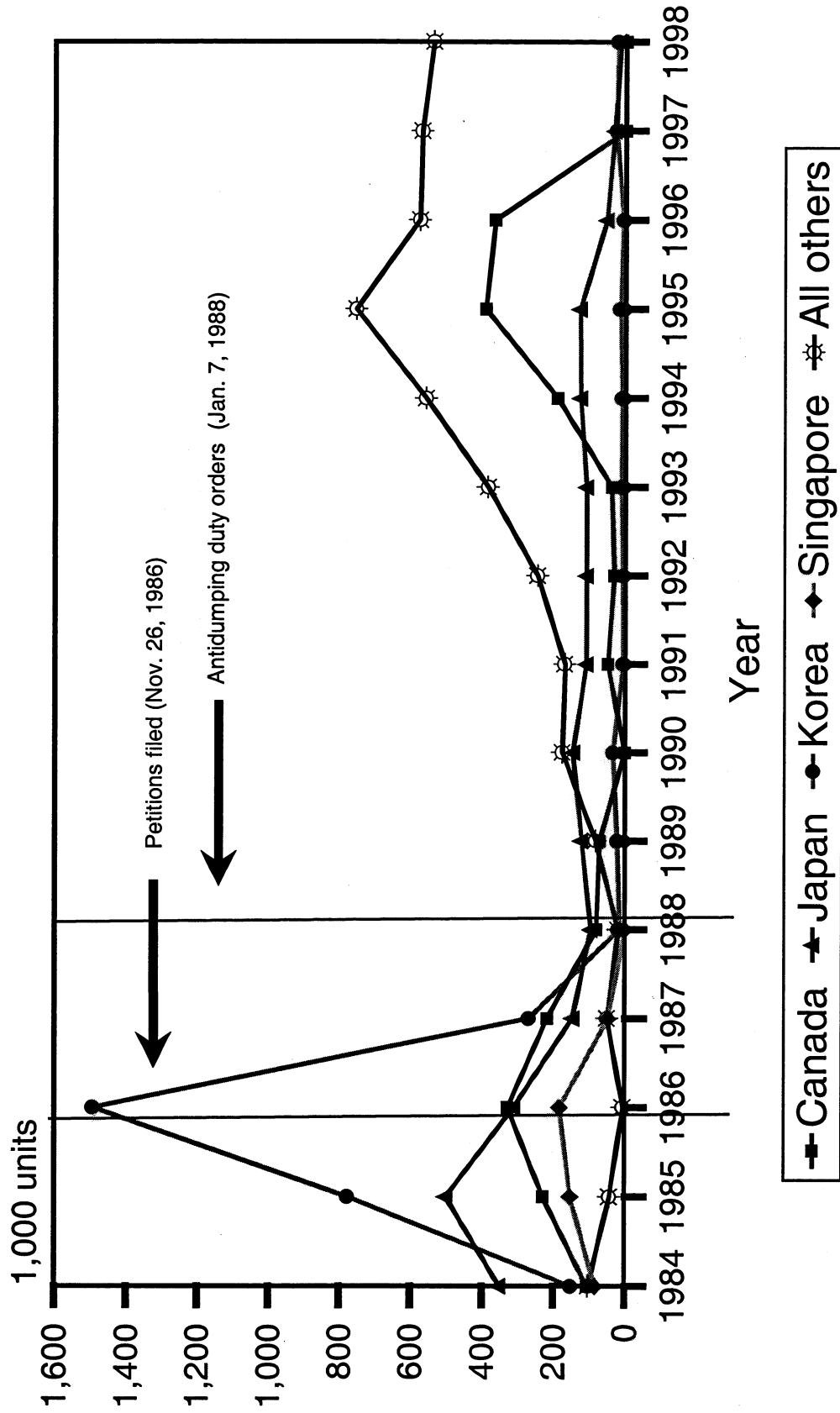
Year	Canada	Japan	Korea	Singapore	Subject countries	Italy	Malaysia	Mexico	Taiwan	All other sources	Total
Unit value											
1984	\$71.53	\$64.62	\$47.08	\$51.80	\$60.30	\$101.69	\$60.00	\$57.76	\$68.89	\$158.53	\$71.01
1985	67.70	55.50	38.31	47.02	48.36	(2)	(2)	60.13	67.18	938.65	58.17
1986	66.64	69.08	36.28	43.83	45.58	(2)	75.00	43.87	115.22	5,428.66	54.36
1987	71.23	211.87	39.62	41.53	87.19	95.24	(2)	139.07	59.71	15,366.22	100.64
1988	113.82	455.75	62.43	86.67	280.30	(2)	(2)	235.80	58.68	25,732.81	307.08
1989	145.64	542.07	69.13	(2)	363.49	210.53	83.33	102.73	75.53	327.99	290.42
1990	185.46	432.70	107.33	56.60	364.53	391.16	59.70	85.87	57.39	112.45	238.27
1991	131.76	498.63	76.54	146.72	374.43	374.43	(2)	66.92	53.67	214.90	244.93
1992	134.30	520.08	86.56	94.93	411.92	799.24	50.39	115.06	59.18	126.68	198.95
1993	86.86	501.98	70.66	77.65	366.33	293.31	50.60	93.31	52.90	240.71	224.42
1994	108.11	575.31	87.77	83.98	286.36	284.35	51.44	90.45	53.43	82.70	199.47
1995	108.58	639.40	82.39	93.56	235.73	281.37	55.35	87.33	92.41	68.76	193.94
1996	108.63	686.14	71.52	208.28	180.41	289.94	54.93	72.04	116.60	110.39	187.69
1997	172.86	612.64	51.22	101.56	351.29	297.29	49.03	74.33	130.62	117.25	161.37
1998	10,500.00	317.98	62.47	140.87	163.95	278.37	40.72	87.33	71.24	117.38	58.25

¹ Imports from Korea for the period 1984-86 do not reconcile with data presented in table I-1. Data presented above include all imports of CPTs from Korea, whether or not they were sold to unrelated parties (covered by the CPT antidumping duty order) or to related parties (covered by the CTV antidumping duty order).

² Not applicable.

Source: Compiled from official Commerce statistics.

Figure IV-1
CPTs: U.S. imports, by sources, 1984-98



Source: Table IV-2.

Table IV-3

CPTs: Shares of U.S. producers' U.S. shipments and imports, by screen size, 1998

Item	U.S. producers' U.S. shipments	Imports from--					
		Canada	Japan	Korea	Singapore	Subject	All others
Share of total shipments/imports, based on quantity (<i>percent</i>)							
BY SCREEN SIZE:							
Less than 19 inches	0.0	0.0	45.7	24.4	98.0	33.7	97.5
19-24 inches	***	0.0	1.0	3.5	0.0	2.5	0.1
25-26 inches	***	0.0	1.1	71.7	0.0	43.5	0.1
27 inches and greater	***	100.0	52.1	0.4	2.0	20.4	2.3
BY TYPE:							
Conventional	100.0	100.0	99.5	100.0	100.0	99.8	99.2
High definition	0.0	0.0	0.5	0.0	0.0	0.2	0.8

Source: Table H-1.

Table IV-4

CPTs: Products produced by U.S. producers, and producers in Japan and Korea, by size, 1999

Item	Small	Medium	Large			VLS			
	Less than 19"	19-20"	25-26"	27"	29"	31"	32"	35"	36"
U.S. producers:									
American Matsushita		✓		✓		✓	✓		✓
Hitachi ED							✓		✓
Philips Display			✓	✓			✓		
Sony Electronics		✓		✓			✓	✓	
Thomson-ATO		✓	✓	✓		✓		✓	✓
Toshiba DD		✓					✓		✓
Producers in Japan:									
Matsushita			✓	✓	✓		✓		✓
Toshiba			✓	✓	✓		✓	✓	
Producers in Korea:									
LG Electronics		✓		✓			✓		
Orion	✓			✓					
Samsung	✓	✓		✓					

Source: Compiled from responses to the Commission's questionnaires.

**SUBJECT COUNTRY CAPACITY, PRODUCTION, CAPACITY UTILIZATION,
HOME MARKET SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES**

Available comparative data from the original investigations and the current sunset reviews relating to subject country operations are presented in table IV-5. Table IV-6 presents information on subject country producers' worldwide corporate affiliations.

Canada

The single manufacturer of CPTs in Canada was identified as Mitsubishi Electronics Industries Canada. Mitsubishi has reported that Mitsubishi Canada "was shut down in December 1996." In its last full year of production Mitsubishi Canada had the capacity to produce approximately *** CPTs.³ Mitsubishi reported that the CPT machinery and equipment used in its Canadian facility were sold or scrapped as follows:⁴

<u>Equipment</u>	<u>Disposition</u>
------------------	--------------------

***.

With respect to exports to the United States of CPTs from Canada, Mitsubishi reported that:

“***.”⁵

Counsel for parties in support of continuation of the orders has indicated that because CPT production in Canada has ceased completely, and absent any current or foreseen production of CPTs in Canada, the antidumping duty order concerning imports of CPTs from Canada should be revoked.⁶

³ November 30, 1999, submission of Willkie, Farr, on behalf of Mitsubishi.

⁴ Ibid.

⁵ Ibid.

⁶ Prehearing brief of Collier, Shannon, p. 6, fn 1.

Table IV-5

CPTs: Comparative data of subject country operations from the original investigations and the current reviews, 1985-86, 1998, and projected 1988 and 2000

(Quantity in 1,000 units, shares/ratios in percent)

Item	1985	1986	Projected 1988	1998	Projected 2000
CANADA:¹					
Capacity	***	***	***	0	0
Production	***	***	***	0	0
Capacity utilization	***	***	***	(2)	(2)
Ending inventories	***	***	***	0	0
Shipments:					
Home market	***	***	***	0	0
Exports to U.S.	***	***	***	0	0
All other exports	***	***	***	0	0
Total shipments	***	***	***	0	0
Share of shipments:					
Home market	***	***	***	(2)	(2)
Exports to U.S.	***	***	***	(2)	(2)
All other exports	***	***	***	(2)	(2)
JAPAN:⁴					
Capacity	31,085	28,633	28,520	***	***
Production	30,836	25,287	25,401	***	***
Capacity utilization	99.2	88.3	89.1	***	***
Ending inventories	1,913	2,091	(3)	***	***
Shipments:					
Home market	19,720	13,859	13,891	***	***
Exports to U.S.	560	674	98	***	***
All other exports	9,120	9,655	10,881	***	***
Total shipments	29,400	24,188	24,870	***	***
Share of shipments:					
Home market	67.1	57.3	55.9	***	***
Exports to U.S.	1.9	2.8	0.4	***	***
All other exports	31.0	39.9	43.8	***	***

-Table continued on next page.

Table IV-5--Continued

CPTs: Comparative data of subject country operations from the original investigations and the current reviews, 1985-86, 1998, and projected 1988 and 2000

(Quantity in 1,000 units, shares/ratios in percent)

Item	1985	1986	Projected 1988	1998	Projected 2000
KOREA:⁶					
Capacity	6,990	10,624	16,000	21,765	14,143
Production	6,236	9,614	15,100	18,702	12,940
Capacity utilization	89.2	90.5	94.4	85.9	91.5
Ending inventories	167	97	(3)	531	258
Shipments:					
Home market	2,610	4,632	6,076	6,502	3,936
Exports to U.S.	396	619	60	***	***
All other exports	2,370	2,868	6,997	***	***
Total shipments	5,376	8,119	13,133	18,891	13,509
Share of shipments:					
Home market	48.5	57.1	46.3	34.4	29.2
Exports to U.S.	7.4	7.6	0.5	***	***
All other exports	44.1	35.3	53.3	***	***
SINGAPORE:⁷					
Capacity	***	***	***	(3)	(3)
Production	***	***	***	(3)	(3)
Capacity utilization	***	***	***	(3)	(3)
Ending inventories	***	***	***	(3)	(3)
Shipments:					
Home market	***	***	***	(3)	(3)
Exports to U.S.	***	***	***	(3)	(3)
All other exports	***	***	***	(3)	(3)
Total shipments	***	***	***	(3)	(3)
Share of shipments:					
Home market	***	***	***	(3)	(3)
Exports to U.S.	***	***	***	(3)	(3)
All other exports	***	***	***	(3)	(3)

¹ Data for Canada in the original investigations was provided by Mitsubishi Canada.

² Not applicable.

³ Not provided/not available.

⁴ Data for Japan in the original investigations were provided by five firms: Hitachi, Matsushita, Mitsubishi, Sony, and Toshiba; data for the current reviews were provided by three firms: Matsushita, Mitsubishi, and Toshiba.

⁵ Less than 0.05 percent.

⁶ Data for Korea in the original investigations and the current reviews were provided by three firms: Goldstar/LG Electronics, Orion, and Samsung.

⁷ Data for Singapore in the original investigations were provided by Hitachi Singapore.

Source: Data for 1985-86 and projected 1988 are compiled from the Commission's December 9, 1987 staff report (INV-K-131) in the original investigations. Data for 1998 and projected 2000 are compiled from responses to the Commission questionnaires in the current reviews.

Table IV-6
CPTs: Foreign producers' affiliated firms, reported as of September 1999

* * * * *

Japan

There were five known producers of CPTs in Japan during the period of these reviews: Hitachi, Ltd.; Matsushita Electronics Corp.; Mitsubishi Electric Corp.; Toshiba Corp.; and Sony Corp. Hitachi reported that it ceased production of CPTs in Japan in 1998, has not exported CPTs produced in Japan to the United States since January 1988, and does not intend to export CPTs from Japan to the United States in the future.⁷ Hitachi further reported that it produced *** CPTs during 1998, its last full year of production, and that it “***.”⁸ Mitsubishi has reported that it shut down CPT production in 1998 and has no plans to begin CPT production again, whether or not the antidumping duty orders are revoked.⁹ Sony has reported that it “has decided not to participate in the investigation procedure” and that it “has been producing its CPTs in the United States and has not much interest in the antidumping measure.”¹⁰ Estimates of Sony’s CPT production capacity in Japan range from approximately 800,000¹¹ to ***¹² units during 1999.¹³

CPT Organizational Changes Since January 1988

Matsushita provided comments regarding CPT organizational changes in Japan since January 1988, as follows:

“***.”

⁷ November 8, 1999, submission of K. Maruyama, President & Chief Executive Officer, Displays, Hitachi, Ltd.

⁸ November 22, 1999, submission of H. Moriguchi, Group Leader, Sales Promotion Plan Group, Strategic Marketing and Sales Promotion Dept., Displays, Hitachi, Ltd.

⁹ Mitsubishi, foreign producer questionnaire response, questions II.1-II.4.

¹⁰ January 5, 2000, facsimile transmission of K. Kitsukawa, Trade Affairs & Export Administration Dept., Sony Corp.

¹¹ March 23, 1999, postconference brief (public version) of Kaye, Scholer in *Certain Aperture Masks from Japan and Korea* (Invs. Nos. 731-TA-823-824 (Preliminary)), appendix II, exhibit 2.

¹² Prehearing brief of Willkie, Farr, exhibit 2; and posthearing brief of Willkie, Farr, exhibit D, p. 5.

¹³ In its March 31, 1999, form 20-F filing with the Securities and Exchange Commission (p. 36), Sony reported that “(s)ales of color TVs declined substantially in Asia, Russia and Eastern Europe, and Latin America. However, the Wega series of color TVs, which incorporates flat surface CRTs, performed extremely well in Japan and the U.S. partially due to the expansion of its lineups during the year . . . (t)he Wega series reached approximately 45% (compared to approximately 20% in the previous year) of Sony’s unit sales of color TVs in Japan.”

Organizational Changes in the Future

With respect to organizational changes in the future in Japan, Matsushita reported the following:

“***.”

CPT Production Facilities in the United States and/or Mexico

With respect to CPT production facilities in the United States and/or Mexico, the Commission’s questionnaires during these full reviews requested that foreign producers describe the factors (both domestic and foreign) that influenced the firm’s decision to establish such operations (question I-4b). The following comments regarding U.S. CPT operations were received:

“CPT production facility needed to be located near TV set production facilities due to the transportation cost and delivery terms. In 1980’s, Japanese TV set producers have moved their production to the U.S. for U.S. TV market. Therefore, we have established CPT production subsidiary, ***, to which we have moved its CPT production for U.S. CPT market.”

*** “started CPT production in *** for the purpose of providing CPTs mainly to *** in North America. The factors that influenced such decision were the large freight expenses and longer lead time due to shipment from Japan to the United States, and locating production near the customer base helped to increase domestic content and reduce currency exchange risk. Also, owing to NAFTA, *** has got advantageous position over non-U.S. production facilities in terms of competition and, in fact, *** has expanded production capacity after NAFTA.”

None of the responding CPT producers in Japan reported CPT operations (***) in Mexico.

With respect to the overlap of production/products of CPT operations in Japan and affiliated companies in the United States, Matsushita and Toshiba provided the following product- mix information for their operations:

* * * * *

Data on capacity, production, shipments, and inventories of CPTs in Japan were provided by counsel for Matsushita, Mitsubishi, and Toshiba in response to the Commission’s foreign producer’s questionnaires and are presented in table IV-7. Matsushita and Toshiba provided additional data relating to capacity, production, and shipments, by size and type of CPT, for 1999, and such data are presented in table IV-8. During 1999, the two Japanese producers’ CPT operations were primarily in the production of flat surface screen CPTs (**% percent of total shipments)¹⁴ and non-HD CPTs with a 4:3 aspect ratio (**% percent).

¹⁴ During 1999, the two producers reportedly ceased all production of curved surface screens CPTs (March 9, 2000, telephone interview with Miriam Bishop, Willkie, Farr).

Table IV-7
CPTs: Data for producers in Japan, 1997-98, January-September 1998, January-September 1999, and projected 1999 and 2000¹

Item	Calendar year		January-September		Projected	
	1997	1998	1998	1999	1999	2000
	Quantity (1,000 units)					
Capacity	4,740	***	***	***	***	***
Production	4,268	***	***	***	***	***
End-of-period inventories	450	***	***	***	***	***
Shipments:						
Home market	815	***	***	***	***	***
Internal consumption/transfers	2,264	***	***	***	***	***
Exports to:						
United States	***	***	***	***	***	***
Mexico	***	***	***	***	***	***
All other markets ²	***	***	***	***	***	***
Total exports	1,390	***	***	***	***	***
Total shipments	4,469	***	***	***	***	***
	Ratios and shares (percent)					
Capacity utilization	90.0	***	***	***	***	***
Inventories/production	10.5	***	***	***	***	***
Inventories/shipments	10.1	***	***	***	***	***
Share of total shipments:						
Home market	18.2	***	***	***	***	***
Internal consumption/transfers	50.7	***	***	***	***	***
Exports to:						
United States	***	***	***	***	***	***
Mexico	***	***	***	***	***	***
All other markets	***	***	***	***	***	***
Total exports	31.1	***	***	***	***	***
¹ Data were provided by Matsushita, Mitsubishi, and Toshiba.						
² Principal export markets included: ***.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Table IV-8

CPTs: Japanese producers' capacity, production, and shipments, by size and type, 1999

* * * * *

HD CPT Operations in Japan

With respect to the capability to produce HD CPTs in Japan, the Commission's questionnaires during these full reviews (question II-19) requested that foreign producers identify the capability and describe the state of development of HD CPTs in the firm, as well as the industry in general, reporting any planned investment in new or additional capability to produce HD CPTs. Available data on HD CPT operations in Japan were provided by Matsushita and Toshiba and are presented in table IV-9. Reported HD CPT capacity in Japan during 1997 accounted for approximately one third of total reported CPT capacity and is projected to represent more than half of total reported capacity during 2000.

Table IV-9

CPTs: Data for HD producers in Japan, 1997-98, January-September 1998, January-September 1999, and projected 1999 and 2000

* * * * *

With respect to the state of development of HD CPTs, the following comments were received:

Matsushita

“***.”

Toshiba

In its initial questionnaire response, Toshiba reported that it *** HD CPTs in Japan, and provided the following comments regarding the state of development:

“***.”

In a supplemental questionnaire response, Toshiba *** because Japan and the United States have embraced different technical specifications for HDTV.

Korea

There are three known producers of CPTs in Korea: LG Electronics, Inc.; Orion Electric Co., Ltd.; and Samsung Display Devices Co., Ltd. Data on capacity, production, shipments, and inventories of CPTs in Korea were provided by the three firms in response to the Commission's foreign producer's questionnaires and are presented in table IV-10. The three Korean CPT producers provided additional data relating to capacity, production, and shipments, by size and type of CPT, for 1999, and such data are presented in table IV-11. During 1999, Korean producers' CPT operations were concentrated in analog tubes with a 4:3 aspect ratio (*** percent of total shipments), and curved-screen CPTs (*** percent).

Table IV-10
CPTs: Data for producers in Korea, 1997-98, January-September 1998, January-September 1999, and projected 1999 and 2000

Item	Calendar year		January-September		Projected	
	1997	1998	1998	1999	1999	2000
	Quantity (1,000 units)					
Capacity	23,576	21,765	16,624	13,318	16,093	14,143
Production	22,193	18,702	13,934	11,725	14,580	12,940
End-of-period inventories	758	531	556	558	327	258
Shipments:						
Home market	5,030	3,492	2,673	1,985	2,708	2,360
Internal consumption/transfers	3,930	3,010	2,550	1,620	2,181	1,576
Exports to:						
United States	***	***	***	***	***	***
Mexico	***	***	***	***	***	***
All other markets ¹	12,421	12,019	8,482	7,442	9,372	9,154
Total exports	12,942	12,389	8,798	7,813	9,895	9,573
Total shipments	21,902	18,891	14,021	11,418	14,784	13,509
	Ratios and shares (percent)					
Capacity utilization	94.1	85.9	83.8	88.0	90.6	91.5
Inventories/production	3.4	2.8	3.0	3.6	1.7	1.5
Inventories/shipments	3.5	2.8	3.0	3.7	1.7	1.4
Share of total shipments:						
Home market	23.0	18.5	19.1	17.4	18.3	17.5
Internal consumption/transfers	17.9	15.9	18.2	14.2	14.8	11.7
Exports to:						
United States	***	***	***	***	***	***
Mexico	***	***	***	***	***	***
All other markets	56.7	63.6	60.5	65.2	63.4	67.8
Total exports	59.1	65.6	62.7	68.4	66.9	70.9
¹ Principal export markets included: ***.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Table IV-11
CPTs: Korean producers' capacity, production, and shipments, by size and type, 1999

* * * * *

CPT Production Facilities in the United States and/or Mexico

With respect to CPT production facilities in the United States and/or Mexico, the Commission's questionnaires during these full reviews (question I-4b) requested that foreign producers describe the factors (both domestic and foreign) that influenced the firm's decision to establish such operations. The following comments were received:

Samsung

"We do not have any CPT production facilities in the United States. We have established a CPT production facility in Mexico in August 1994, mainly because the North American market is one of the most important world markets for CTV and CPT products. Due to the NAFTA agreement, many CTV makers established their CTV production facilities in Mexico, especially in the Tijuana area, and CPT production facilities have followed CTV production facilities. Samsung had developed a strategy of localization in the globalized market place more than 15 years ago. Under this strategy, Samsung developed the Malaysian facilities for the Asian market, the German facilities for the European market, and the Mexican facilities for the North American market. By establishing the Mexican facilities, we were able to locate our facilities near CTV producers and were able to reduce various costs associated in production and logistics."¹⁵

LG Electronics

"LGE does not currently have CPT production facilities in either the United States or Mexico. Furthermore, the U.S. CPT production facilities owned by Zenith, LGE's U.S. subsidiary, were closed in December 1998. In addition, note that LGE, through its subsidiary LG Electronics Mexicali, operated significant CTV manufacturing facilities in Mexico, which were initially established in 1988. The CPTs purchased by LGEMX were virtually all sourced from CPT producers in the U.S. and Mexico, in large part due to the duty preference provisions of the NAFTA."

Orion

"OEC built a CPT production facility in Mexico 1996-1997 for a variety of reasons. First, increasing CTV production in Mexico for NAFTA and non-NAFTA markets increased the demands for CPTs, from both an affiliated company, Daewoo Electronics de Mexico, and from unrelated companies. Demand has also increased for color monitors and the CDTs they require. Since Mexico and the U.S. both impose a 15% duty on CPTs, and since CTVs over 14 inches require a North American CPT in order for the CTV to qualify for duty free treatment when exported to the United States or Canada, the most economical means to satisfy increasing North American demand was to produce CPTs in Mexico. Low labor costs in Mexico, compared to Korea, were also a factor, along with shipping costs for the relatively fragile CPTs and spending long time for the distance."¹⁶

Data on Korean-affiliated CPT operations in Mexico are presented in table IV-12.

¹⁵ See also, TR, pp. 167-168.

¹⁶ See also, TR, pp. 163-167.

Table IV-12

CPTs: Data for Korean affiliated firms' CPT operations in Mexico, 1997-98, January-September 1998, January-September 1999, and projected 1999 and 2000

* * * * *

HD CPT Capability in Korea

With respect to the capability to produce HD CPTs in Korea, the Commission's questionnaires during these full reviews (question II-19) requested that foreign producers identify the capability and describe the state of development of HD CPTs in the firm, as well as the industry in general, reporting any planned investment in new or additional capability to product HD CPTs. The following comments were received:

*** reported projected R&D expenditures for HD CPTs in Korea amounting to \$*** in 1999 and \$*** in 2000. *** further reported that:

"We are hoping to develop *** HD CPT ***. But the commercial production capacity and master plan is not settled yet, and depends to some extent on the availability of technology and capital. Further delays are possible."

*** reported *** expenditures for HD CPTs in Korea and further reported that:

"We think there will be a need in the market for HD CPTs in the future. We might consider a development plan for that. However, no plans have been made yet."

*** reported R&D expenditures for HD CPTs in Korea amounting to \$*** in 1998, and is projected to spend \$*** in 1999 and \$*** in 2000. *** further reported that:

"At present *** is studying the development of CPTs for HDTV. *** estimates that HD CPTs will be fully commercialized only after 2005, due to the underdeveloped broadcasting system, the state of development of TV set manufacturers, and insufficient HDTV demand."

While Korean CPT producers report that they have no investment plans for HD CPT capacity expansion in Korea, all three Korean CTV manufacturers are reportedly developing HDTV technology.^{17 18} *** has reported that it has investment plans for VLS capacity expansion in Korea during ***.¹⁹

Singapore

There have been two known CPT producers in Singapore: Hitachi and Sony. Hitachi reported that it ceased production of CPTs in Singapore in 1996, has not exported CPTs produced in Singapore to the United States since January 1988, and does not intend to export CPTs from Singapore to the United States in the future.²⁰ Hitachi further reported that Hitachi Singapore produced ***.²¹ Sony reported that it did not wish to participate in these reviews and has been producing its CPTs in the United States. Estimates of Sony's CPT production capacity in Singapore were approximately 6 million units in 1999.²²

Tariffs in Other Countries

Data regarding tariffs on CPTs in other countries as reported by questionnaire respondents are as follows:

<u>Country</u>	<u>Tariff rates</u> (percent)
China:	18.0
Japan:	0
Malaysia:	0
Taiwan:	1.0
Thailand:	26.0
EU:	14.2
Mexico:	15.0
Turkey:	14.2

¹⁷ Posthearing brief of Akin, Gump, p. 7. Counsel for Orion Electric has reported that Daewoo Electronics' proposed shipments of 30W (wide) direct-view flat-screen HDTVs from Korea to the United States at \$3,000 (February 21, 2000, *TV Digest*, p. 14) will contain HD CPTs from *** in Japan; and the dates, quantities and prices for these HDTVs are uncertain (March 7, 2000, supplemental submission of Dorsey & Whitney).

¹⁸ Although no CPT producer in Korea reportedly has HD CPT production capability, *** (table IV-11).

¹⁹ Posthearing brief of Akin, Gump, exhibit 1.

²⁰ November 8, 1999, submission of K. Maruyama, President & Chief Executive Officer, Displays, Hitachi, Ltd.

²¹ November 22, 1999, submission of H. Moriguchi, Group Leader, Sales Promotion Plan Group, Strategic Marketing and Sales Promotion Dept., Displays, Hitachi, Ltd.

²² Prehearing brief of Willkie, Farr, exhibit 4, p. 3; and March 23, 1999, postconference brief (public version) of Kaye, Scholer in *Certain Aperture Masks from Japan and Korea* (Invs. Nos. 731-TA-823-824 (Preliminary)), appendix II, exhibit 2.

PART V: PRICING AND RELATED DATA

FACTORS AFFECTING PRICING

Color picture tubes are used almost exclusively as a major component in the production of direct-view CTVs; a small quantity are also used in monitors for video arcade games, for classroom and training use, in medical and military display devices, and as replacement parts. Prices of conventional CPTs depend principally on viewable screen size, curvature of the faceplate, and shipment volume. Larger screen sizes, flatter faceplates, and smaller volumes all lead to higher prices. CPTs capable of displaying a high-definition format,¹ are produced predominantly in the larger screen sizes and are several times more expensive than their counterpart conventional CPTs.² Sales of the HD CPTs are very limited due principally to their high cost, but also due to very few programs broadcast in the high-definition format. In addition, HD CPTs with a 16:9 aspect ratio, compared to any HD CPTs with the conventional 4:3 aspect ratio, would carry an additional price premium.

Raw Material Costs and Tariff Rates

Glass represents the predominant single material input cost to produce CPTs, and ranges from 30 to more than 50 percent of the total cost to produce this product, depending on the type and screen size. CPTs currently carry NTR *ad valorem* duty rates ranging from 7.5 percent to 15.0 percent, depending on the tariff product category, when imported as a CPT only, and NTR duty rates ranging from zero to 5.0 percent when imported as an incomplete or unfinished color television apparatus.³

Transportation Costs To the U.S. Market

Transportation charges for imports of color picture tubes from the subject countries to the U.S. ports of entry, based on U.S. official import value data during January 1997-September 1999, averaged 1.4 percent of the U.S. customs value for U.S. imports of color picture tubes from Canada, 3.0 percent from Japan, 2.8 percent from Korea, and 6.6 percent from Singapore.

U.S. Inland Transportation Costs

U.S. inland transportation costs typically average between 0.5 and 2 percent of the delivered costs of CPTs for deliveries within 500 miles of the producers' U.S. selling locations.⁴ For deliveries beyond 500 miles from their U.S. selling locations, responding U.S. CPT producers reported shipping charges ranging up to 5 percent. In most instances, U.S. producers shipped by truck, even though they

¹ High definition in Part V refers to the CEMA definition, which was summarized in Part II, unless otherwise specified. High definition includes specifications for the display format and stipulates a digital broadcast signal. HD CPTs provide a sharper picture than conventional CPTs, especially in the very large screen sizes (32 inches and above). The high-definition picture quality is reportedly most noticeable on screen sizes of 38 inches or more (Mitsubishi 2000 projection TV product catalog, p. 2); CPT screen sizes are generally not more than 36 inches.

² Conventional CPTs are designed to display only an analog signal in standard definition, although set-top converters can convert a digital signal to an analog signal and thereby enable conventional CTVs to receive digital signals. Conventional CTVs also can be specially calibrated to improve the display of an analog signal (*The Washington Post*, January 21, 2000, p. E-11).

³ These duty rates are not subject to staged reductions under a WTO agreement.

⁴ Importers did not report U.S.-inland transportation data.

tended to ship most of their CPTs more than 500 miles to purchasers' locations. The two major exceptions were ***, *** shipped about *** of its CPTs within 100 miles of its selling location, while *** shipped *** percent of its CPTs less than 500 miles to its customers. U.S. CPT producers generally reported that U.S. freight costs do not represent a competitive disadvantage.

Most CPT transactions are on an annual agreement basis, with only a few shipments on a spot order basis. The annual agreements are written or oral and tend to fix price and quantity targets for the year, although prices are sometimes renegotiated about midyear and specific shipment quantities and dates are established by monthly purchase orders issued by the CTV producers. Order lead times reported by U.S. CPT producers for the few spot shipments typically ranged from 1 day to 3 weeks from U.S. inventories and 1-2 months from current production. Importers did not report order lead time information.

Exchange Rates

Figures V-1 through V-5 show quarterly real and nominal exchange rate indices (the former are nominal exchange rates adjusted for relative rates of inflation)⁵ between the U.S. dollar and currencies of the four subject countries and of Mexico.⁶ The most recently available data allowed real exchange rates to be calculated during January 1997-September 1999 for the four subject countries, and January 1997-December 1998 for Mexico.⁷ The nominal and real values of exchange rates trended closely together for the Canadian dollar, Japanese yen, and Singapore dollar, while the nominal exchange rates of the Korean won and Mexican peso typically diverged from the real exchange rates of these latter two currencies. Significantly higher inflation in Korea and Mexico compared to inflation in the United States led to less currency depreciation in real terms compared to nominal terms for the Korean won and to currency appreciation in real terms compared to depreciation in nominal terms for the Mexican peso.⁸

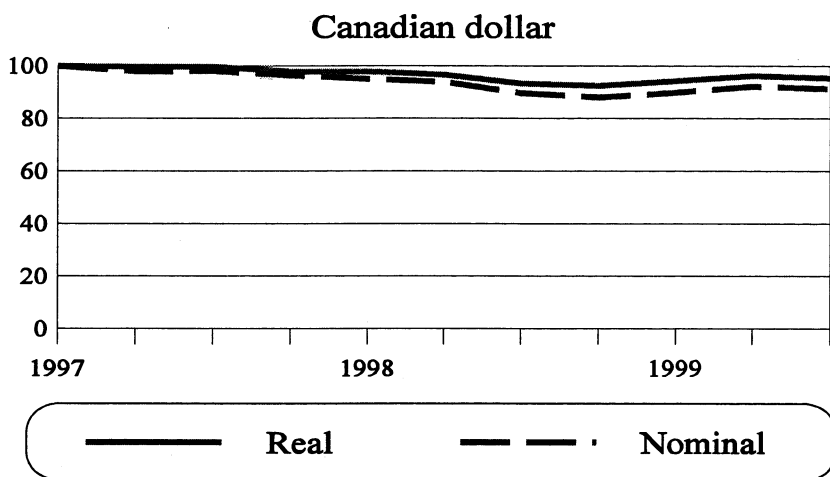
⁵ The quarterly real and nominal exchange rate indices were calculated from nominal exchange rates and producer price indices reported by the International Monetary Fund for each country. The exchange rate indices were based on exchange rates expressed in U.S. dollars per unit of the foreign currency, such that index numbers below 100 represent depreciation and numbers above 100 represent appreciation of the foreign currency vis-a-vis the U.S. dollar. See appendix I for a discussion of the relationship among nominal exchange rates, real exchange rates, and producer prices, and the impact of changes in their values on prices of exports and imports. See also Office of Economics Research Notes, "Exchange Rates," 99-06-A, June 7, 1999.

⁶ The four subject countries accounted for 8.9 percent of the total quantity of U.S. imports of CPTs during January 1997-September 1999, while Mexico, which has become a major producer of CPTs and color television receivers, is an important export supplier of CTVs to the United States. Mexico accounted for about 12.0 percent of the total quantity of U.S. imports of CPTs during January 1997-September 1999.

⁷ The quarterly real exchange rate indices were calculated from nominal exchange rates, producer/wholesale price indices in the subject countries, and the producer price index in the United States. Producer selling prices of the subject product in each country are expected to follow the trend in that country's overall producer-price level; if subject product prices in the specified country do not follow the trend in the general price level, the calculated real exchange rate (which is based on this general price level) would over- or under-estimate the impact of the effect of the actual changes in domestic prices and exchange rates on U.S. dollar-denominated prices of exports of the subject product.

⁸ Central bank changes in the nominal exchange rates, as well as government changes in allowable bands of fluctuations around the official exchange rate, constitute devaluations when these actions reduce the exchange-rate value of the local currency. Depreciation occurs when market forces alone reduce the exchange-rate value of the local currency. Because devaluation and depreciation frequently occur simultaneously, the term depreciation will generally be used.

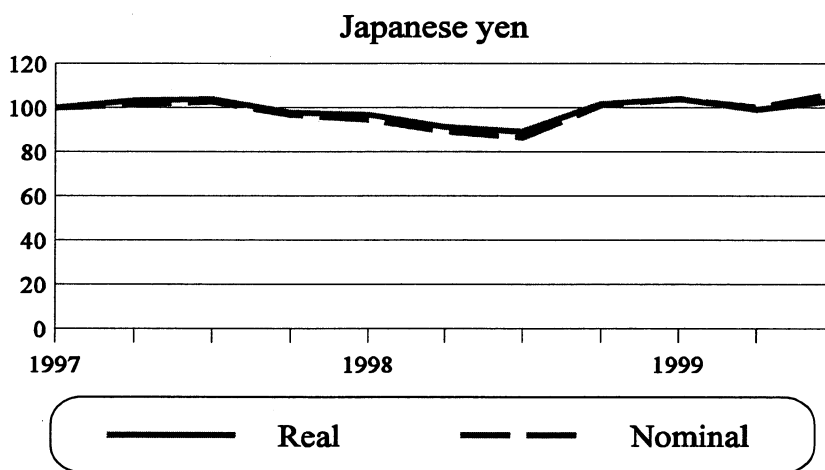
Figure V-1
Real and nominal exchange rate indexes of the Canadian dollar, by quarters, January 1997-September 1999



Note: Index (Jan.-Mar. 1997=100).

Source: International Monetary Fund, *International Financial Statistics*, February 2000.

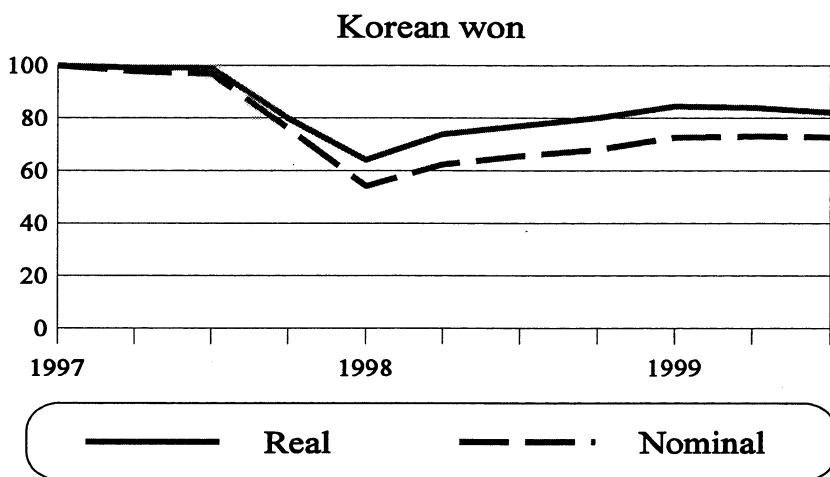
Figure V-2
Real and nominal exchange rate indexes of the Japanese yen, by quarters, January 1997-September 1999



Note: Index (Jan.-Mar. 1997=100).

Source: International Monetary Fund, *International Financial Statistics*, February 2000.

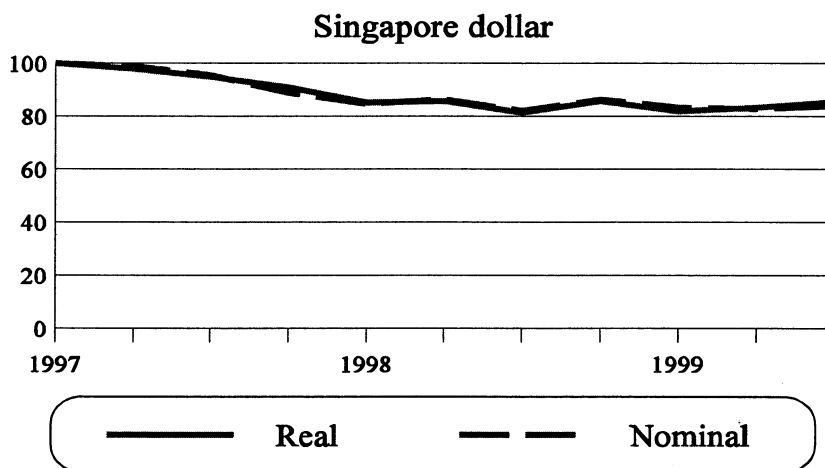
Figure V-3
Real and nominal exchange rate indexes of the Korean won, by quarters, January 1997-September 1999



Note: Index (Jan.-Mar. 1997=100).

Source: International Monetary Fund, *International Financial Statistics*, February 2000.

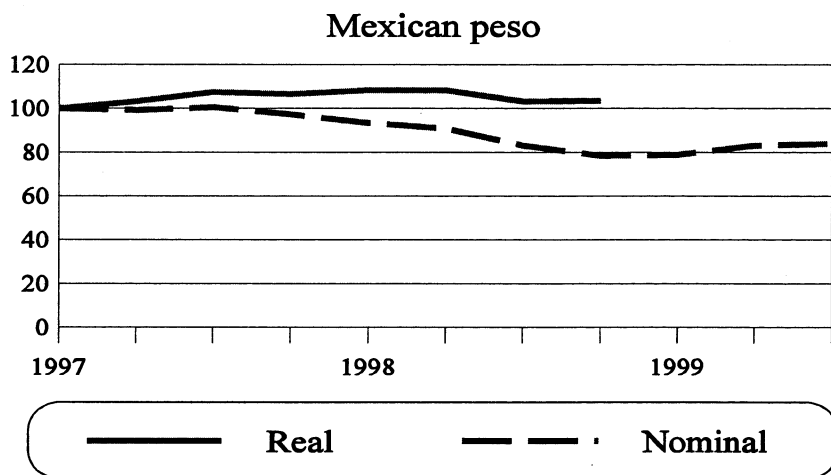
Figure V-4
Real and nominal exchange rate indexes of the Singapore dollar, by quarters, January 1997-September 1999



Note: Index (Jan.-Mar. 1997=100).

Source: International Monetary Fund, *International Financial Statistics*, February 2000.

Figure V-5
Real and nominal exchange rate indexes of the Mexican peso, by quarters, January 1997-September 1999



Note: Index (Jan.-Mar. 1997=100).

Source: International Monetary Fund, *International Financial Statistics*, February 2000.

Over the periods reported, real exchange rates of the Canadian dollar, Korean won, and Singapore dollar fell against the U.S. dollar, while the Japanese yen and Mexican peso rose. As noted in appendix I, currency depreciation tends to lower and currency appreciation tends to raise the foreign-currency price of a country's exports. Real currency exchange-rate values of the specified countries fluctuated more widely for the Korean won and the Singapore dollar than for the other currencies. The Korean won and the Singapore dollar fluctuated by almost 36 percent and 19 percent, respectively, from their initial-period values in real terms vis-a-vis the U.S. dollar during the periods reported, while the Canadian dollar and the Japanese yen remained within 11 percent of their initial-period values in real terms and the Mexican peso remained within 9 percent of its initial-period value in real terms.

Importers reported in their questionnaire responses that exchange rate fluctuations have relatively little overall impact on U.S. dollar prices of the imported CPTs, which are more dependent on the market price of the CTVs. This suggests that exchange rate changes would affect primarily exporters'/importers' profits rather than the U.S. dollar prices of their exported CPTs.⁹ As a result, exchange rates appear to affect CPT trade flows primarily through effects on supplier profitability rather than through purchase price changes. ***.

During January 1997-August 1999, the quarterly values of the Canadian dollar initially depreciated in real terms against the U.S. dollar and then generally appreciated; by the end of the period,

⁹ In addition, U.S. CPT producers reported in their producer questionnaire responses that changes in raw material/component costs are typically not passed on in the prices of CPTs because of aggressive competition in the CPT and CTV markets; the one exception would be a dramatic cost change that is experienced by all CPT producers. ***.

the Canadian dollar had depreciated by 4.6 percent in real terms against the U.S. dollar. The Canadian dollar reached its period-low against the U.S. dollar by the fourth quarter of 1998, when it had depreciated by 7.5 percent; after this period the Canadian dollar generally appreciated in real terms against the U.S. dollar, by 3.1 percent, through the third quarter of 1999.

During January 1997-September 1999, the quarterly values of the Japanese yen initially depreciated in real terms against the U.S. dollar and then generally appreciated; by the end of the period, the Japanese yen had appreciated by 3.3 percent in real terms against the U.S. dollar. The Japanese yen reached its period-low against the U.S. dollar by the third quarter of 1998, when it had depreciated by 8.7 percent; after this period the Japanese yen generally appreciated in real terms against the U.S. dollar, by 15.9 percent, through the third quarter of 1999.

During January 1997-August 1999, the quarterly values of the Korean won initially depreciated in real terms against the U.S. dollar and then generally appreciated; by the end of the period, the Korean won had depreciated by 17.8 percent in real terms against the U.S. dollar. The Korean won reached its period-low against the U.S. dollar by the first quarter of 1998, when it had depreciated by 35.9 percent; after this low point, the Korean won generally appreciated in real terms against the U.S. dollar, by 28.2 percent, through the third quarter of 1999.

During January 1997-July 1999, the quarterly values of the Singapore dollar initially depreciated in real terms against the U.S. dollar and then generally leveled off; by the end of the period the Singapore dollar had depreciated by 14.4 percent in real terms against the U.S. dollar. The Singapore dollar reached its period-low against the U.S. dollar by the third quarter of 1998, when it had depreciated by 18.6 percent; after this low point, the Singapore dollar appreciated somewhat in real terms against the U.S. dollar, by 5.2 percent, through the third quarter of 1999.

During January 1997-December 1998, the quarterly values of the Mexican peso initially appreciated in real terms against the U.S. dollar and then generally depreciated; by the end of the period, the Mexican peso had appreciated by 3.5 percent in real terms against the U.S. dollar. The Mexican peso reached its period-high against the U.S. dollar by the first quarter of 1998, when it had appreciated by 8.4 percent; after this period the Mexican peso generally depreciated in real terms against the U.S. dollar, by 4.5 percent, through the fourth quarter of 1998.¹⁰

PRICING PRACTICES

About 49 percent of U.S. CPT producers' domestic shipments of their U.S.-produced CPTs were to affiliated firms and the remaining 51 percent were to nonaffiliated firms during January 1997-September 1999; most of these affiliated and nonaffiliated customers are producers of CTVs. U.S. CTV producers tend to be the importers of CPTs, which they use in their production operations. The CPT suppliers generally offer quantity discounts. U.S. CPT producers reported that they tend to sell their CPTs at a somewhat lower price to their affiliated CTV producers than to nonaffiliated CTV producers. However, limited reported price data of individual CPT suppliers' sales to affiliated and nonaffiliated U.S. customers showed that neither type of customer was more likely to receive the lowest price.

U.S. producers and importers of CPTs typically do not use price lists in selling the domestic and imported products. Most sales are made on an annual basis,¹¹ typically fixing both the price and quantity; purchase orders are generally issued monthly throughout the contract period to specify the quantities and shipment dates. U.S. producers of CTV sets generally receive shipments of CPTs daily or weekly. The

¹⁰ Since the end of 1998 the Mexican peso has appreciated in nominal terms against the U.S. dollar, by 6.9 percent through the third quarter of 1999.

¹¹ These annual sale agreements are frequently written or verbal.

reported contract terms do not usually include a meet-or-release price provision, although prices are sometimes renegotiated during the contract period.

U.S. producers and importers typically quote delivered prices to their U.S. customers, and on those sales where they quote U.S. f.o.b. prices, they generally arrange transportation to their customers and prepay the freight.¹² U.S. producers and importers generally offer payment terms of net 30 days.

Price Data

The Commission requested annual net delivered selling price and quantity information from U.S. producers and importers for their annual sales contracts of four CPT products to U.S. CTV producers during 1997-99. CTV producers that imported the specified CPT products for their own use were requested to report purchase price data. Importers were requested to report the price data separately for their imports from Canada, Japan, Korea, and Singapore. In addition, U.S. CTV producers were requested to report their CPT purchase price data on an annual basis and separately for the U.S.-produced products and those from each of the subject countries. The four specified products are described below.

Product 1.—Conventional color television matrix picture tube (entertainment type), 19 inches in diameter (about 48 cm), 90 degree deflection, yoke attached, 4:3 aspect ratio, standard spherical radius (1.0-R),¹³ regardless of gun configuration.

Product 2.—Conventional color television matrix picture tube (entertainment type), 27 inches in diameter (about 69 cm), 90 degree deflection, yoke attached, 4:3 aspect ratio, standard spherical radius (1.0-R), regardless of gun configuration.

Product 3.—Conventional color television matrix picture tube (entertainment type), 32 inches in diameter (about 81 cm), 90 degree deflection, yoke attached, 4:3 aspect ratio, standard spherical radius (1.0-R), regardless of gun configuration.

Product 4.—High definition color television matrix picture tube (entertainment type), 32 inches in diameter (about 81 cm), 90 degree deflection, yoke attached, 16:9 aspect ratio, standard spherical radius (1.0-R), regardless of gun configuration.

Usable selling price data were received from the seven U.S. CPT producers and from a single importer of CPTs during the current reviews,¹⁴ but each firm did not necessarily report for every period or product requested. In addition, four U.S. CTV producers reported the requested pricing data in their purchaser questionnaire responses.¹⁵ To avoid double counting, the discussion of the reported price data involves primarily the data reported by purchasers and complemented with price data reported by U.S.

¹² For shipments to customers in Mexico, prices are generally quoted delivered to a U.S. border location convenient to the Mexican facility.

¹³ 1.0-R is calculated as follows: specified diagonal screen size in inches is DIVIDED by 25 inches and the result MULTIPLIED by approximately 1.0 meter.

¹⁴ ***.

¹⁵ No price data were reported for CPT product 4 by any of the reporting firms.

CPT producers and importers when the latter data were not reported by the purchasing entity.¹⁶ Reported pricing data accounted for 34.5 percent by quantity of U.S. producers' total domestic CPT shipments during 1997-99,¹⁷ and for *** percent by quantity of total U.S. imports of CPTs from Korea.¹⁸ No price data were reported for CPTs from the other three subject countries.

The reported price data for U.S.-produced CPTs are shown by years in tables V-1 through V-3 and figures V-6 and V-7 during 1997-99, and are based on net delivered values and quantities of U.S.-produced CPTs shipped to the purchasing U.S. CTV producers' locations. The limited import price data are discussed but not shown in the tables. Product 2 was the largest category by value for which combined arms-length and transfer price data for domestic CPTs were reported, accounting for 42.8 percent of the total delivered value for all three products. Product 3 ranked second by value, accounting for 38.3 percent, and product 1 ranked third by value, accounting for 18.9 percent. Product 3 accounted for only 19.2 percent of the total quantity of price data reported, but had an average price of \$277.02 per unit compared to \$144.57 per unit for product 2 and \$66.22 for product 1. Total reported quantities of product 1 fell significantly from *** units in 1997 to *** units in 1999, or by 49.8 percent; most of this decrease was accounted for by falling sales to unaffiliated U.S. customers. Total reported quantities of product 2 also fell significantly during 1997-99, from *** units in 1997 to *** units by 1999, or by 38.3 percent; most of this decline resulted from sharply falling shipments to affiliated U.S. customers. Total reported quantities of product 3 fell more modestly from 667,410 units in 1997 to 550,780 units in 1999, or by 17.5 percent; most of this decline resulted from falling shipments to affiliated U.S. customers. A majority of the decline in shipment volumes for products 2 and 3 was accounted for by the U.S. CTV producer ***.¹⁹ No price data were reported for product 4.

Price Trends and Price Comparisons

The reported annual price data show that total delivered prices of the U.S.-produced CPT products 1 through 3 generally fell during 1997-99 for both arms-length transactions and transfers among affiliated U.S. companies.²⁰ The only exception involved total transfer prices of product 2, which showed an increasing price trend. No price trends were available for the imported Korean CPT product because only a single transaction was reported. The total weighted-average prices of the domestic CPT product 1 based on arms-length price transactions fell from \$65.83 per unit in 1997 to *** per unit in 1999, or by *** percent; total weighted-average prices of domestic CPT product 1 shipped on a transfer price basis fell by *** percent during this period. The total weighted-average prices of the domestic CPT product 2 based on arms-length price transactions fell from \$147.17 per unit in 1997 to \$140.06 per unit

¹⁶ Many of the U.S. CTV producers also produce CPTs in the United States, but some of these firms returned only a CPT producers' questionnaire.

¹⁷ This figure overstates the price data coverage for U.S.-produced CPTs because the shipment data are through September 1999 while the price data are based on annual contracts through 1999.

¹⁸ This figure overstates the price data coverage for the imported Korean CPTs because the import data are through September 1999 while the price data are based on annual contracts through 1999.

¹⁹ ***.

²⁰ Prices paid for CPTs by each of the individual purchasing CTV producers also generally fell during 1997-99 for each of the three specified products reported and for both arms-length and transfer price transactions. The only exception involved transfer prices of product 2, which showed an increasing price trend for four of the five CTV producers for which price data were available.

Table V-1

CPTs produced in the United States—product 1: Weighted-average net delivered prices and quantities of CPTs purchased by U.S. producers of color television receivers, by type of transaction, by purchasing CTV producer, and by years, 1997-99¹

Purchasing CTV producer	1997		1998		1999	
	Price	Quantity	Price	Quantity	Price	Quantity
	\$/Unit	Units	\$/Unit	Units	\$/Unit	Units
Arms-length price data: ²						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average/total	65.83	676,049	64.47	549,844	***	***
Transfer price data: ³						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average/total.	***	***	***	***	***	***

¹ Unless otherwise indicated, the CPT price data shown in this table were reported in purchaser questionnaire responses by the purchasing CTV producer.

² Purchased from non affiliated suppliers.

³ Purchased from affiliated suppliers.

Source: Compiled from data submitted in response to Commission questionnaires.

in 1999, or by 4.8 percent; total weighted-average prices of domestic CPT product 2 shipped on a transfer price basis rose by *** percent during this period. The total weighted-average prices of the domestic CPT product 3 based on arms-length price transactions fell from \$284.09 per unit in 1997 to \$258.40 per unit in 1999, or by 9.0 percent; total weighted-average prices of domestic CPT product 3 shipped on a transfer price basis fell by 14.3 percent during this period.

Table V-2
CPTs produced in the United States—product 2: Weighted-average net delivered prices and quantities of CPTs purchased by U.S. producers of color television receivers, by type of transaction, by purchasing CTV producer, and by years, 1997-99¹

Purchasing CTV producer	1997		1998		1999	
	Price	Quantity	Price	Quantity	Price	Quantity
	\$/Unit	Units	\$/Unit	Units	\$/Unit	Units
Arms-length price data: ²						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average/total.	147.17	921,711	147.06	1,112,392	140.06	907,300
Transfer price data: ³						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average/total.	***	***	***	***	***	***

¹ Unless otherwise indicated, the CPT price data shown in this table were reported in purchaser questionnaire responses by the purchasing CTV producer.

² Purchased from non-affiliated suppliers.

³ Purchased from affiliated suppliers.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-3

CPTs produced in the United States—product 3: Weighted-average net delivered prices and quantities of CPTs purchased by U.S. producers of color television receivers, by type of transaction, by purchasing CTV producer, and by years, 1997-99¹

Purchasing CTV producer	1997		1998		1999	
	Price	Quantity	Price	Quantity	Price	Quantity
	<i>\$/Unit</i>	<i>Units</i>	<i>\$/Unit</i>	<i>Units</i>	<i>\$/Unit</i>	<i>Units</i>
Arms-length price data: ²						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average/total	284.09	191,612	281.17	142,992	258.40	234,396
Transfer price data: ³						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average/total.	298.92	475,798	273.45	380,337	256.03	316,384

¹ Unless otherwise indicated, the CPT price data shown in this table were reported in purchaser questionnaire responses by the purchasing CTV producer.

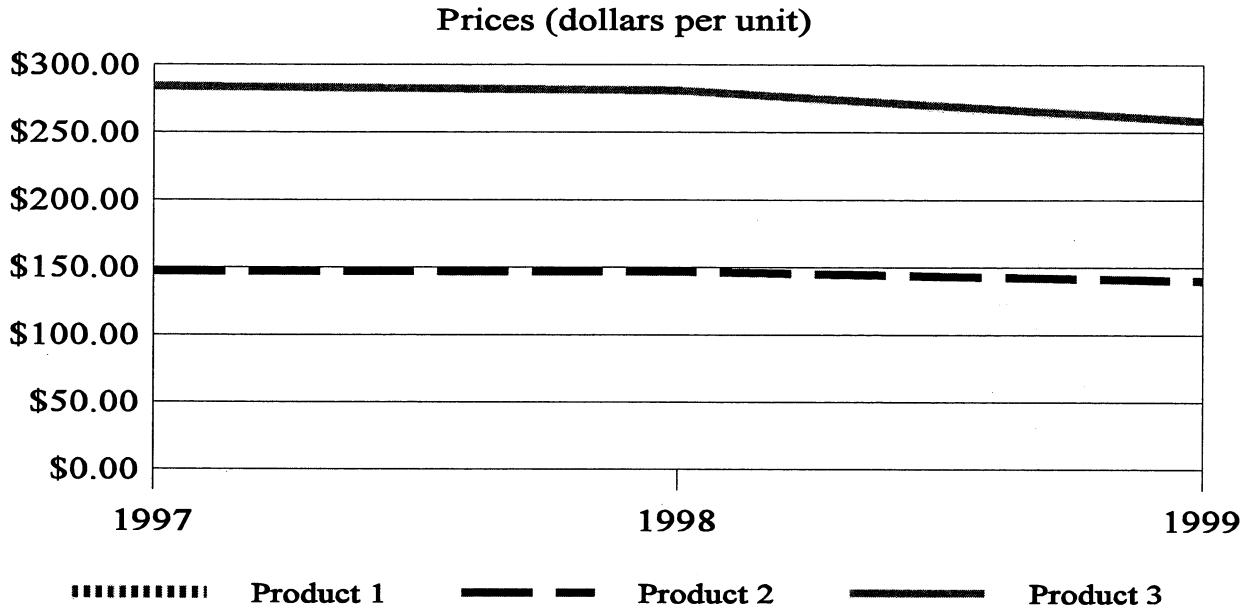
² Purchased from non-affiliated suppliers.

³ Purchased from affiliated suppliers.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-6

Color picture tubes produced in the United States: Weighted-average net delivered prices and total quantities of CPTs purchased by U.S. CTV producers on an *arms-length price basis*, by products and by years, 1997-99



Source: Compiled from data submitted in response to Commission questionnaires.

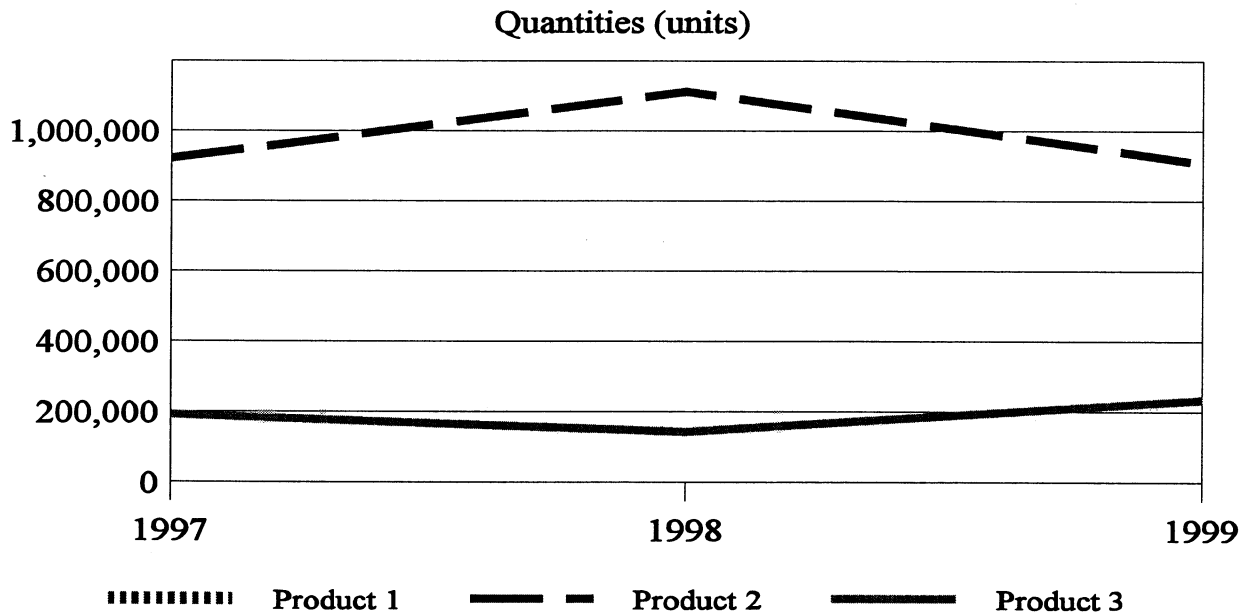
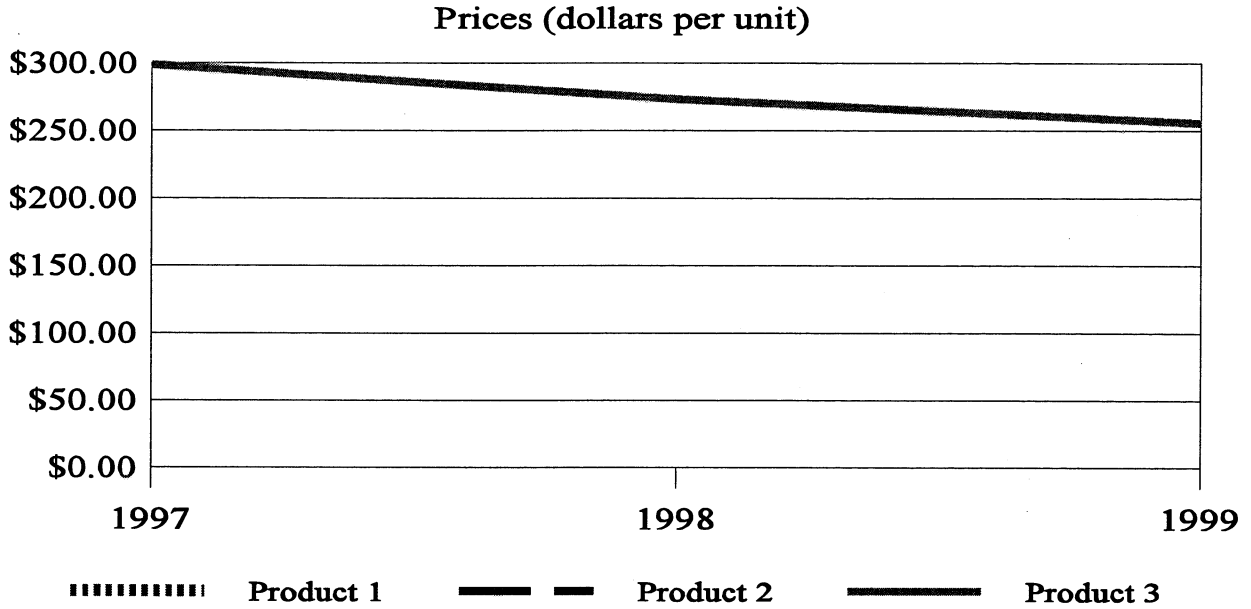
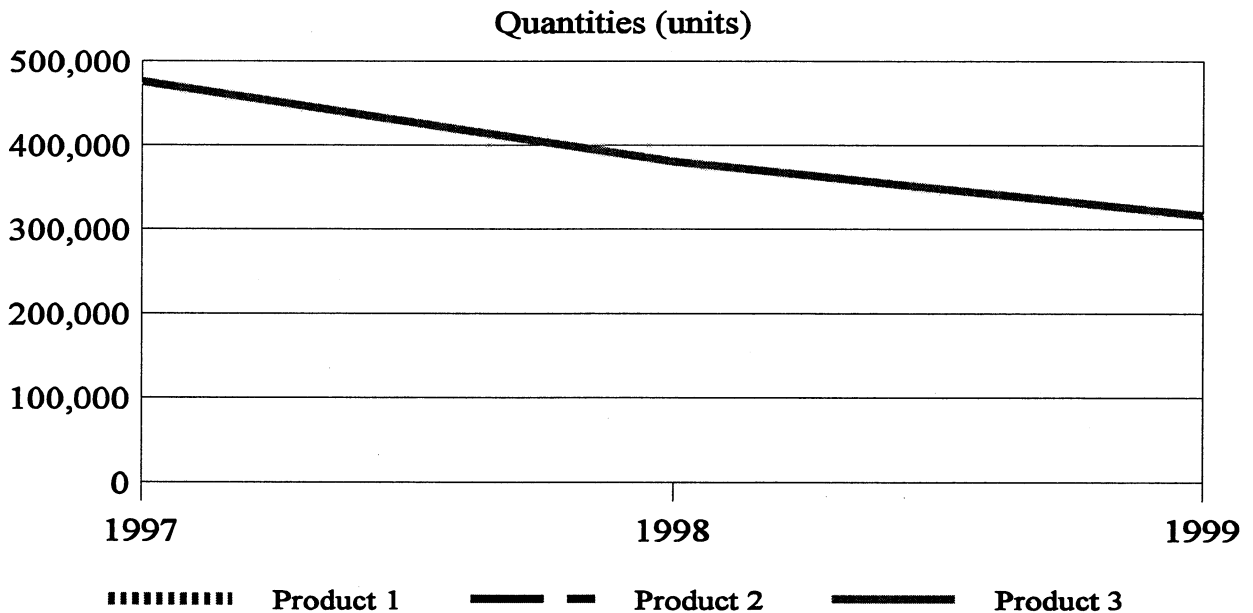


Figure V-7

Color picture tubes produced in the United States: Weighted-average net delivered prices and total quantities of CPTs purchased by U.S. CTV producers on a *transfer price basis*, by products and by years, 1997-99



Source: Compiled from data submitted in response to Commission questionnaires.



The single price comparison involved the domestic and imported Korean product 1 transacted on an arms-length basis. *** reported importing *** units of the Korean product 1 during 1998 for its own use at a delivered price of *** per unit; the Korean product 1 was imported without a yoke attached.²¹ This price is about *** percent lower than the total weighted-average price of the domestic product 1 of \$64.47 per unit during 1998. This comparison likely reflects an underselling bias in that most units of the domestic product 1 were shipped with the yoke attached.²²

The U.S. CPT producers reported in their questionnaire responses some minimum prices that they would accept in the short run and in the long run in order to maintain production.²³ This was difficult to report because U.S. producers will frequently use the smaller screen sizes, such as the 19/20-inch CPTs, to generate production volume and the larger sizes, particularly the 25/27-inch, 32-inch, and 35/36-inch CPTs, to generate the profit margins.²⁴ Hitachi ED, Philips Display, and Sony Electronics reported minimum prices of specific sizes of CPTs that they must achieve in the short run and in the long run; these CPT prices are shown in the tabulation below in dollars per unit.

Companies	27-inch screen size		32-inch screen size		36-inch screen size	
	Short run	Long run	Short run	Long run	Short run	Long run
Hitachi ED	***	***	***	***	***	***
Philips Display	***	***	***	***	***	***
Sony Electronics	***	***	***	***	***	***

¹ No data reported.

Based on the reported questionnaire data, the three firms shown here appear to have received prices in 1999 for their 27-inch and 32-inch CPTs that are close to their minimum long-run prices.

***.²⁵ To achieve this, ***.²⁶

²¹ ***.

²² The lone transaction in which domestic product 1 was shipped without its yoke involved purchases by ***. The imported Korean product 1 without a yoke attached undersold the domestic product 1 reported by *** without a yoke attached by about *** percent.

²³ The short run refers to a period of one year and the long run refers to a period of more than one year.

²⁴ ***.

²⁵ ***.

²⁶ ***.

APPENDIX A

***FEDERAL REGISTER* NOTICES AND
COMMISSION ADEQUACY STATEMENT**

required by the OPIC Amendments Act of 1985, and this notice is being published to facilitate public participation. The notice also describes OPIC and the subject matter of the hearing.

DATES: The hearing will be held on December 21, 1999, and will begin promptly at 2 p.m. Prospective participants must submit to OPIC before close of business December 14, 1999, notice of their intent to participate.

ADDRESSES: The location of the hearing will be: Overseas Private Investment Corporation, 1100 New York Avenue, NW, 12th Floor, Washington, DC. Notices and prepared statements should be sent to Harvey Himberg, Financial Management and Statutory Review Department, Overseas Private Investment Corporation, 1100 New York Avenue, NW, Washington, DC 20527 (e-mail at hhimb@opic.gov or facsimile at (202) 218-0177).

Procedure

(a) *Attendance; Participation.* The hearing will be open to the public. However, a person wishing to present views at the hearing must provide OPIC with advance notice on or before December 14, 1999. The notice must include the name, address and telephone number of the person who will make the presentation, the name and address of the organization which the person represents (if any) and a concise summary of the subject matter of the presentation.

(b) *Prepared Statements.* Any participant wishing to submit a prepared statement for the record must submit it to OPIC with the notice or, in any event, not later than 5 p.m. on December 17, 1999. Prepared statements must be typewritten, double spaced and may not exceed twenty-five (25) pages.

(c) *Duration of Presentations.* Oral presentations will in no event exceed ten (10) minutes, and the time for individual presentations may be reduced proportionately, if necessary, to afford all prospective participants on a particular subject an opportunity to be heard or to permit all subjects to be covered.

(d) *Agenda.* Upon receipt of the required notices, OPIC will prepare an agenda for the hearing setting forth the subject or subjects on which each participant will speak and the time allotted for each presentation. OPIC will provide each prospective participant with a copy of the agenda.

(e) *Publication of Proceedings.* A verbatim transcript of the hearing will be compiled. The transcript will be available to members of the public at the cost of reproduction.

SUPPLEMENTARY INFORMATION: OPIC is a U.S. Government agency which provides, on a commercial basis, political risk insurance and financing in friendly developing countries and emerging democracies for environmentally sound projects which confer positive developmental benefits upon the project country while creating employment in the U.S. OPIC is required by section 231A(b) of the Foreign Assistance Act of 1961, as amended ("the Act") to hold at least one public hearing each year.

Among other issues, OPICs annual public hearing has, in previous years, provided a forum for testimony concerning section 231A(a) of the Act. This section provides that OPIC may operate its programs only in those countries that are determined to be "taking steps to adopt and implement laws that extend internationally recognized worker rights to workers in that country (including any designated zone in that country)."

Based on consultations with Congress, OPIC complies with annual determinations made by the Executive Branch with respect to worker rights for countries that are eligible for the Generalized System of Preferences (GSP). Any country for which GSP eligibility is revoked on account of its failure to take steps to adopt and implement internationally recognized worker rights is subject concurrently to the suspension of OPIC programs until such time as a favorable worker rights determination can be made.

For non-GSP countries in which OPIC operates its programs, OPIC reviews any country which is the subject of a formal challenge at its annual public hearing. To qualify as a formal challenge, testimony must pertain directly to the worker rights requirements of the law as defined in OPIC's 1985 reauthorizing legislation (Pub. L. 99-204) with reference to the Trade Act of 1974, as amended, and be supported by factual information.

FOR FURTHER INFORMATION ABOUT THE PUBLIC HEARING CONTACT: Harvey A. Himberg, Financial Management and Statutory Review Department, Overseas Private Investment Corporation, 1100 New York Avenue, NW, Washington, DC 20527, (202) 336-8614, by e-mail at hhimb@opic.gov, or by facsimile at (202) 218-0177.

Dated: November 30, 1999.

Richard C. Horanburg,
Office of Congressional and Intergovernmental Affairs.

[FR Doc. 99-31481 Filed 12-3-99; 8:45 am]

BILLING CODE 3210-01-M

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-367-370 (Review)]

Color Picture Tubes From Canada, Japan, Korea, and Singapore

AGENCY: United States International Trade Commission.

ACTION: Revised scheduling of full five-year reviews concerning the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore.

EFFECTIVE DATE: November 30, 1999.

FOR FURTHER INFORMATION CONTACT: Diane J. Mazur (202-205-3184), Office of Investigations, US International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION: Effective July 12, 1999, the Commission established a schedule for the conduct of the subject five-year reviews (64 FR 38690, July 19, 1999). On November 24, 1999, counsel for parties in support of the continuation of the duty orders submitted a request for an extension of the Commission's deadline for its determinations in these reviews. On November 29, 1999, counsel for parties opposed to the continuation of the duty orders and that submitted comments, indicated that they did not object to the request for an extension. Accordingly, the Commission has determined to exercise further its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. § 1675(c)(5)(B), and is hereby revising its schedule.

The revised schedule for the conduct of the subject reviews is as follows: the prehearing staff report in the reviews will be placed in the nonpublic record on January 28, 2000; the deadline for filing prehearing briefs is February 8, 2000; requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before February 9, 2000; the prehearing conference will be held at the US International Trade Commission Building at 9:30 a.m. on February 11, 2000; the hearing will be held at the US

International Trade Commission Building at 9:30 a.m. on February 17, 2000; the deadline for filing posthearing briefs is February 29, 2000; the Commission will make its final release of information on March 22, 2000; and final party comments are due on March 24, 2000.

For further information concerning these five-year reviews see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: December 1, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-31562 Filed 12-3-99; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF JUSTICE

Office of Community Oriented Policing Services

Agency Information Collection Activities: Proposed Reinstatement; Comment Request

ACTION: Notice of Information Collection Under Review; COPS Department Initial Report.

Office of Management and Budget (OMB) reinstatement approval is being sought for the information collection listed below. This proposed information collection was previously published in the **Federal Register** on May 10, 1999, allowing for a 60-day public comment period.

The purpose of this notice is to allow an additional 30 days for public comment until January 5, 2000. This process is conducted in accordance with 5 CFR 1320.10.

Written comments and/or suggestions regarding the items contained in this notice, especially regarding the estimated public burden and associated response time, should be directed to the COPS Office, PPSE Division, 1100 Vermont Ave, NW, Washington, DC 20530-0001. Additionally, comments may be submitted to COPS via facsimile to 202-616-5998. Comments may also be submitted to the Department of Justice (DOJ), Justice Management Division, Information Management and Security Staff, Attention: Department

Deputy Clearance Officer, Suite 1220, 1331 Pennsylvania Avenue NW, Washington, DC 20530.

Written comments and suggestions from the public and affected agencies should address one or more of the following points:

(1) evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency/component, including whether the information will have practical utility;

(2) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) enhance the quality, utility, and clarity of the information to be collected; and

(4) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of This Information

(1) *Type of information collection.* Extension of a currently approved collection.

(2) *The title of the form/collection.* COPS Department Initial Report.

(3) *The agency form number, if any, and the applicable component of the Department sponsoring the collection.* COPS 012/01. Office of Community Oriented Policing Services, United States Department of Justice.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract: Primary:* State, Local, or Tribal Governments.

The COPS Initial Report will be mailed to all new COPS grant recipients. Recipients must complete the form within thirty days of the date of their first grant award to comply with their grant program requirements.

The COPS Department Initial Report will collect basic information about recipient's sworn personnel and the recipient's level of community policing plans and programs at the beginning of the grant period. Survey questions will allow the COPS Office to establish a baseline of each grant recipient's community policing plans and programs at the beginning of the grant period for the purpose of monitoring progress of grant recipients in implementing community policing programs and activities with their federal COPS grant.

(5) *An estimate of the total number of respondents and the amount of time*

estimated for an average respondent to respond: COPS Department Initial Report: Approximately 1,600 respondents, at 1.5 hours per respondent (including record-keeping).

(6) *An estimate of the total public burden (in hours) associated with the collection.* Approximately 2,400 hours.

If additional information is required contact: Mrs. Brenda E. Dyer, Deputy Clearance Officer, United States Department of Justice, Information Management and Security Staff, Justice Management Division, Suite 1220, National Place, 1331 Pennsylvania Avenue NW, Washington, DC 20530.

Dated: November 30, 1999.

Brenda E. Dyer,

Department Deputy Clearance Officer, United States Department of Justice.

[FR Doc. 99-31463 Filed 12-3-99; 8:45 am]

BILLING CODE 4410-AT-M

DEPARTMENT OF JUSTICE

Office of Community Oriented Policing Services

Agency Information Collection Activities: Proposed Reinstatement; Comment Request

ACTION: Notice of Information Collection Under Review for Reinstatement; COPS Officer Progress Report.

Office of Management and Budget (OMB) reinstatement approval is being sought for the information collection listed below. This proposed reinstatement was previously published in the **Federal Register** on May 10, 1999, allowing for a 60-day public comment period.

The purpose of this notice is to allow an additional 30 days for public comments from the date listed at the top of this page in the **Federal Register**. This process is conducted in accordance with 5 Code of Federal Regulation, Part 1320.10.

Written comments and/or suggestions regarding the items contained in this notice, especially regarding the estimated public burden and associated response time, should be directed to the COPS Office, PPSE Division, 1100 Vermont Ave, NW, Washington, DC 20530-0001. Additionally, comments may be submitted to COPS via facsimile to 202-616-5998. Comments may also be submitted to the Department of Justice (DOJ), Justice Management Division, Information Management and Security Staff, Attention: Department Clearance Officer, Suite 1220, 1331 Pennsylvania Avenue NW, Washington, DC, 20250.

protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing five-year ("sunset") reviews and notices in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 30, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99-23046 Filed 9-2-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

Final Results of Expedited Sunset Reviews: Color Picture Tubes From Canada, Japan, the Republic of Korea, and Singapore

A-122-605, A-588-609, A-580-605, A-559-601]

AGENCY: Import Administration, International Trade Administration, Department of Commerce

ACTION: Notice of Final Results of Expedited Sunset Reviews: Color Picture Tubes from Canada, Japan, the Republic of Korea, and Singapore

SUMMARY: On March 1, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on color picture tubes ("CPTs") from Canada, Japan, the Republic of Korea, and Singapore (64 FR 9970) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of notices of intent to participate and adequate substantive comments filed on behalf of the domestic interested parties and inadequate response (in these cases, no response) from respondent interested parties, the Department determined to conduct expedited reviews. As a result of these reviews, the Department finds that revocation of the antidumping orders would be likely to lead to continuation or recurrence of dumping at the levels indicated in the *Final Results of Review* section of this notice.

FOR FURTHER INFORMATION CONTACT: Darla D. Brown or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-3207 or (202) 482-1560, respectively.

EFFECTIVE DATE: September 3, 1999.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise subject to these antidumping duty orders is color picture tubes from Canada, Japan, the Republic of Korea ("Korea"), and Singapore. The subject merchandise is defined as cathode ray tubes suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing. Where a CPT is shipped and imported together with all parts necessary for assembly into a complete television receiver (*i.e.*, as a "kit"), the CPT is excluded from the scope of these orders. In other words, a kit and a fully assembled television are a separate class or kind of merchandise from the CPT. Accordingly, the Department determined that, when CPTs are shipped together with other parts as television receiver kits, they are excluded from the scope of the order. With respect to CPTs which are imported for customs purposes as incomplete television assemblies, we determined that these entries are included within the scope of these investigations unless both of the following criteria are met: (1) the CPT is "physically integrated" with other television receiver components in such a manner as to constitute one inseparable amalgam and (2) the CPT does not constitute a significant portion of the cost or value of the items being imported.¹ Such merchandise was classifiable under Harmonized Tariff Schedule (HTS) item numbers 8540.11.00.10, 8540.11.00.20, 8540.11.00.30, 8540.11.00.40, 8540.11.00.50 and 8540.11.00.60. However, due to changes in the HTS,

¹ See *Antidumping Duty Order and Amendment to Final Determination of Sales at Less Than Fair Value; Color Picture Tubes From Japan*, 53 FR 430 (January 7, 1988).

the subject merchandise is currently classifiable under HTS items 8540.11.10, 8540.11.24, 8540.11.28, 8540.11.30, 8540.11.44, 8540.11.48, and 8540.11.50. The HTS item numbers are provided for convenience and customs purposes only. The written description remains dispositive.

These reviews cover imports from all manufacturers and exporters of CPTs from Canada, Japan, Korea, and Singapore.

History of the Orders

Canada

The Department published its final affirmative determination of sales at less than fair value ("LTFV") with respect to imports of CPTs from Canada on November 18, 1987 (52 FR 44161). In this determination, the Department published a weighted-average dumping margin for one company as well as an "all others" rate. These margins were subsequently amended when the Department issued its antidumping duty order on CPTs from Canada on January 7, 1998 (53 FR 429).² The Department has conducted no administrative reviews of this order since its imposition. The order remains in effect for all manufacturers and exporters of the subject merchandise from Canada.

Japan

On November 18, 1987, the Department issued its affirmative final determination of sales at LTFV regarding CPTs from Japan (52 FR 44171). In this determination, the Department published weighted-average dumping margins for four companies and an "all others" rate. Two of the company-specific margins as well as the "all others" margin were later amended when the antidumping order on CPTs from Japan was published in the *Federal Register* on January 7, 1988 (53 FR 430). Since the order was issued, the Department has conducted two administrative reviews with respect to CPTs from Japan.³ In both the first and second administrative reviews, the Department calculated one company-specific margin and an "all others" rate. The order remains in effect for all manufacturers and exporters of the subject merchandise from Japan.

Korea

The Department published its affirmative final determination of sales

² See *id.*

³ See *Color Picture Tubes from Japan; Final Results of Antidumping Duty Administrative Review*, 55 FR 37915 (September 14, 1990), and *Color Picture Tubes from Japan; Final Results of Antidumping Duty Administrative Review*, 62 FR 34201 (June 25, 1997).

at LTFV with regard to CPTs from Korea on November 18, 1987 (52 FR 44186). In this determination, the Department published weighted-average dumping margin for one company as well as an "all other" rate. The antidumping duty order was issued on January 7, 1988 (53 FR 431). The Department has since conducted one administrative review of the order with respect to CPTs from Korea.⁴ In this review, the Department calculated two company-specific margins, one of which was later amended, as well as an "all others" rate. The order remains in effect for all Korean manufacturers and exporters of the subject merchandise.

Singapore

On November 18, 1987, the Department issued its final affirmative determination of sales at LTFV with respect to imports of CPTs from Singapore (52 FR 44190). In this determination, the Department published a weighted-average dumping margin for one company as well as an "all others" rate. Since the imposition of the order, no administrative reviews of the antidumping order on CPTs Singapore have been conducted. The order remains in effect for all manufacturers and exporters of the subject merchandise from Singapore.

On March 7, 1991, the Department published a negative final determination of circumvention of the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore (56 FR 9667).

Background

On March 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore (64 FR 9970), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate, in each of the four sunset reviews, on behalf of Phillips Display Components Company, Thomson Americas Tube Operations, the International Brotherhood of Electrical Workers and the International Union of Electronic, Electrical, Salaried, Machine & Furniture Workers (AFL-CIO/CLC) (collectively, "domestic interested parties"), on March 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. Pursuant to sections 771(9)(C) and (D) of the Act, the domestic interested parties claimed

⁴ See *Color Picture Tubes from South Korea; Final Results of Antidumping Duty Administrative Review*, 56 FR 19084 (April 25, 1991), as amended by *Color Picture Tubes from South Korea; Amended Final Results of Antidumping Duty Administrative Review*, 56 FR 29215 (June 26, 1991).

interested party status as U.S. manufacturers and unions whose workers are engaged in the production of domestic like products. Moreover, the domestic interested parties stated that both the International Brotherhood of Electrical Workers and the International Union of Electronic, Electrical, Salaried, Machine & Furniture Workers (AFL-CIO/CLC) were petitioners in the original investigation. The Department received complete substantive responses from the domestic interested parties on March 31, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). On March 22, 1999, the Department received an untimely notice of intent to participate on behalf of Sharp Electronics Corporation in the case involving CPTs from Japan. We did not receive a substantive response from any respondent interested party to these proceedings. On March 30, 1999, the Department received a waiver of participation on behalf of the Electronic Industries Association of Korea. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct expedited, 120-day reviews of these orders.

The Department determined that the sunset reviews of the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore are extraordinarily complicated. In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). (See section 751(c)(6)(C) of the Act.) Therefore, on July 6, 1999, the Department extended the time limit for completion of the final results of these reviews until not later than August 30, 1999, in accordance with section 751(c)(5)(B) of the Act.⁵

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted these reviews to determine whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making these determinations, the Department shall consider the weighted-

⁵ See *Solid Urea From Armenia, Solid Urea From Belarus, Solid Urea From Estonia, Solid Urea From Lithuania, Solid Urea From Romania, Solid Urea From Russia, Solid Urea From Tajikistan, Solid Urea From Turkmenistan, Solid Urea From Ukraine, Solid Urea From Uzbekistan, Color Picture Tubes From Canada, Color Picture Tubes From Japan, Color Picture Tubes From Korea (South), Color Picture Tubes From Singapore: Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 36333 (July 6, 1999).

average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margins of dumping likely to prevail if the orders were revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margins are discussed below. In addition, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margins are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that it normally will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above de minimis after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of the order would be likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In these instant reviews, the Department did not receive a substantive response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of

participation. Further, we received a waiver of participation from the Electronic Industries Association of Korea.

In their substantive responses, the domestic interested parties argue that the substantial decline in the volume of imports of CPTs from the subject countries following the issuance of the orders demonstrates the inability of the producers from subject countries to sell in the U.S. market in any significant volume without dumping. The domestic interested parties argue further that revocation of the antidumping duty orders would likely lead to a continuation or recurrence of dumping by Canadian, Japanese, Korean, and Singaporean producers/manufacturers. They support this argument with evidence in the form of tables showing that, since imposition of the orders, respondents have generally reduced their sales to the United States (see March 31, 1999, Substantive Response of the Domestic Interested Parties at Attachment 2). Therefore, they assert, were the antidumping orders revoked, it is likely that Canadian, Japanese, Korean, and Singaporean producers would need to dump in order to sell their subject color pictures tubes in any significant quantities in the United States (see *id.* at 17).

Canada

With respect to subject merchandise from Canada, the domestic interested parties maintain that in the year the order was imposed, 1988, imports from Canada fell from approximately 219,000 units the year before to just over 80,000 units (see *id.* at 19 and Attachment 2). They also argue that, in the three years following the imposition of the order (1988–1990), average import volumes of the subject merchandise were almost 80 percent lower than in the three years preceding the final determination of sales at LTFV (1984–1986) (see *id.* at 18–19).

Moreover, the domestic interested parties point out that dumping margins above de minimis remain in place for one Canadian company.

Japan

According to the domestic interested parties, the imposition of the antidumping duty order had a dramatic effect on subject import volumes from Japan. They indicate that in the years following the imposition of the order, imports of the subject merchandise from Japan declined by almost 70 percent. Moreover, they assert, import volumes of the subject CPTs from Japan have remained low relative to the pre-order levels. The domestic interested parties

also argue that dumping margins remain in place for at least one Japanese producer of the subject merchandise. In sum, the domestic interested parties maintain, the dramatic decline in import volumes following the imposition of the order, in conjunction with the fact that only one Japanese respondent has ever requested an administrative review of the original dumping margins, provides clear evidence that the Japanese producers are incapable of selling at fair value in the U.S. market and that revocation of the current order would result in continued dumping and massive increases in Japanese import volumes (see *id.* at 20).

Korea

With respect to imports of the subject merchandise from Korea, the domestic interested parties assert that imports declined significantly after the imposition of the order. In fact, the domestic interested parties argue, post-order imports from Korea averaged just 2.9 percent of their pre-order levels (see *id.* at 21). Furthermore, the domestic interested parties argue, since 1988, imports of CPTs from Korea have been virtually non-existent and annual volumes have never risen to even five percent of their pre-order levels. Therefore, the domestic interested parties assert, the minimal volumes of imports of CPTs in the period since the order was imposed indicate that the Koreans are incapable of selling the subject merchandise in the United States at fair value (see *id.* at 21).

Singapore

The domestic interested parties state that imports of the subject CPTs from Singapore also declined significantly following the imposition of the order. In fact, the domestic interested parties argue, while U.S. imports from Singapore averaged approximately 139,000 units annually in the three years prior to the imposition of the order (1984–1986), in the three years following the imposition of the order (1988–1990) such imports averaged just 810 units annually (see *id.* at 21 and Attachment 2).

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63–64, if companies continue to dump with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. As discussed above, dumping margins above de minimis continue to exist for shipments of the subject merchandise from Canada, Japan, Korea, and Singapore.

Consistent with section 752(c) of the Act, the Department also considers the volume of imports before and after issuance of the order. As outlined in each respective section above, the domestic interested parties argue that a significant decline in the volume of imports of the subject merchandise from Canada, Japan, Korea, and Singapore since the imposition of the orders provides further evidence that dumping would continue if the orders were revoked. In their substantive responses, the domestic interested parties provided statistics demonstrating the decline in import volumes of CPTs from Canada, Japan, Korea, and Singapore (see March 31, 1999, Substantive Response of the Domestic Interested Parties at Attachment 2). Using the Department's statistics, including IM146 reports, on imports of the subject merchandise from these countries, we agree with the domestic interested parties' assertions that imports of the subject merchandise fell sharply after the orders were imposed and, in most cases, never regained pre-order volumes.

As noted above, in conducting its sunset reviews, the Department considers the weighted-average dumping margins and volume of imports when determining whether revocation of an antidumping duty order would lead to the continuation or recurrence of dumping. Based on this analysis, the Department finds that the existence of dumping margins above de minimis levels and a reduction in export volumes after the issuance of the orders is highly probative of the likelihood of continuation or recurrence of dumping. A deposit rate above a de minimis level continues in effect for exports of the subject merchandise by all known Canadian, Japanese, Korean, and Singaporean manufacturers/exporters. Therefore, given that dumping has continued over the life of the orders, import volumes declined significantly after the imposition of the orders, respondent parties waived participation, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue if the orders were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it normally will provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a

margin based on the "all others" rate from the investigation. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.) We note that, to date, the Department has not issued any duty absorption findings in any of these four cases.

In their substantive responses, the domestic interested parties recommended that, consistent with the *Sunset Policy Bulletin*, the Department provide to the Commission the company-specific margins from the original investigations. Moreover, regarding companies not reviewed in the original investigation, the domestic interested parties suggested that the Department report the "all others" rates included in the original investigations.

The Department agrees with the domestic interested parties. The Department finds that the margins calculated in the original investigation are probative of the behavior of Canadian, Japanese, Korean, and Singaporean producers/exporters if the orders were revoked as they are the only margins which reflect their behavior absent the discipline of the order. Therefore, the Department will report to the Commission the company-specific and all others rates from the original investigations as contained in the Final Results of Review section of this notice.

Final Results of Review

As a result of these reviews, the Department finds that revocation of the antidumping orders would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/exporter	Margin (percent)
Canada	
Mitsubishi Electronics Industries Canada, Inc	0.63
All Others	0.63
Japan	
Hitachi, Ltd	22.29
Matsushita Electronics Corporation	27.46
Mitsubishi Electric Corporation	1.05
Toshiba Corporation	33.50
All Others	27.93
Korea	
Samsung Electron Devices Company, Ltd	1.91
All Others	1.91

Manufacturer/exporter	Margin (percent)
Singapore	
Hitachi Electronic Devices, Pte., Ltd	5.33
All Others	5.33

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These five-year ("sunset") reviews and notices are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 30, 1999.

Robert S. LaRussa,
Assistant Secretary for Import Administration.
 [FR Doc. 99-23038 Filed 9-2-99; 8:45 am]
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DEPARTMENT OF COMMERCE

International Trade Administration

[A-831-801; A-822-801; A-447-801; A-451-801; A-821-801; A-823-801; A-842-801; A-843-801; A-844-801]

Final Results of Expedited Sunset Reviews: Solid Urea from Armenia, Belarus, Estonia, Lithuania, Russia, Ukraine, Tajikistan, Turkmenistan, and Uzbekistan

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited sunset reviews: solid urea from Armenia, Belarus, Estonia, Lithuania, Russia, Ukraine, Tajikistan, Turkmenistan, and Uzbekistan.

SUMMARY: On March 1, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on solid urea from Armenia, Belarus, Estonia, Lithuania, Russia, Ukraine, Tajikistan, Turkmenistan, and Uzbekistan (64 FR 9970) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of the notices of intent to participate and adequate substantive comments filed on behalf of

domestic interested parties and inadequate responses from respondent interested parties, the Department determined to conduct expedited reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-5050 or (202) 482-1560, respectively.

EFFECTIVE DATE: September 3, 1999.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("Sunset Regulations"). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope

The merchandise subject to these antidumping duty orders is solid urea. This merchandise was previously subject to an antidumping duty order on solid urea from the Union of Soviet Socialist Republics (U.S.S.R.). However, with the dissolution of the U.S.S.R., the order was subsequently transferred to all 15 republics (57 FR 28828, June 29, 1992). This merchandise is currently classifiable under the Harmonized Tariff Schedule ("HTS") of the United States, item number 3201.10.00. The HTS item number is provided for convenience and customs purposes only. The written description remains dispositive.

History of the Order

On May 26, 1987, the Department issued a final determination of sales at less than fair value with respect to

Background

On May 28, 1999, a petition was filed with the Commission and the Department of Commerce by Rhodia, Inc., Cranbury, NJ, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of bulk aspirin from China. Accordingly, effective May 28, 1999, the Commission instituted antidumping investigation No. 731-TA-828 (Preliminary).

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** of June 7, 1999 (64 FR 30355). The conference was held in Washington, DC, on June 18, 1999, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in this investigation to the Secretary of Commerce on July 12, 1999. The views of the Commission are contained in USITC Publication 3211 (July 1999), entitled Bulk Acetylsalicylic Acid (Aspirin) from China: Investigation No. 731-TA-828 (Preliminary).

By order of the Commission.
Issued: July 13, 1999.

Donna R. Koehnke,
Secretary.

[FR Doc. 99-18335 Filed 7-16-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-367-370 (Review)]

Color Picture Tubes From Canada, Japan, Korea, and Singapore

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore would be likely to lead to continuation or recurrence of material injury. For

further information concerning the conduct of these reviews and rules of general application, consult the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the rules of practice and procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: July 12, 1999.

FOR FURTHER INFORMATION CONTACT: Diane J. Mazur (202-205-3184), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:**Background.**

On June 3, 1999, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (64 FR 31609, June 11, 1999). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

Participation in the Reviews and Public Service List—

Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their

representatives, who are parties to the reviews.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in the reviews will be placed in the nonpublic record on December 13, 1999, and a public version will be issued thereafter, pursuant to § 207.64 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on January 13, 2000, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before December 29, 1999. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 4, 2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* later than 7 days prior to the date of the hearing.

Written Submissions

Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.65 of the Commission's rules; the deadline for

filing is December 22, 1999. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.67 of the Commission's rules. The deadline for filing posthearing briefs is January 24, 2000; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before January 24, 2000. On February 9, 2000, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before February 11, 2000, but such final comments must not contain new factual information and must otherwise comply with § 207.68 of the Commission's rules. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with §§ sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination

The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: July 13, 1999.

Donna R. Koehnke,
Secretary.

[FR Doc. 99-18336 Filed 7-16-99; 8:45 am]

BILLING CODE 7020-02-P

UNITED STATES INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-397-400 (Preliminary) and 731-TA-842-845 (Preliminary)]

Certain Crude Petroleum Oil Products From Iraq, Mexico, Saudi Arabia, and Venezuela

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject investigations.

EFFECTIVE DATE: July 13, 1999.

FOR FURTHER INFORMATION CONTACT: Fred Ruggles (202-205-3187), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION: On June 29, 1999, the Commission established a schedule for the conduct of the subject investigations (64 FR 36919, July 8, 1999). Subsequently, the Department of Commerce extended the date for its initiation of the investigations from July 19 to August 9, 1999. The Commission, therefore, is revising its schedule to conform with Commerce's new schedule.

The Commission's new schedule for the investigations is as follows: Requests to appear at the conference must be filed with Fred Ruggles not later than August 9; the conference will be held at the U.S. International Trade Commission Building at 9:30 a.m. on August 12; and the deadline for filing written briefs is August 17, 1999.

For further information concerning these investigations see the Commission's notice cited above and the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.12 of the Commission's rules.

By order of the Commission.

Issued: July 14, 1999.

Donna R. Koehnke,
Secretary.

[FR Doc. 99-18338 Filed 7-16-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-827 (Preliminary)]

Nitrile Rubber From Korea

Determination

On the basis of the record¹ developed in the subject investigation, the United States International Trade Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Korea of acrylonitrile-butadiene rubber (nitrile rubber),² provided for in subheading 4002.59.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).

Background

On May 27, 1999, a petition was filed with the Commission and the Department of Commerce by Zeon Chemicals, L.P., Louisville, KY, and Uniroyal Chemical Company, Inc., Middlebury, CT, alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of nitrile rubber from Korea. Accordingly, effective May 27, 1999, the Commission instituted antidumping investigation No. 731-TA-827 (Preliminary).

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** of June 4, 1999 (64 FR 30059). The conference was held in

¹ The record is defined in § 207.2(f) of the Commission's rules of practice and procedure (19 CFR 207.2(f)).

² For purposes of this investigation, Commerce has defined "nitrile rubber" as the synthetic rubber produced by the copolymerization of butadiene and acrylonitrile, not in latex form, and not containing additives, rubber processing chemicals, and/or other materials used for further processing beyond the copolymerization process.

the Secretary on what determination the Commission should reach in the review. Comments are due on or before July 7, 1999, and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by July 7, 1999. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination.—The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. § 1675(c)(5)(B).

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: June 8, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-14912 Filed 6-10-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-367 through 370 (Review)]

Color Picture Tubes From Canada, Japan, Korea, and Singapore

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determination to conduct full five-year reviews concerning the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) to determine whether revocation of the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore would be likely to lead to continuation or recurrence of material injury within

a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: June 3, 1999.

FOR FURTHER INFORMATION CONTACT:

George Deyman (202-205-3197), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION: On June 3, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products. See 19 U.S.C. § 1675(c)(5)(D); 63 FR 29372, 29374 (May 29, 1998).

With regard to color picture tubes from Japan, the Commission found that both domestic and respondent interested party group responses to its notice of institution¹ were adequate and voted to conduct full reviews.

With regard to color picture tubes from Canada, Korea, and Singapore, the Commission found that the domestic interested party group response was adequate and the respondent interested party group responses were inadequate. The Commission also found that other circumstances warranted conducting full reviews.²

A record of the Commissioners' votes, the Commission's statement on

adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: June 7, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-14913 Filed 6-10-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

Certain Fresh Cut Flowers From Chile, Ecuador, Mexico, and Peru¹

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determination to conduct full five-year reviews concerning the countervailing duty orders on standard carnations from Chile and pompom chrysanthemums from Peru and antidumping duty orders on standard carnations from Chile, fresh cut flowers from Ecuador, and fresh cut flowers from Mexico.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) to determine whether revocation of the countervailing duty orders on standard carnations from Chile and pompom chrysanthemums from Peru and the antidumping duty orders on standard carnations from Chile, fresh cut flowers from Ecuador, and fresh cut flowers from Mexico would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules

¹ The notice of institution for all of the subject reviews was published in the *Federal Register* on Mar. 1, 1999 (64 FR 10014).

² Commissioner Crawford dissenting.

¹ The investigation numbers are as follows: Chile is 701-TA-276 (Review) and 731-TA-328 (Review), Ecuador is 731-TA-331 (Review), Mexico is 731-TA-333 (Review), and Peru is 303-TA-18 (Review).

exported Subject Merchandise to the United States or other countries since 1986.

(7) If you are a U.S. producer of a Domestic Like Product, provide the following information separately on your firm's operations on each product during calendar year 1998 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production; and

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 1998 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Country accounted for by your firm's(s') imports; and

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 1998 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Country accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from the Subject Country accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for each Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Country since the Order Date, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority

This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: February 23, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-5027 Filed 2-26-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-367-370 (Review)]

Color Picture Tubes From Canada, Japan, Korea, and Singapore

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on color picture tubes from Canada, Japan, Korea, and Singapore would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; the deadline for responses is April 20, 1999. Comments on the adequacy of responses may be filed with the Commission by May 13, 1999.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: March 1, 1999.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193) or Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:

Background

On January 7, 1988, the Department of Commerce issued antidumping duty orders on imports of color picture tubes from Canada, Japan, Korea, and Singapore (53 FR 429). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

Definitions

The following definitions apply to these reviews:

(1) Subject Merchandise is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The Subject Countries in these reviews are Canada, Japan, Korea, and Singapore.

(3) The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determinations, the Commission defined the Domestic Like Product as all color picture tubes.

(4) The Domestic Industry is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the Domestic Industry as producers of color picture tubes.

(5) The Order Date is the date that the antidumping duty orders under review became effective. In these reviews, the Order Date is January 7, 1988.

(6) An Importer is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the Reviews and Public Service List

Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will

maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and APO Service List

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**.

Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification

Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written Submissions

Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is April 20, 1999. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is May 13, 1999. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the

Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability To Provide Requested Information

Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information To Be Provided in Response to This Notice of Institution

If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product to which your response pertains, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which

your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on each Domestic Industry for which you are filing a response in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of each Domestic Like Product for which you are filing a response. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Countries that currently export or have exported Subject Merchandise to the United States or other countries since 1986.

(7) If you are a U.S. producer of a Domestic Like Product, provide the following information separately on your firm's operations on each product during calendar year 1998 (report quantity data in units and value data in thousands of U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s'') production; and

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s'') operations on that product during calendar year 1998 (report quantity data in units and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on

an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Countries accounted for by your firm's(s'') imports; and

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Countries.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s'') operations on that product during calendar year 1998 (report quantity data in units and value data in thousands of U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Countries accounted for by your firm's(s'') production; and

(b) The quantity and value of your firm's(s'') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from the Subject Countries accounted for by your firm's(s'') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for each Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries since the Order Date, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products;

and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority

These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: February 23, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-5025 Filed 2-26-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Inv. No. 337-TA-419]

Certain Excimer Laser Systems for Vision Correction Surgery and Components Thereof and Methods for Performing Such Surgery; Notice of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Institution of investigation pursuant to 19 U.S.C. 1337.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on January 22, 1999, under section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, on behalf of VISX, Incorporated, 3400 Central Expressway, Santa Clara, California 95051. A supplement to the complaint was filed on February 9, 1999. The complaint, as supplemented, alleges violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain excimer laser systems for vision correction surgery and components thereof by reason of infringement of claims 26 and 27 of U.S. Letters Patent 4,718,418, claim 30 of U.S. Letters Patent 4,732,148, and claims 1, 7, 10, and 12 of U.S. Letters Patent 5,711,762. The complaint further alleges that there exists an industry in the United States as required by subsection (a)(2) of section 337.

commodities and technical data which are subject to the Act and the Regulations.

B. Such denial of export privileges shall extend not only to Establishment Noon but also to its agents, employees and successors. After notice and opportunity for comment, such denial may also be made applicable to any person, firm, corporation, or business organization with which Establishment Noon is now or hereafter be related by affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade or related services.

C. No person, firm, corporation, or business organization, whether in the United States or elsewhere, without prior disclosure to and specific authorization from the Office of Export Licensing, shall, with respect to U.S.-origin commodities and technical data which are subject to denial of export privileges as set out herein, do any of the following acts, directly or indirectly, or carry on negotiations with respect thereto, in any manner or capacity, on behalf of or in any association with Establishment Noon or anyone who is now or may be subsequently named as a related party, or whereby Establishment Noon or any related party may obtain any benefit therefrom or have any interest in or participation therein, directly or indirectly: (i) Apply for, obtain, transfer, or use any license, Shipper's Export Declaration, bill of lading, or other export control document relating to any export, reexport, transshipment, or diversion of any commodity or technical data exported in whole or in part, or to be exported by, to, or for Establishment Noon or any related party denied export privileges; or (ii) order, buy, receive, use, sell, deliver, store, dispose of, forward, transport, finance, or otherwise service or participate in any export, reexport, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States.

Third, that the proposed Charging Letter, the Consent Agreement and this Order shall be made available to the public and this Order shall be published in the **Federal Register**.

This Order is effective immediately.

William V. Skidmore,

Acting Deputy Assistant Secretary for Export Enforcement.

Entered this 24th day of November, 1987.

[FR Doc. 88-202 Filed 1-6-88; 8:45 am]

BILLING CODE 3510-25-M

International Trade Administration

[A-122-605]

Antidumping Duty Order and Amendment to Final Determination of Sales at Less Than Fair Value; Color Picture Tubes From Canada

ACTION: Notice.

SUMMARY: In separate investigations concerning color picture tubes (CPTs) from Canada, the United States Department of Commerce (the Department) and the United States International Trade Commission (the ITC) have determined that CPTs from Canada are being sold at less than fair value and that sales of CPTs from Canada are materially injuring a U.S. industry. Therefore, based on these findings, all unliquidated entries, or warehouse withdrawals, for consumption, of CPTs from Canada made on or after June 30, 1987, the date on which the Department published its "Preliminary Determination" notice in the **Federal Register**, 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: January 7, 1988.

FOR FURTHER INFORMATION CONTACT: John Kenkel or John Brinkmann, Office of Investigations, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-3530 or 377-3965.

SUPPLEMENTARY INFORMATION: The products covered by this order are CPTs which are provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 687.3512, 687.3513, 687.3514, 687.3516, 687.3518, and 687.3520. The corresponding Harmonized System (HS) numbers are 8540.11.00.10, 8540.11.00.20, 8540.11.0030, 8540.11.00.40, 8540.11.00.50 and 8540.11.00.60.

CPTs are defined as cathode ray tubes suitable for use in the manufacture of color television receiver or other color entertainment display devices intended for television viewing.

CPTs which are imported as incomplete television assemblies that contain a CPT as well as additional components are also included within the scope of this order unless both of the following criteria are met: (1) The CPT is "physically integrated" with other

television receiver components in such a manner as to constitute one inseparable amalgam; and, (2) the CPT does not constitute a significant portion of the cost or value of the items being imported. Incomplete television receiver assemblies are provided for in TSUSA items 684.9656, 684.9658 and 684.9660.

We have, however, determined that CPTs which are shipped and imported together with other parts as television receiver kits (which contain all parts necessary for assembly into complete television receivers) are excluded from the scope of this order.

In accordance with section 735(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(a)) (the Act), on November 12, 1987, the Department made its final determination that color picture tubes from Canada were being sold at less than fair value (52 FR 44161, November 18, 1987). On December 22, 1987, in accordance with section 735(d) of the Act, the ITC notified the Department that such imports materially injure a U.S. industry.

Also, subsequent to the publication of the final determination, we were notified by Counsel for Mitsubishi Electronics Industries Canada, Inc. that certain clerical errors were found in our calculations. The Department conducted a review based on these comments and made the following corrections:

1. We corrected the exporter's sales price computer program by excluding inventory carrying cost on the CPT in the calculation of "Final Added Value Amount."
2. We corrected the purchase price computer program by including revised credit expenses in the purchase price calculation of FMV.

We hereby amend our final determination to correct these errors and change the weighted-average dumping margin from .65 percent to .63 percent.

Therefore, in accordance with sections 736 and 751 of the Act (19 U.S.C. 1673e and 1675), the Department directs United States Customs officers to assess, upon further advice by the administering authority pursuant to section 736(a)(1) of the Act (19 U.S.C. 1673e(a)(1)), antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the United States price for all entries of CPTs from Canada. These antidumping will be assessed on all unliquidated entries of CPTs entered, or withdrawn from warehouse, for consumption on or after June 30, 1987, the date on which the Department published its "Preliminary Determination" notice in the **Federal Register** (52 FR 24316).

On and after the date of publication of this notice, United States Customs officers must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the estimated weighted-average antidumping duty margins noted below:

Manufacturers/Producers/Exporters	Weighted-average margin (percent)
Mitsubishi Electronics Industries Canada, Inc.	.63
All Other Manufacturers/Producers/Exporters.	.63

This determination constitutes an amendment to the final determination and an antidumping duty order with respect to CPTs from Canada, pursuant to sections 735(d) and 736(a) of the Act (19 U.S.C. 1673d(d) and 1673e(a)) and § 353.48 of the Commerce Regulations (19 CFR 353.48). We have deleted from the Commerce Regulations, Annex I of 19 CFR Part 353, which listed antidumping duty findings and orders currently in effect. Instead, interested parties may contact the Central Records Unit, Room B-099, Import Administration, for copies of the updated list of orders currently in effect.

This notice is published in accordance with sections 735(d) and 736(a) of the Act (19 U.S.C. 1673d(d) and 1673e) and § 353.48 of the Commerce Regulations (19 CFR 353.48).

Gilbert B. Kaplan,

Acting Assistant Secretary for Import Administration.

December 29, 1987.

[FR Doc. 88-214 Filed 1-6-88; 8:45 am]

BILLING CODE 3510-DS-M

[A-588-609]

Antidumping Duty Order and Amendment to Final Determination of Sales at Less Than Fair Value; Color Picture Tubes From Japan

ACTION: Notice.

SUMMARY: In separate investigations concerning color picture tubes (CPTs) from Japan, the United States Department of Commerce (the Department) and the United States International Trade Commission (the ITC) have determined that CPTs from Japan are being sold at less than fair value and that sales of CPTs from Japan are materially injuring a U.S. industry. Therefore, based on these findings, all unliquidated entries, or warehouse withdrawals, for consumption of CPTs from Japan made on or after June 30,

1987, the date on which the Department published its "Preliminary Determination" notice in the **Federal Register**, 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: January 7, 1988.

FOR FURTHER INFORMATION CONTACT: Jess Bratton or John Brinkmann, Office of Investigations, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 377-3963 or 377-3965.

SUPPLEMENTARY INFORMATION: The products covered by this order are CPTs which are provided for in the *Tariff Schedules of the United States Annotated (TSUSA)* items 687.3512, 687.3513, 687.3514, 687.3516, 687.3518, and 687.3520. The corresponding Harmonized System (HS) numbers are 8540.11.00.10, 8540.11.00.20, 8540.11.00.30, 8540.11.00.40, 8540.11.00.50 and 8540.11.00.60.

CPTs are defined as cathode ray tubes suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing.

CPTs which are imported as incomplete television assemblies that contain a CPT as well as additional components are also included within the scope of this order unless both of the following criteria are met: (1) The CPT is "physically integrated" with other television receiver components in such a manner as to constitute one inseparable amalgam; and, (2) the CPT does not constitute a significant portion of the cost or value of the items being imported. CPTs which are imported together with other parts as incomplete television assemblies whether shipped directly from Japan or through Mexico should be included in the scope of this order. Incomplete television receiver assemblies are provided for in TSUSA items 684.9656, 684.9658 and 684.9660.

We have also determined that CPTs which are shipped directly from Japan and imported together with other parts as television receiver kits (which contain all parts necessary for assembly into complete television receivers) are excluded from the scope of this order. However, CPTs which are shipped through Mexico and imported together with other parts as television receiver

kits should be included in the scope of this order.

In accordance with section 735(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(a)) (the Act), on November 12, 1987, the Department made its final determination that color picture tubes from Japan were being sold at less than fair value (52 FR 44171, November 18, 1987). On December 22, 1987, in accordance with section 735(d) of the Act, the ITC notified the Department that such imports materially injure a U.S. industry.

Also, subsequent to the publication of the final determination, each respondent made allegations that clerical errors were made in calculating the final dumping margins. The Department conducted a review based on these comments and made the following corrections:

1. For Hitachi, Ltd. no amendment to the final determination was made.
2. For Mitsubishi Electric Corporation, we recalculated adjustments for physical differences in the merchandise for both 14 and 20 inch models by deducting yields from the material costs for U.S. models.
3. For Matsushita Electric Corporation, we recalculated the adjustment for physical differences in merchandise for the 13 inch model by adding the cost of the deflection yoke.

We hereby amend our final determination to correct these errors and change the weighted-average dumping margin from 1.34% to 1.05% for Mitsubishi Electric Corporation, and from 32.91% to 27.46% for Matsushita Electric Corporation.

Therefore, in accordance with section 736 and 751 of the Act (19 U.S.C. 1673e and 1675), the Department directs United States Customs officers to assess, upon further advice by the administering authority pursuant to section 736(a)(1) of the Act (19 U.S.C. 1673e(a)(1)), antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the United States price for all entries of CPTs from Japan. These antidumping duties will be assessed on all unliquidated entries of CPTs entered, or withdrawn from warehouse, for consumption on or after June 30, 1987, the date on which the Department published its "Preliminary Determination" notice in the **Federal Register** (52 FR 24320).

On and after the date of publication of this notice, United States Customs officers must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the estimated

weighted-average antidumping duty margins noted below:

Manufacturers/producers	Weighted-average margin (percent)
Exporters	
Mitsubishi Electric Corporation	1.05
Hitachi, Ltd.	22.29
Matsushita Electronics Corporation	27.46
Toshiba Corporation	33.50
All Others	27.93

This determination constitutes an amendment to the final determination and an antidumping duty order with respect to CPTs from Japan, pursuant to sections 735(d) and 736(a) of the Act (19 U.S.C. 1673d(d) and 1673e(a)) and § 353.48 of the Commerce Regulations (19 CFR 353.48). We have deleted from the Commerce Regulations, Annex I of 19 CFR Part 353, which listed antidumping duty findings and orders currently in effect. Instead, interested parties may contact the Central Records Unit, Room B-099, Import Administration, for copies of the updated list of orders currently in effect.

This notice is published in accordance with sections 735(d) and 736(a) of the Act (19 U.S.C. 1673d(d) and 1673e) and § 353.48 of the Commerce Regulations (19 CFR 353.48).

Gilbert B. Kaplan,

Acting Assistant Secretary for Import Administration.

December 29, 1987.

[FR Doc. 88-211 Filed 1-6-88; 8:45 am]

BILLING CODE 3510-DS-M

[A-580-605]

Antidumping Duty Order; Color Picture Tubes From Korea

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: In separate investigations concerning color picture tubes (CPTs) from Korea, the United States Department of Commerce (the Department) and the United States International Trade Commission (the ITC) have determined that CPTs from Korea are being sold at less than fair value and that sales of CPTs from Korea are materially injuring a U.S. industry. Therefore, based on these findings, all unliquidated entries, or warehouse withdrawals, for consumption, of CPTs from Korea made on or after June 30, 1987, the date on which the Department published its "Preliminary Determination" notice in the Federal

Register, 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: January 7, 1988.

FOR FURTHER INFORMATION CONTACT: Raymond Busen or John Brinkmann, Office of Investigations, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-3464 or 377-3965.

SUPPLEMENTARY INFORMATION: The products covered by this order are CPTs which are provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 687.3512, 687.3513, 687.3514, 687.3516, 687.3518, and 687.3520. The corresponding Harmonized System (HS) numbers are 8540.11.00.10, 8540.11.00.20, 8540.11.00.30, 8540.11.00.40, 8540.11.00.50 and 8540.11.00.60.

CPTs are defined as cathode ray tubes suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing.

CPTs imported as part of color television receiver kits or as part of incomplete television receiver assemblies that are subsequently assembled into a completed color television (CTV) by a related party are included within the scope of the existing order on complete and incomplete color television receivers from Korea ("CTV order") (40 FR 18336, April 30, 1984). Therefore, these CPTs are not included within the scope of this order.

In addition, we have determined that CPTs, which are not covered by the CTV order, are covered by this investigation unless both of the following criteria are met: (1) The CPT is "physically integrated" with other television receiver components in such a manner as to constitute one inseparable amalgam; and, (2) the CPT does not constitute a significant portion of the cost or value of the items being imported.

In accordance with section 735(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(a)) (the Act), on November 12, 1987, the Department made its final determination that color picture tubes from Korea were being sold at less than fair value [52 FR 44186, November 18, 1987]. On December 22, 1987, in accordance with section 735(d) of the

Act, the ITC notified the Department that such imports materially injure a U.S. industry.

Therefore, in accordance with section 736 and 751 of the Act (19 U.S.C. 1673e and 1675), the Department directs United States Customs officers to assess, upon further advice by the administering authority pursuant to section 736(a)(1) of the Act (19 U.S.C. 1673e(a)(1)), antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the United States price for all entries of CPTs from Korea. These antidumping duties will be assessed on all unliquidated entries of CPTs entered, or withdrawn from warehouse, for consumption on or after June 30, 1987, the date on which the Department published its "Preliminary Determination" notice in the Federal Register (52 FR 24318).

On and after the date of publication of this notice, United States Customs officers must require, at the same time as importers would normally deposit estimated duties on this merchandise, a case deposit equal to the estimated weighted-average antidumping duty margins noted belows:

Manufacturers/Producers/Exporters	Weighted-average margin (percent)
Samsung Electron Devices, Co., Ltd.	1.91
All Other Manufacturers/Producers/Exporters.	1.91

This determination constitutes an antidumping duty order with respect to CPTs from Korea, pursuant to section 736 of the Act (19 U.S.C. 1673e) and § 353.48 of the Commerce Regulations (19 CFR 353.48). We have deleted from the Commerce Regulations, Annex I of 19 CFR Part 353, which listed antidumping duty findings and orders currently in effect. Instead, interested parties may contact the Central Records Unit, Room B-099, Import Administration, for copies of the updated list of orders currently in effect.

This notice is published in accordance with section 736 of the Act (19 U.S.C. 1673e) and § 353.48 of the Commerce Regulations (19 CFR 353.48).

Gilbert B. Kaplan,

Acting Assistant Secretary for Import Administration.

December 29, 1987.

[FR Doc. 88-213 Filed 1-6-88; 8:45 am]

BILLING CODE 3510-DS-M

[A-559-601]

Antidumping Duty Order; Color Picture Tubes From Singapore

AGENCY: International Trade Administration, Commerce.
ACTION: Notice.

SUMMARY: In separate investigations concerning color picture tubes (CPTs) from Singapore, the United States Department of Commerce (the Department) and the United States International Trade Commission (the ITC) have determined that CPTs from Singapore are being sold at less than fair value and that sales of CPTs from Singapore are materially injuring a U.S. industry. Therefore, based on these findings, all unliquidated entries, or warehouse withdrawals, for consumption, of CPTs from Singapore made on or after June 30, 1987, the date on which the Department published its "Preliminary Determination" notice in the *Federal Register*, 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: January 7, 1988.

FOR FURTHER INFORMATION CONTACT: Jess Bratton or John Brinkmann, Office of Investigations, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 377-3963 or 377-3965.

SUPPLEMENTARY INFORMATION: The products covered by this order are CPTs which are provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 687.3512, 687.3513, 687.3514, 687.3516, 687.3518, and 687.3520. The corresponding Harmonized System (HS) numbers are 8540.11.00.10, 8540.11.00.20, 8540.11.00.30, 8540.11.00.40, 8540.11.00.50 and 8540.11.00.60.

CPTs are defined as cathode ray tubes suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing.

CPTs which are imported as incomplete television assemblies that contain a CPT as well as additional components are also include within the scope of this order unless both of the following criteria are met: (1) The CPT is "physically integrated" with other television receiver components in such a manner as to constitute one inseparable

amalgam; and, (2) the CPT does not constitute a significant portion of the cost or value of the items being imported. Incomplete television receiver assemblies are provided for in TSUSA items 684.9656, 684.9658 and 684.9660

We have, however, determined that CPTs which are shipped and imported together with other parts as television receiver kits (which contain all parts necessary for assembly into complete television receivers) are excluded from the scope of this order.

In accordance with section 735(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(a)) (the Act), on November 12, 1987, the Department made its final determination that color picture tubes from Singapore were being sold at less than fair value (52 FR 44190, November 18, 1987). On December 22, 1987, in accordance with section 735(d) of the Act, the ITC notified the Department that such imports materially injure a U.S. industry.

Therefore, in accordance with sections 736 and 751 of the Act (19 U.S.C. 1673e and 1765), the Department directs United States Customs officers to assess, upon further advice by the administering authority pursuant to section 736(a)(1) of the Act (19 U.S.C. 1673e(a)(1)), antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the United States price for all entries of CPTs from Singapore. These antidumping duties will be assessed on all unliquidated entries of CPTs entered, or withdrawn from warehouse, for consumption on or after June 30, 1987, the date on which the Department published its "Preliminary Determination" notice in the *Federal Register* (52 FR 243180).

On and after the date of publication of this notice, United States Customs officers must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the estimated weighted-average antidumping duty margins noted below:

Manufacturers/Producers/Exporters	Weighted-average margin percent
Hitachi Electronic Devices, Pte., Ltd.....	5.33
All Other Manufacturers/Producers/Exporters.	5.33

This determination constitutes an antidumping duty order with respect to CPTs from Singapore, pursuant to section 736 of the Act (19 U.S.C. 1673e) and § 353.48 of the Commerce Regulations (19 U.S.C. 353.48). We have deleted from the Commerce regulations,

Annex I of 19 CFR Part 353, which listed antidumping duty findings and orders currently in effect. Instead, interested parties may contact the Central records Unit, Room B-099, Import Administration, for copies of the updated list of orders currently in effect.

This notice is published in accordance with section 736 of the Act (19 U.S.C. 1673e) and § 353.48 of the Commerce Regulations (19 CFR 353.48).

Gilbert B. Kaplan,
Acting Assistant Secretary for Import Administration.

Dated: December 29, 1987
[FR Doc. 88-212 Filed 1-6-88; 8:45 am]

BILLING CODE 3510-DS-M

[A-428-037]

Drycleaning Machinery From West Germany; Preliminary Results of Antidumping Duty Administrative Review and Tentative Determination To Revoke in Part

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of preliminary results of antidumping duty administrative review and tentative determination to revoke in part.

SUMMARY: In response to a request by Seco Maschinenbau and Co. ("Seco"), the Department of Commerce has conducted an administrative review of the antidumping finding on drycleaning machinery from West Germany. The review covers one manufacturer/exporter of this merchandise to the United States and the period November 1, 1985 through October 31, 1986. We found no dumping margins during the period.

As a result of the review, the Department has tentatively determined to revoke the antidumping finding with respect to that firm.

Interested parties are invited to comment on these preliminary results and tentative determination to revoke in part.

EFFECTIVE DATE: January 7, 1988.

FOR FURTHER INFORMATION CONTACT: Arthur N. DuBois or Robert J. Marenick, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230, telephone: (202) 377-5289/5255.

SUPPLEMENTARY INFORMATION:

Background

On December 4, 1986, the Department of Commerce ("the Department") published in the *Federal Register* (51 FR

Management Branch, Library Section, Code 823, Engineering and Research Center, Denver Federal Center, Denver, Colorado 80225, Telephone: (303) 236-6463

FOR FURTHER INFORMATION CONTACT: John C. Brooks, Environmental Specialist, Mid-Pacific Region, Bureau of Reclamation, MP-410, 2800 Cottage Way, Sacramento, California 95825-1898, telephone No. (916) 978-5049.

SUPPLEMENTARY INFORMATION: The FEIS describes the environmental consequences of adopting long-term OCAP for the Newlands Project. OCAP consists of criteria defining the amount and timing of diversions from the Carson and Truckee Rivers to meet the decreed water rights requirements for Newlands Project water use and insuring the criteria are met. The FEIS confines the analysis to the No Action Alternative; Alternative C, which was the proposed action in the DEIS; and Alternative E, the new proposed action. The FEIS analyzes the impacts of phasing in diversion levels of 338,000 acre-feet in 1988 to 320,000 acre-feet or less by 1992.

The FEIS complies with the requirements of the Endangered Species Act, Fish and Wildlife Coordination Act, National Historic Preservation Act, Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands). Single copies of the statement may be obtained on request to the Director, Office of Environmental Affairs or the Regional Director at the above addresses. Copies will also be available for inspection in libraries in the project vicinity. Questions or any comments on the FEIS should be sent within 30 days to the Regional Director at the above address.

Date: December 24, 1987.

Bruce Blanchard,
Director, Office of Environmental Project Review.

[FR Doc. 87-29805 Filed 12-29-87; 8:45 am]
BILLING CODE 4310-09-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-273]

Certain Cellular Mobile Telephones and Subassemblies and Component Parts Thereof; Change of Commission Investigative Attorney

Before John J. Mathias Administrative Law Judge.

Notice is hereby given that, as of this date, Stephen L. Sulzer, Esq., of the Office of Unfair Import Investigations

will be the Commission investigative attorney in the above-cited investigation instead of Steven H. Schwartz, Esq.

The Secretary is requested to publish this notice in the Federal Register.

Arthur Wineburg,
Director, Office of Unfair Import Investigations, U.S. International Trade Commission.

Dated: December 17, 1987.
[FR Doc. 87-29909 Filed 12-30-87; 8:45 am]
BILLING CODE 7020-02-M

[Investigations Nos. 731-TA-367 through 370 (Final)]

Color Picture Tubes From Canada, Japan, Republic of Korea, and Singapore

Determination

On the basis of the record¹ developed in the subject investigations, the Commission determines,² pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)), that an industry in the United States is materially injured by reason of imports from Canada, Japan, the Republic of Korea (Korea), and Singapore of color picture tubes,³ provided for in items 684.96 and 687.35 of the Tariff Schedules of the United States (TSUS), that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

Background

The Commission instituted these investigations effective June 30, 1987, following preliminary determinations by the Department of Commerce that imports of color picture tubes from Canada, Japan, Korea, and Singapore were being sold at LTFV within the meaning of section 731 of the Act (19 U.S.C. 1673). Notice of the institution of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of July 29, 1987 (52 FR 28353). The hearing was held

¹ The record is defined in § 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(i)).

² Chairman Liebler determines that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of LTFV imports from Canada, Japan, the Republic of Korea, and Singapore.

³ Color picture tubes are defined as cathode ray tubes suitable for use in the manufacture of color television receivers or other color entertainment display devices intended for television viewing.

in Washington, DC, on November 19, 1987, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in these investigations to the Secretary of Commerce on December 22, 1987. The views of the Commission are contained in USITC Publication 2046 (December 1987), entitled "Color Picture Tubes from Canada, Japan, the Republic of Korea, and Singapore: Determinations of the Commission in Investigations Nos. 731-TA-367 through 370 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations."

By order of the Commission:
Kenneth R. Mason,
Secretary.

Issued: December 23, 1987.
[FR Doc. 87-29910 Filed 12-29-87; 8:45 am]
BILLING CODE 7020-02-M

[Investigations Nos. 731-TA-385 and 386 (Preliminary)]

Granular Polytetrafluoroethylene Resin From Italy and Japan

Determination

On the basis of the record¹ developed in the subject investigations, the Commission unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Italy and Japan of granular polytetrafluoroethylene resin, whether filled or unfilled, provided for in item 445.54 of the Tariff Schedules of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).

Background

On November 6, 1987, a petition was filed with the Commission and the Department of Commerce by E. I. Du Pont De Nemours & Co., Wilmington, DE, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of granular polytetrafluoroethylene resin from Italy and Japan. Accordingly, effective November 6, 1987, the Commission instituted preliminary antidumping investigations Nos. 731-TA-385 and 386 (Preliminary).

¹ The record is defined in § 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(i)).

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Color Picture Tubes from Canada, Japan, Korea, and Singapore, Inv. Nos. 731-TA-367-370 (Review)

On June 3, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(C)(5) of the Act.

Regarding domestic interested parties, the Commission received responses from two producers of color picture tubes, and two recognized unions that are representative of an industry engaged in the production of color picture tubes. Regarding respondent interested parties, the Commission received a response from three producers that account for most Japanese production of color picture tubes and all of the imports of subject merchandise from Japan.¹ In the reviews concerning Canada, Korea, and Singapore, the Commission did not receive a response from any respondent interested parties.^{2 3}

The Commission determined that the domestic interested party group response and respondent interested party group response for Japan were adequate and that it should proceed to a full review for *Color Picture Tubes from Japan*. Because no respondent interested party responded to the notice of institution in the reviews concerning Canada, Korea, and Singapore, the Commission determined that the respondent interested party group responses for those reviews were inadequate. However, the Commission determined to conduct full reviews for these three countries to promote administrative efficiency in light of the Commission's decision to conduct a full review with respect to *Color Picture Tubes from Japan*. Commissioner Crawford dissented from the Commission's decision to conduct full reviews with respect to Canada, Korea, and Singapore, and determined that the Commission should conduct expedited reviews of the orders covering those countries.

¹The Commission determined that the Electronic Industries Association of Japan ("EIAJ") is not an interested party because a majority of its members are not producers or exporters of the subject merchandise. 19 U.S.C. § 1677(9)(A). The EIAJ is alternatively identified as the "Electronics Industry Association of Japan" in certain filings with the Commission.

²The Commission received a submission from the Electronic Industries Association of Korea ("EIAK"), but determined that the EIAK is not an interested party because a majority of its members are not producers or exporters of the subject merchandise. 19 U.S.C. § 1677(9)(A).

³Commissioner Askey agrees that the EIAK is not an "interested party" under the terms of the statute. Nevertheless, she notes that all Korean color picture tube manufacturers responded to the Commission's notice of institution through the EIAK and that they provided all information requested. In effect, then, the Commission received information from all Korean interested parties, though not in appropriate form. She remains concerned that focusing on "individual adequacy" and "group adequacy" may obscure the purpose behind requesting responses to the notice of institution, which is to determine whether participation in a full review is likely to be sufficient to warrant the expenditure of Commission resources in conducting it. The Commission engaged in similar analysis in the adequacy decisions in the fresh cut flowers cases, in which it determined that several domestic interested parties failed to respond adequately to notices of institution, but considered that their attempt to respond indicated a likely willingness to participate in the reviews at issue. See, Commission Statement on Adequacy, *Fresh Cut Flowers from Ecuador and Mexico*, Inv. Nos. 731-TA-331& 333 (Review); *Standard Carnations from Chile*, Inv. Nos. 701-TA-276 and 731-TA-328 (Review); and *Pompom Chrysanthemums from Peru*, Inv. No. 303-TA-18 (Review).

APPENDIX B
LIST OF WITNESSES

CALENDAR OF PUBLIC HEARINGS

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

Subject: Color Picture Tubes from Canada, Japan, Korea, and Singapore

Inv. Nos.: 731-TA-367-370 (Review)

Date and Time: February 17, 2000 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room, 500 E Street, SW, Washington, DC.

OPENING REMARKS

In Support of Continuation (**Mary T. Staley**, Collier, Shannon, Rill & Scott, PLLC)
In Support of Revocation (**Kenneth J. Pierce**, Willkie Farr & Gallagher and
R. Will Planert, Kaye, Scholer, Fierman, Hays & Handler, LLP)

In Support of the Continuation of the Order:

Collier, Shannon, Rill & Scott, PLLC
Washington, D.C.
on behalf of

Thomson Americas Tube Operations, IBEW, and IUE

Thomas M. Carson, Vice President, Americas Tube Operations,
Thomson Consumer Electronics

P. Kevin Trompak, General Manager, Marketing, Sales, and
New Business Development, North America Tube Division,
Thomson Consumer Electronics

Robert Stander, Director, Manufacturing Department,
International Brotherhood of Electrical Workers

Clifton L. Smith, President and Chief Executive Officer,
Corning Asahi Video Products Company

L.T. Hickey, Jr., President, Technoglas, Incorporated

**In Support of the Continuation of
the Order--Continued:**

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**In Support of the Revocation of
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APPENDIX C
SUMMARY DATA

Table C-1

CPTs: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=1,000 units; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per unit, and period changes=percent, except where noted)

Item	Calendar year		January-September		Period changes	
	1997	1998	1998	1999	1997-98	Jan.-Sept. 1998-99
U.S. consumption quantity:						
Amount	10,181	10,200	7,625	7,515	0.2	-1.5
Producers' share ¹	93.8	94.4	94.3	94.1	0.6	-0.2
Importers' share: ¹						
Canada	(2)	(2)	(2)	(2)	(2)	(2)
Japan	0.3	0.1	0.2	0.1	-0.2	-0.1
Korea	0.3	0.2	0.2	0.6	-0.1	0.4
Singapore	(2)	(2)	(2)	(2)	(2)	(2)
Subtotal	0.6	0.4	0.4	0.7	-0.2	0.3
Other sources	5.6	5.3	5.3	5.2	-0.3	0.1
Total imports	6.2	5.6	5.7	5.9	-0.6	0.2
U.S. consumption value:						
Amount	1,672,575	1,563,171	1,131,554	1,230,387	-6.5	8.7
Producers' share ¹	93.9	97.9	97.8	97.9	3.9	0.2
Importers' share: ¹						
Canada	(2)	(2)	(2)	(2)	(2)	(2)
Japan	1.2	0.3	0.3	0.1	0.9	0.2
Korea	0.1	0.1	0.1	0.2	0.0	0.1
Singapore	(2)	(2)	(2)	(2)	(2)	(2)
Subtotal	1.2	0.4	0.4	0.4	-0.9	-0.1
Other sources	4.8	1.8	1.8	1.7	-3.1	-0.1
Total imports	6.1	2.1	2.2	2.1	-3.9	-0.2
U.S. imports from--						
Canada:						
Quantity	1	(3)	(3)	(3)	-99.1	283.3
Value	121	63	63	5	-47.8	-92.3
Unit value	\$173.17	\$10,542.67	\$10,542.67	\$211.74	5,987.9	-98.0
Japan:						
Quantity	31	14	11	6	-55.5	-44.4
Value	19,240	4,447	3,651	1,684	-76.9	-53.9
Unit value	\$612.65	\$318.01	\$318.23	\$263.71	-48.1	-17.1
Korea:						
Quantity	26	22	18	44	-16.7	143.1
Value	1,336	1,357	1,141	2,612	1.5	128.9
Unit value	\$51.22	\$62.45	\$62.68	\$59.01	21.9	-5.9
Singapore:						
Quantity	1	1	(3.0)	1	-50.8	160.2
Value	104	71	63	142	-31.8	125.0
Unit value	\$101.51	\$140.72	\$150.35	\$130.01	38.6	-13.5
Subtotal:						
Quantity	59	36	30	52	-38.8	71.9
Value	20,801	5,938	4,918	4,442	-71.5	-9.7
Unit value	\$351.30	\$163.95	\$163.38	\$85.82	-53.3	-47.5
Other sources:						
Quantity	569	537	403	392	-5.7	-2.9
Value	80,621	27,426	20,505	21,168	-66.0	3.2
Unit value	\$141.62	\$51.11	\$50.82	\$54.04	-63.9	6.3
All sources:						
Quantity	628	573	434	443	-8.9	2.3
Value	101,422	33,364	25,424	25,610	-67.1	0.7
Unit value	\$161.37	\$58.25	\$58.64	\$57.75	-63.9	-1.5

Table continued on next page.

Table C-1--Continued

CPTs: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999

(Quantity=1,000 units; value=1,000 dollars; unit values, unit labor costs, and unit expenses are *per unit* and period changes=*percent*, except where noted)

Item	Calendar year		January-September		Period changes	
	1997	1998	1998	1999	1997-98	Jan.-Sept. 1998-99
U.S. producers ² --						
Average capacity quantity	24,608	23,545	19,286	16,133	-4.3	-16.3
Production quantity	22,016	20,446	15,780	13,821	-7.1	-12.4
Capacity utilization ¹	89.5	86.8	81.8	85.7	-2.6	3.8
U.S. shipments:						
Quantity	9,553	9,627	7,192	7,071	0.8	-1.7
Value	1,571,153	1,529,808	1,106,131	1,204,776	-2.6	8.9
Unit value	\$164.47	\$158.90	\$153.80	\$170.38	-3.4	10.8
Export shipments:						
Quantity	12,260	10,604	8,515	6,456	-13.5	-24.2
Value	1,505,624	1,532,253	1,192,466	906,847	1.8	-24.0
Unit value	\$122.81	\$144.50	\$140.04	\$140.47	17.7	0.3
Ending inventory quantity	1,072	1,235	953	1,578	15.2	65.6
Inventories/total shipments ¹	4.9	6.1	4.6	8.7	1.2	4.2
Production workers	12,502	12,691	12,509	10,808	1.5	-13.6
Hours worked (1,000 hours)	21,996	22,487	16,671	14,188	2.2	-14.9
Wages paid (1,000 dollars)	373,878	376,833	283,171	252,777	0.8	-10.7
Hourly wages	\$13.83	\$13.32	\$13.30	\$13.84	-3.7	4.1
Productivity (units per hour)	0.9	0.8	0.8	0.8	-8.9	2.2
Unit labor costs	\$16.98	\$18.43	\$17.94	\$18.29	8.5	1.9
Net sales:						
Quantity	21,960	19,851	15,634	13,596	-9.6	-13.0
Value	3,135,862	3,052,803	2,286,585	2,113,241	-2.6	-7.6
Unit value	\$142.80	\$153.79	\$146.26	\$155.43	7.7	6.3
COGS	2,922,465	2,714,153	2,053,621	1,804,338	-7.1	-12.1
Gross profit or (loss)	213,397	338,650	232,964	308,903	58.7	32.6
SG&A expenses	154,489	158,351	117,356	136,970	2.5	16.7
Operating income or (loss)	58,908	180,299	115,608	171,933	206.1	48.7
Capital expenditures	188,786	133,645	75,434	68,082	-29.2	-9.7
Unit COGS	\$133.08	\$136.73	\$131.36	\$132.71	2.7	1.0
Unit SG&A expenses	\$7.04	\$7.98	\$7.51	\$10.07	13.4	34.2
Unit operating income or (loss)	\$2.68	\$9.08	\$7.39	\$12.65	238.6	71.0
COGS/sales ¹	93.2	88.9	89.8	85.4	-4.3	-4.4
Operating income or (loss)/sales ¹	1.9	5.9	5.1	8.1	4.0	3.1

¹ Period changes are in percentage points.

² Less than 0.05 percent.

³ Less than 500 units.

Note.--Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2

CPTs: Summary data concerning the U.S. market excluding Zenith, 1997-98, January-September 1998, and January-September 1999

* * * * *

APPENDIX D

**U.S. PRODUCERS', IMPORTERS', PURCHASERS', AND
FOREIGN PRODUCERS' COMMENTS REGARDING
THE EFFECTS OF THE DUTY ORDERS AND
THE LIKELY EFFECTS OF REVOCATION**

**U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF
THE DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**Anticipated Operational/Organizational Changes
If Duty Orders Were To Be Revoked**

The Commission's questionnaires in these reviews requested comments from U.S. producers (question II-18) regarding any anticipated changes in the character of their operations or organization relating to the production of CPTs in the future if the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore were to be revoked. The following comments were received:

"Expansion in 2000 to produce flat CPTs. This new product will be introduced into the U.S. market during ***, ***. The expansion in year 2000 will *** line that will be capable of producing HDTV CPTs with certain equipment modifications. The essential infrastructure is in place."

"No."

"No."

"Capacity increase in ***."

Zenith

"Plant closure - CRT operations ceased in 1998/4Q."

"*** is continually evaluating options around the world. Although a variety of scenarios have been developed, there is no final approved plan at this point."

Thomson

"Thomson is considering adding a CRT manufacturing facility in Mexico. We expect to begin production of VLS CPTs in 2001."

Significance of Existing Duty Orders In Terms of Trade and Related Data

The Commission's questionnaires in these reviews requested comments from U.S. producers (question II-20) regarding the significance of the existing antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore in terms of the effect on their firm's production capacity, production, U.S. shipments, inventories, purchases, and employment. The following comments were received:

"There has been no significant effect on our business as a result of the existing antidumping duty orders. We do not import CPTs. Production facility established in ***."

"*** was incorporated in *** after the imposition of the order."

"We do not believe the antidumping duty order has had any significance on our business."

"Unknown."

Zenith

"Based on Zenith's restructuring plan CRT production ceased 1998/4Q. The restructuring plan was based on *** not import considerations."

"The imposition of antidumping duties forced Japanese and Korean manufacturers to build or acquire CPT capacity in North America, thereby making direct competition based on a level playing field."

Thomson

"Since the dumping orders were enacted in 1988, Thomson has successfully built, staffed, and operated a VLS plant in Marion, Indiana. We have also invested to increase our large-size production capacity in the United States. Note: VLS capacity 1988 = ***, 1999 = ***."

**Anticipated Changes in Trade and Related Data
If the Duty Orders Were To Be Revoked**

The Commission's questionnaires in these reviews requested comments from U.S. producers (question II-21) regarding any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, or employment relating to the production of CPTs in the future if the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore were to be revoked. The following comments were received:

"No."

"Possible future imports of jumbo color picture tubes from Korea could hurt our business."

"We believe the revocation of the order will have a beneficial effect on our business. *** will continue to develop new products in *** and introduce these new products on a limited basis. As the markets for these products develop, mass production will shift to *** to save in transportation costs and avoid damage in transport."

"Unknown."

Zenith

"Plant closure - CRT operations ceased in 1998/4Q."

"Since 1986, production of North American TV sets has gone from 0% in Mexico to over 75% in 1999. As this trend continues, antidumping duties on tubes coming into the U.S. are increasingly irrelevant."

Thomson

"If the dumping orders are revoked and Asian manufacturers are allowed to dump directly into the United States, I expect our production levels will be less than our expectations due to the influx of Asian produced CPTs. I also expect dumping would resume immediately, which would affect our production in 2000 and beyond. The production impacted most will be large, flat and widescreen CPTs."

Significance of Existing Duty Orders In Terms of Financial Data

The Commission's questionnaires in these reviews requested comments from U.S. producers (question III-10) regarding the significance of the existing antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore in terms of the effects on their firm's revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. The following comments were received:

"No impact to business."

"*** was incorporated in *** after the imposition of the order."

"The revocation of the antidumping duty order will have a beneficial effect on ***'s business. *** can develop the products in *** and introduce them on a trial basis here in the NAFTA region. As markets develop, the mass production of these products will likely be shifted to *** as we are intended to be the main supplier of CRT's in the NAFTA area."

"None."

Zenith

"***."

"For the years covered in the above data (1997 through September 1999), no impact from the existing antidumping duty orders."

Thomson

"Our firm's financial position is substantially better than 1988, however, from 1998-2000 we will experience an annual average revenue decline of \$*** due to predatory Asian pricing. This, of course, is with the dumping duties in place. Without them we expect to see even more revenue and price erosion."

**Anticipated Changes in Financial Data
If the Duty Orders Were To Be Revoked**

The Commission's questionnaires in these reviews requested comments from U.S. producers (question III-11) regarding any anticipated changes in their firm's revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of CPTs in the future if the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore were to be revoked. The following comments were received:

"No."

"Certain CPTs from Korea, Japan, and Singapore would have impact on our business. Since the producers might at times have exchange rate factors in their favor."

"The revocation of the antidumping duty order will have a beneficial effect on ***'s business. *** can develop the products in Japan and introduce them on a trial basis here in the NAFTA region. As markets develop, the mass production of these products will likely be shifted to *** as we are intended to be the main supplier of CRT's in the NAFTA area."

"No."

"No."

"No."

Thomson

"From 1999 to 2000 ATO will experience a \$*** negative impact to revenue due to predatory Asian pricing. As one can imagine, aggressive pricing makes it more difficult to justify capital expenditures. If the dumping orders are revoked, it will be easier for Asian manufacturers to flood the market with below market priced CRTs."

**U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF
THE DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**Anticipated Operational/Organizational Changes
If Duty Orders Were To Be Revoked**

The Commission's questionnaires in these reviews requested comments from U.S. importers (question II-4) regarding any anticipated changes in the character of their operations or organization relating to the importation of CPTs in the future if the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore were to be revoked. The following comments were received:

"No."

"No."

"No."

Significance of Existing Orders in Terms of Trade and Related Data

The Commission's questionnaires in these reviews requested comments from U.S. importers (question II-11) regarding the significance of the existing antidumping duty order on imports of CPTs from Canada, Japan, Korea, and Singapore in terms of their effect on their firms' imports, U.S. shipments of imports, and inventories. The following comments were received:

"We will not purchase *** plus CPT sizes because of the 15% duty. This is the normal duty, not the antidumping duty."

"Since the mid-1980s the U.S. CPT supply generally has been adequate to support our requirements. Elimination of existing antidumping duty orders would have no significant impact on our business. Our imports of CPTs from *** were limited in time and quantity solely to bridge production of CPTs available from ***'s Mexican supplier and domestic sources. The significant duty savings realized under NAFTA by importing from Mexico would not be overcome by revocation of the antidumping orders."

“After antidumping duty was effective in 1988, CPT manufacturers in the U.S. (both Japanese and American) began U.S. production of very large CPTs such as 31V and 32V. This meant that all CPTs smaller than 35V were available in the U.S. market. *** continued to ship ***, which was manufactured only by ***, to such U.S. customers as *** after 1988. When production of *** CPT was initiated in the U.S. by ***, *** discontinued purchases of ***. As shipments of *** decreased, *** began to ship ***, which was the leading manufacturer of *** CTVs at the time, gradually changed its supplier of *** from *** to U.S. manufacturer after ***. *** continued to ship *** until the CTV factory in *** was closed and CTV manufacturing operations ***.”

“Our firm does not see so much significance of the existing duty orders simply because there was no change in our way of importation of CPTs before 1988 and after 1988.”

Anticipated Changes in Trade and Related Data If Orders Were to Be Revoked

The Commission’s questionnaires in these reviews requested comments from U.S. importers (question II-12) regarding any anticipated changes in their imports, U.S. shipments of imports, or inventories of CPTs in the future if the antidumping duty orders on imports of CPTs from Canada, Japan, Korea, and Singapore were to be revoked. The following comments were received:

“High definition CPTs will be necessary for the eventual expansion of the U.S. high definition TV market. This will likely require that high definition CPTs be imported at least initially due to lack of domestic supply.”

**U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF
THE DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**Effects on Future Activities of Firms and the U.S. Market as a Whole
If Duty Orders Were To Be Revoked**

The Commission's questionnaires in these reviews requested comments from U.S. purchasers (question IV-1) regarding the effects of the revocation of the antidumping duty orders on (1) the future activities of their firms and (2) the U.S. market as a whole. The following comments were received:

(1) **Activities of firm.**--"For new CPT technology, such as flat CPT's, our company might import these CPTs from ***. This will offer consumers the availability of flat CPT technology of various screen sizes in the U.S., which would not be possible because of the cost of importing complete televisions would be too high to be competitive in the market. This importation could occur within the next *** until production capacity is available in the USA."

(2) **Entire U.S. Market.**--"It is expected that the total market would pursue the same type of activities, i.e., importing flat CPTs to the U.S., as stated above, within the same time period."

(1) **Activities of firm.**--"We will maintain and/or increase purchases from our related firm in USA regardless of antidumping duty. Possibility of purchasing relatively small niche products, i.e., widescreen, 16:9, etc. from ***, because these products are not available from U.S. producers."

(2) **Entire U.S. Market.**--"For large screen sizes, 32V and higher - minor increase in imports since USA/Mexico-based CPT suppliers are strong in market. Ocean shipping costs very high due to weight of glass and large size. For smaller cheap sizes, 27V and less (especially 20V and smaller) - maybe increase in small size (20" below) CPTs and small size TV set imports from East Asia, i.e., Malaysia and China. China will become large volume supplier, initially of small screen sizes; improbable for large screen sizes."

"No real effect. No USA manufacturer makes a *** or has plans to do so."

"We are a manufacturer of color televisions only. Based on current and anticipated business practices, we do not foresee that the revocation of the antidumping duty orders will have an effect on our business either way."

(1) **Activities of firm.**--“Not applicable. ***.”

(2) **Entire U.S. Market.**--“Little, if any effect. U.S. production capacity has expanded significantly and there are fewer companies offering fewer brands to compete in the direct view market. In addition, though many companies have shifted final assembly of color television receivers to Mexico (particularly as a result of NAFTA), most CPT suppliers (and all large screen CPT suppliers) still produce in the U.S.”

“Revocation of the antidumping duty orders covering imports of CPTs from the subject countries would be unlikely to have any significant impact on ***’s business or sourcing decisions because the NAFTA duty preferences and the 15 percent duty rate for non-NAFTA CPTs will remain unchanged. In any event, sound business practice will always favor local (domestic) sources.”

**FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF
THE DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**Anticipated Operational/Organizational Changes
If Duty Orders Were To Be Revoked**

The Commission's questionnaires in these reviews requested comments from foreign producers (question II-3) regarding any anticipated changes in the character of their operations or organization relating to the production of CPTs in the future if the antidumping duty orders on CPTs from Canada, Japan, Korea, and Singapore were to be revoked. The following comments were received:

"No changes are likely as a result of the antidumping duty orders revocation, if that occurs. Since the order has never had a significant impact on ***'s operations, due to a lack of significant U.S. sales before and during the order, its revocation is not likely to have much effect."

"We don't expect any changes in the character of our operation or organization."

"No."

"As ***, this question is not applicable. ***."

"No."

Significance of Existing Orders in Terms of Trade and Related Data

The Commission's questionnaires in these reviews requested comments from foreign producers (question II-15) regarding the significance of the existing antidumping duty orders on exports of CPTs from Canada, Japan, Korea, and Singapore in terms of their effect on the firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. The following comments were received:

"(T)here was no significant change to our CPT export sales before and after the imposition of the antidumping order."

“We have established CPT production subsidiary for U.S. CPT market. Therefore, we will not be affected, whether there is an antidumping duty order or not.”

“The existing antidumping duty order covering imports of CPTs from Japan does not currently affect ***’s CPT operation very much since *** produces CPTs according to CPT demand in North America.”

“The U.S. antidumping duty order on CPTs has had no significant effect on ***’s CPT operations. Prior to the antidumping duty order, ***.”

“Most if not all U.S. CTV production facilities are captively supplied by affiliated CPT producers, so that no significant merchant CPT market has existed in the United States for *** CPT exports. Furthermore, as noted above, ***’s CPT production capacity in *** has declined as a result of the expansion of CPT production facilities by *** in other countries. Finally, it is noteworthy that the 15% import tariff imposed by the United States on imports of CPTs further eliminates the commercial incentive to supply North American CTV production facilities with CPTs imported from outside North America.”

Anticipated Changes in Trade and Related Data If Orders Were to Be Revoked

The Commission’s questionnaires in these reviews requested comments from foreign producers (question II-16) regarding any anticipated changes in their exports to the United States and other markets, and inventories relating to CPTs in the future if the antidumping duty orders on imports of CPTs from Canada, Japan, Korea, and Singapore were to be revoked. The following comments were received:

“Because there were no significant changes in our CPT business before and after the antidumping duty order, we don’t expect any significant change in our company’s business activities even after the revocation of the order.”

APPENDIX E

**ADDITIONAL INFORMATION REGARDING
DIGITAL AND HIGH DEFINITION TVs AND CPTs**

INTERNATIONAL BROADCAST STANDARDS¹

There are three basic international broadcast standards serving the vast majority of countries, as follows:

<u>Signal</u>	<u>Countries served</u>
NTSC (National Television System Committee)	North America, Greenland, most of South America, Japan, and the Philippines
PAL (Phase Alternating Line)	Germany, UK, Western Europe (except France)
SECAM (Sequential Color and Memory)	France, Eastern Europe

The differences between these standards are related to the following:

- the total number of horizontal lines in the picture (525 or 625 for standard TV, and 1,125 and 1,250 for HDTV)
- whether 30 or 25 frames (complete pictures) are transmitted per second
- the broadcast channel width (electronic bandwidth of the signal)
- whether an AM- or FM-type signal is used for transmitting audio and video

NTSC employs a 525 line, 30 frames per second (60 field) system. PAL and SECAM employ 625 line, 25 frame (50 field) systems. The extra 100 lines in PAL and SECAM add significant detail and clarity to video pictures, but the 50 fields per second (compared to 60 fields in NTSC) means that a slight flicker can sometimes be noticed. Multi-standard CTVs and VCRs are available that switch from one standard to another.

U.S. DIGITAL BROADCASTING STANDARDS

There are 18 digital formats approved by the FCC for digital broadcasting (see table E-1). In order to use the Advanced Television System Committee (ATSC) "ATSC-Certified" logo, a CTV must be capable of receiving all 18 of the standards. The more popular approaches to DTV and HDTV break down as follows:

- Lines of resolution: 1080 and 720 for HDTV, and 480 for SDTV.
- Types of scanning: *Interlace* (two fields, each consisting of half the lines are broadcast and thereafter merge to make one complete frame or picture), and *progressive* (all lines are transmitted together without interlacing).
- Scan rate: 60 or 50 fields per second for interlaced, 30 or 25 frames per second for progressive, and 24 frames per second for film-style progressive scan.²

¹ Cybercollege website, <http://cybercollege.com/tvp009.htm>.

² Cybercollege website, <http://cybercollege.com/tvp009.htm>.

OUTSTANDING TECHNICAL ISSUES

The CEA and NCTA agreed on a number of technical issues that would permit the “direct connection of digital television receivers to cable television systems, specifying the signal levels and quality as well as video formats. They also provide for the carriage of Program and System Information Protocol (“PSIP”) data on cable systems to support on-screen guide functions in digital receivers. Subject to certain conditions, PSIP data enable features such as on-screen program guides, virtual channel tables, program name and description (for a minimum 12-hour period) and content advisory information.”³

However, two problem areas remain. “CEA and NCTA negotiators still must resolve labeling and copy-protection issues. The labeling dispute centers on a definition of what constitutes a cable-ready receiver and on how consumers will be told whether their digital TV connects to other digital appliances, such as a set-top box, a digital VCR or a recordable DVD player. The copy-protection issue relates to licensing and implementing technology that would prevent unauthorized duplication of the digital video signal.” Both of these issues are major concerns.

A third issue also exists. The National Association of Broadcasters (NAB) once again called on the FCC to issue comprehensive DTV “must-carry rules” so that the “monopoly cable industry, as it rushes its own digital services to paying consumers, cannot further stand in the way of free, universal television’s transition to free-to-all digital service.”⁴

DEMAND FORECASTS

Available information relating to the regional demand for HD and VLS CPTs/CTVs is presented in tables E-2 through E-6. U.S./NAFTA demand for HD CPTs is projected to range from 0.2 to 2.7 percent of total CPT/CTV sales in 2001, from 0.8 to 11.4 percent in 2003, and from 1.8 to 15.1 percent in 2004. U.S./NAFTA demand for VLS CPTs is projected to range from 17.1 to 20.0 percent of total CPT/CTV sales in 2001, and from 17.8 to 26.9 percent in 2003.

³ National Cable Television Association website, http://ncta.cyberserv.com/qs/user_pages/2_23_00.cfm.

⁴ E-town website, [http://www.e-town.com/news/article.jhtml; sessionid\\$UBV02QQAACG23UPZJEHSFEQ? articleID=2145](http://www.e-town.com/news/article.jhtml; sessionid$UBV02QQAACG23UPZJEHSFEQ? articleID=2145).

**Table E-1
CTVs: 18 digital programming formats**

CTV type	Lines of vertical resolution	Pixels	Aspect ratio	Frames/second and scanning format
HDTV	1080	1920	16:9	60i
	1080	1920	16:9	30p
	1080	1920	16:9	24p
	720	1280	16:9	60p
	720	1280	16:9	30p
	720	1280	16:9	24p
SDTV	480	704	16:9	60i
	480	704	16:9	60p
	480	704	16:9	30p
	480	704	16:9	24p
	480	704	4:3	60i
	480	704	4:3	60p
	480	704	4:3	30p
	480	704	4:3	24p
	480	704	4:3	60i
	480	704	4:3	60p
	480	704	4:3	30p
	480	704	4:3	24p

Source: The Dawn of Digital Television, November 16, 1998, a supplement to Broadcasting and Cable.

Table E-2
CPTs: Shares of world demand, by types, 1998-2004

Shares and period changes (in percent)

Item	Calendar years							Period changes			
	1998	1999	2000	2001	2002	2003	2004	1999-01	1999-02	1999-03	1999-04
HDTVs:											
NAFTA--											
***	0.0	0.2	0.4	0.5	0.9	(1)	(1)	0.3	0.7	(1)	(1)
***	0.6	0.8	1.5	2.7	5.7	11.4	15.1	1.9	4.9	10.6	14.3
***	0.1	0.1	0.1	0.2	0.4	0.8	1.8	0.1	0.3	0.8	1.8
***	0.0	0.1	0.3	0.9	2.1	3.2	(1)	0.9	2.0	3.1	(1)
***	0.0	0.0	0.0	0.2	0.4	1.0	2.3	0.2	0.4	1.0	2.3
***	0.1	0.4	0.7	2.1	3.3	5.7	8.9	1.6	2.9	5.3	8.4
Japan--											
***	16.5	16.7	17.4	19.7	23.3	26.5	31.2	3.0	6.6	9.8	14.5
***	17.5	11.9	15.7	20.6	25.5	31.2	37.4	8.7	13.6	19.3	25.5
***	38.7	43.8	52.1	60.9	66.7	(1)	(1)	17.1	22.9	(1)	(1)
***	0.0	0.0	0.1	0.5	1.2	2.7	6.3	0.5	1.2	2.7	6.3
Korea--											
***	1.6	0.5	2.9	4.6	5.4	7.0	8.5	4.0	4.9	6.5	8.0
***	0.9	1.4	2.2	3.1	4.1	(1)	(1)	1.7	2.6	(1)	(1)
Europe--											
***	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1)	(1)	(1)	(1)
***	6.3	9.6	13.2	16.8	21.2	25.6	(1)	7.2	11.6	16.1	(1)
***	5.4	7.6	10.9	15.3	20.4	(1)	(1)	7.7	12.7	(1)	(1)
***	4.5	5.6	8.5	13.4	18.5	26.0	32.4	7.8	12.8	20.3	26.8
VLS:											
NAFTA--											
***	13.7	15.4	16.4	18.5	20.3	21.7	22.7	3.1	5.0	6.3	7.3
***	11.8	13.7	16.8	20.0	24.7	26.9	28.3	6.3	10.9	13.2	14.6
***	13.5	15.0	16.4	17.1	17.4	(1)	(1)	2.1	2.4	(1)	(1)
***	13.3	15.5	16.4	17.4	17.2	17.8	(1)	1.9	1.7	2.4	(1)
Japan--											
***	8.2	12.0	13.4	15.1	16.9	18.9	(1)	3.1	4.9	6.9	(1)
Korea--											
***	0.9	1.0	1.1	1.2	1.4	(1)	(1)	0.3	0.4	(1)	(1)
Europe--											
***	0.8	1.1	1.1	1.4	1.4	(1)	(1)	0.3	0.4	(1)	(1)
<p>¹ Not applicable.</p> <p>Source: Tables E-3-E-6.</p>											

Table E-3
CPTs: North American demand, by types, 1998-2004

* * * * *

Table E-4
CPTs: Japanese demand, by types, 1998-2004

* * * * *

Table E-5
CPTs: Korean demand, by types, 1998-2004

* * * * *

Table E-6
CPTs: West European demand, by types, 1998-2004

* * * * *

APPENDIX F

**SELECTED U.S. CPT INDUSTRY DATA,
EXCLUDING ZENITH'S OPERATIONS**

Table F-1

CPTs: U.S. producers' shipments, by types, excluding Zenith, 1997-98, January-September 1998, and January-September 1999

* * * * *

Table F-2

CPTs: U.S. producers' U.S. shipments, by screen size, excluding Zenith, 1997-98, January-September 1998, and January-September 1999

* * * * *

Table F-3

CPTs: U.S. producers' end-of-period inventories, excluding Zenith, 1997-98, January-September 1998, and January-September 1999

* * * * *

Table F-4

CPTs: U.S. producers' employment-related indicators, excluding Zenith, 1997-98, January-September 1998, and January-September 1999

* * * * *

FINANCIAL EXPERIENCE OF THE INDUSTRY

This part of appendix F presents industry income and variance analysis for the 6 firms remaining in the U.S. industry producing CPTs by eliminating the results of operations of Zenith. Zenith ceased manufacturing operations by the end of the period of investigation, as noted earlier.

Data in table F-5 show that the resulting industry was *** than that depicted in table III-10. Specifically, operating profit for the six remaining U.S. producers would be *** in three of the four periods, \$*** in 1997 and 1998 (compared with \$59 million and \$180 million), respectively; and \$*** in January-September 1998 and 1999 (compared with \$116 million and \$172 million), respectively. Zenith incurred a *** in the two categories of operating profit and net profit in 1998 compared with 1997, and ***. Net income and cash flows for the 6 firms ***.

Table F-5

Results of operations of U.S. producers, excluding Zenith, in the production of CPTs, fiscal years 1997-98, January-September 1998, and January-September 1999

* * * * *

Table F-6 shows the variance analysis for the 6 firm industry that results by excluding the results of Zenith's operations. Specifically, by eliminating both Zenith's price contributions as well as Zenith's increased cost/expense variance, the resulting *** in operating income would be lower, \$*** compared with \$121 million, between 1997 and 1998. Similarly, for the periods of January-June 1998-99, operating income *** by a smaller amount, \$*** compared with \$56 million. This *** results from the fact that the starting point of ***. In both variance analyses, the increases in operating income stems from price variances that are much greater than the increases in costs and expenses and the decreased volume of sales.

Table F-6

Variance analysis for U.S. producers, excluding Zenith, on their CPT operations, fiscal years 1997-98 and January-September 1998-99

* * * * *

APPENDIX G

**ADDITIONAL COMMERCE STATISTICS
ON EXPORTS OF CPTs AND IMPORTS OF CTVs**

Contains Business Proprietary Information

Table G-1
CPTs: U.S. exports, by destination, 1992-99

Destination	1992	1993	1994	1995	1996	1997	1998	1999
Quantity (units)								
Mexico	2,620,696	3,685,504	4,922,883	5,796,344	8,478,306	8,939,856	9,810,711	8,678,988
China	0	15,971	49,255	4,567	31,369	24,535	90,810	265,978
Brazil	9,883	36,581	220,306	874,581	1,096,773	1,070,979	670,808	242,777
United Kingdom	2,556	124,347	114,700	9,610	15,815	4,340	45,286	140,747
Argentina	52,847	15,177	39,892	9,375	45,557	176,866	148,986	102,182
Hong Kong	53,228	34,901	14,565	135,834	167,702	380,780	204,711	86,398
Canada	310,304	338,069	360,583	351,627	277,973	179,064	144,144	77,410
Taiwan	112,452	64,843	43,663	77,060	94,708	98,342	106,286	70,478
Japan	138,550	186,673	257,288	182,445	146,912	268,352	180,817	60,469
Singapore	4,997	6,625	32,268	70,494	127,683	189,505	61,675	42,623
Thailand	30	0	0	19,995	33,311	116,591	72,136	36,791
Germany	7,427	10,054	9,314	12,480	3,737	1,175	5,581	32,680
Netherlands	355	130	223	4	86	3,575	83	30,108
Australia	12,539	9,892	21,924	42,272	46,800	42,408	46,733	19,779
France	999	5,689	534	3,608	136	13,336	21,470	18,539
Korea	131,931	206,290	152,119	126,358	233,993	367,263	27,544	15,457
Subtotal	3,458,794	4,740,746	6,239,517	7,716,654	10,800,861	11,876,967	11,637,781	9,921,404
All others	32,406	125,343	36,804	196,292	275,359	221,164	102,489	54,518
Total exports	3,491,200	4,866,089	6,276,321	7,912,946	11,076,220	12,098,131	11,740,270	9,975,922
Value, FAS (dollars)								
Mexico	246,339,931	359,588,042	471,567,849	567,622,214	917,179,562	1,082,988,434	1,357,577,754	1,297,950,579
China	0	2,495,251	7,694,444	664,501	4,015,004	4,606,831	19,046,412	60,902,343
Brazil	1,856,464	5,898,431	33,151,115	112,673,916	160,163,803	168,640,297	103,431,022	36,923,867
United Kingdom	2,931,435	11,090,508	15,816,065	1,467,880	2,475,365	1,192,699	12,160,178	24,593,596
Argentina	5,137,764	2,460,922	6,702,522	1,778,981	6,725,490	23,271,040	19,606,718	12,453,057
Hong Kong	4,901,232	3,555,919	2,497,106	18,421,027	29,571,842	81,856,062	52,462,374	22,451,978
Canada	52,340,564	57,969,982	63,964,248	63,991,110	49,502,100	28,401,666	21,332,575	10,915,534
Taiwan	15,350,265	10,956,021	7,717,831	13,441,730	15,216,724	20,584,246	21,914,436	14,947,671
Japan	16,415,718	39,451,169	53,633,831	35,381,527	28,384,298	57,846,286	47,725,404	10,123,917
Singapore	811,285	1,218,026	6,550,106	13,467,590	22,283,698	30,017,023	11,049,026	7,876,654
Thailand	2,824	0	0	3,132,965	5,931,786	19,826,258	10,166,307	4,584,979
Germany	2,660,570	3,289,622	3,132,348	3,306,849	1,054,529	453,154	2,573,858	8,527,548
Netherlands	166,803	26,955	295,902	13,692	17,685	428,040	58,236	11,145,245
Australia	1,727,456	1,401,858	3,208,584	6,254,449	6,752,411	6,443,141	7,478,256	3,412,151
France	232,697	542,962	332,149	896,910	19,121	4,323,624	6,082,284	3,698,288
Korea	20,836,836	29,127,631	21,340,439	20,094,940	41,642,934	65,335,594	6,383,971	2,611,584
Subtotal	371,711,844	529,073,299	697,604,539	862,610,281	1,290,936,352	1,596,214,395	1,699,048,811	1,533,118,991
All others	7,099,578	12,825,389	10,489,395	47,073,807	59,070,438	61,925,078	23,256,083	12,433,567
Total exports	378,811,422	541,898,688	708,093,934	909,684,088	1,350,006,790	1,658,139,473	1,722,304,894	1,545,552,558
Unit value								
Mexico	\$94.00	\$97.57	\$95.79	\$97.93	\$108.18	\$121.14	\$138.38	\$149.55
China	(1)	156.24	156.22	145.50	127.99	187.77	209.74	228.98
Brazil	187.84	161.24	150.48	128.83	146.03	157.46	154.19	152.09
United Kingdom	1,146.88	89.19	137.89	152.75	156.52	274.82	268.52	174.74
Argentina	97.22	162.15	168.02	189.76	147.63	131.57	131.60	121.87
Hong Kong	92.08	101.89	171.45	135.61	176.34	214.97	256.28	259.87
Canada	168.68	171.47	177.39	181.99	178.08	158.61	147.99	141.01
Taiwan	136.51	168.96	176.76	174.43	160.67	209.31	206.18	212.09
Japan	118.48	211.34	208.46	193.93	193.21	215.56	263.94	167.42
Singapore	162.35	183.85	202.99	191.05	174.52	158.40	179.15	184.80
Thailand	94.13	(1)	(1)	156.69	178.07	170.05	140.93	124.62
Germany	358.23	327.20	336.31	264.97	282.19	385.66	461.18	260.94
Netherlands	469.87	207.35	1,326.91	3,423.00	205.64	119.73	701.64	370.18
Australia	137.77	141.72	146.35	147.96	144.28	151.93	160.02	172.51
France	232.93	95.44	622.00	248.59	140.60	324.21	283.29	199.49
Korea	157.94	141.20	140.29	159.03	177.97	177.90	231.77	168.96
Subtotal average	107.47	111.60	111.80	111.79	119.52	134.40	145.99	154.53
All others	219.08	102.32	285.01	239.82	214.52	280.00	226.91	228.06
Average	108.50	111.36	112.82	114.96	121.88	137.06	146.70	154.93

(1) Not applicable.

Source: Compiled from official Commerce statistics.

Table G-2
CTVs: U.S. imports of portables and consoles, by source, 1992-99

Source	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (units)							
Mexico	6,227,718	7,952,208	10,584,872	11,314,721	12,777,353	13,009,030	15,929,518	17,082,933
Malaysia	977,213	1,200,317	1,294,257	1,440,657	1,527,117	2,102,290	2,848,314	3,725,841
Thailand	1,223,364	1,377,883	1,541,807	1,017,130	985,891	2,093,465	3,166,559	2,740,858
China	599,113	568,999	482,399	436,770	170,829	41,031	77,063	500,245
Korea	492,791	237,936	157,979	145,804	119,446	21,608	140,921	305,371
Indonesia	0	0	1,700	870	822	52,149	85,122	80,127
Philippines	105,229	27,028	521	1,499	989	30,547	31,913	59,843
Japan	179,017	192,128	194,445	156,896	14,350	19,510	34,085	32,054
Hong Kong	161,642	55,682	12,289	1,625	1,601	941	1,086	15,194
Turkey	0	0	0	8	0	0	0	12,099
Singapore	554,879	226,062	162,489	196,439	655,264	2,932,950	141,815	8,940
Germany	939	1,125	77	84	699	35	1,435	4,760
Taiwan	118,512	94,435	13,122	22,216	2,441	8,819	11,750	2,684
Switzerland	4,902	3	0	2	1	0	0	1,420
Belgium	164	250	14	1,614	2,847	151	2,020	718
Subtotal	10,645,483	11,934,056	14,445,971	14,736,335	16,259,650	20,312,526	22,471,601	24,573,087
All others	109,924	81,641	199,803	263,117	88,052	18,045	11,483	842
Total imports	10,755,407	12,015,697	14,645,774	14,999,452	16,347,702	20,330,571	22,483,084	24,573,929
	Value, landed, duty-paid (dollars)							
Mexico	1,215,773,878	1,488,211,549	1,882,898,313	2,068,510,276	2,381,279,904	2,482,240,567	3,252,598,845	3,461,427,108
Malaysia	147,044,915	175,645,200	179,257,611	197,324,935	234,018,264	334,776,869	407,603,820	462,551,521
Thailand	189,160,347	207,686,055	225,062,079	146,708,945	155,754,600	326,912,295	421,556,155	327,572,876
China	84,920,587	78,977,475	63,501,662	55,693,389	21,757,855	4,667,836	8,559,713	46,487,929
Korea	68,447,586	34,616,345	20,803,457	18,122,453	14,551,293	2,989,990	15,050,940	34,775,579
Indonesia	0	0	248,584	109,253	92,813	6,271,225	9,936,766	9,540,242
Philippines	14,006,559	3,623,661	192,243	595,056	139,401	3,582,159	4,058,022	6,982,712
Japan	110,608,401	117,505,441	90,559,920	79,138,813	5,586,242	3,459,615	6,495,224	5,449,940
Hong Kong	22,588,858	7,384,800	1,515,669	243,619	194,763	172,889	95,737	1,485,594
Turkey	0	0	0	2,142	0	0	0	1,227,662
Singapore	97,113,921	38,672,267	27,654,749	18,297,665	13,208,987	10,466,973	3,715,042	1,873,588
Germany	531,784	548,703	203,207	182,731	200,643	60,382	1,607,189	5,651,605
Taiwan	20,694,341	14,750,994	4,352,037	5,612,848	1,683,323	2,397,634	2,217,419	506,489
Switzerland	748,778	7,594	0	9,336	2,043	0	0	219,770
Belgium	579,172	69,754	100,114	3,450,084	3,104,071	222,454	702,513	351,236
Subtotal	1,972,219,127	2,167,699,838	2,496,349,645	2,594,001,545	2,831,574,202	3,178,220,888	4,134,197,385	4,366,103,851
All others	32,977,482	22,746,181	53,528,403	71,620,097	32,742,171	6,452,726	1,839,438	620,770
Total imports	2,005,196,609	2,190,446,019	2,549,878,048	2,665,621,642	2,864,316,373	3,184,673,614	4,136,036,823	4,366,724,621
	Unit value							
Mexico	\$195.22	\$187.14	\$177.89	\$182.82	\$186.37	\$190.81	\$204.19	\$202.62
Malaysia	150.47	146.33	138.50	136.97	153.24	159.24	143.10	124.15
Thailand	154.62	150.73	145.97	144.24	157.98	156.16	133.13	119.52
China	141.74	138.80	131.64	127.51	127.37	113.76	111.07	92.93
Korea	138.90	145.49	131.68	124.29	121.82	138.37	106.80	113.88
Indonesia	(1)	(1)	146.23	125.58	112.91	120.26	116.74	119.06
Philippines	133.11	134.07	368.99	396.97	140.95	117.27	127.16	116.68
Japan	617.87	611.60	465.74	504.40	389.29	177.33	190.56	170.02
Hong Kong	139.75	132.62	123.34	149.92	121.65	183.73	88.16	97.78
Turkey	(1)	(1)	(1)	267.75	(1)	(1)	(1)	101.47
Singapore	175.02	171.07	170.19	93.15	20.16	3.57	26.20	209.57
Germany	566.33	487.74	2,639.05	2,175.37	287.04	1,725.20	1,119.99	1,187.31
Taiwan	174.62	156.20	331.66	252.65	689.60	271.87	188.72	188.71
Switzerland	152.75	2,531.33	(1)	4,668.00	2,043.00	(1)	(1)	154.77
Belgium	3,531.54	279.02	7,151.00	2,137.60	1,090.30	1,473.21	347.78	489.19
Average	185.26	181.64	172.81	176.03	174.15	156.47	183.97	177.68
All others	300.00	278.61	267.91	272.20	371.85	357.59	160.19	737.26
Average	186.44	182.30	174.10	177.71	175.21	156.64	183.96	177.70

(1) Not applicable.

Source: Compiled from official Commerce statistics.

Table G-3
CTVs: U.S. imports of CTV COMBOS (with VCR, radio), by source, 1992-99

Source	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (units)							
Malaysia	38,094	40,850	183	66,406	833,880	344,047	289,658	1,146,651
Thailand	8,460	7,576	27,042	6,349	195,201	142,938	143,345	688,112
Mexico	1,144	34	0	2,630	186,787	120,609	142,171	448,499
Korea	14,820	10,199	5,039	0	1,000	256	52	81,599
China	64,407	41,241	25,885	14,198	2,350	1,477	12,916	49,632
Indonesia	0	0	0	0	0	0	0	15,624
Japan	15,844	15,973	9,181	364	47,408	9,598	9,299	6,708
Taiwan	5,878	168	0	0	1,840	410	608	100
Austria	0	0	6	0	0	0	0	0
Netherlands	0	0	0	0	1	0	0	0
Philippines	0	5,935	80	0	0	0	0	0
Norway	0	0	0	0	0	2	32	0
UK	0	2	0	0	1	0	0	0
Spain	0	6	0	0	0	0	0	0
Singapore	27,600	13,920	0	144	0	0	0	0
Subtotal	176,247	135,904	67,416	90,091	1,268,468	619,337	598,081	2,436,925
All others	346	95	83	25	0	1,351	5	0
Total imports	176,593	135,999	67,499	90,116	1,268,468	620,688	598,086	2,436,925
	Value, landed, duty-paid (dollars)							
Malaysia	10,305,293	8,861,166	25,203	8,762,207	191,393,204	74,290,477	56,309,010	193,492,987
Thailand	2,553,221	2,527,154	3,514,354	1,828,402	47,346,033	35,164,287	31,141,693	107,522,402
Mexico	370,458	12,478	0	601,321	40,926,200	25,539,755	26,042,098	51,611,483
Korea	2,067,072	1,422,730	619,702	0	220,927	76,390	26,251	10,600,763
China	10,434,167	6,805,736	3,152,996	1,707,013	412,199	339,027	2,425,191	5,940,988
Indonesia	0	0	0	0	0	0	0	2,694,763
Japan	6,012,533	5,863,792	4,752,419	704,623	13,097,100	2,379,835	2,138,466	915,230
Taiwan	1,110,529	46,056	0	0	690,016	137,200	145,316	10,312
Austria	0	0	1,669	0	0	0	0	0
Netherlands	0	0	0	0	5,010	0	0	0
Philippines	0	1,367,746	27,930	0	0	0	0	0
Norway	0	0	0	0	0	6,605	123,389	0
UK	0	2,111	0	0	28,738	0	0	0
Spain	0	1,428	0	0	0	0	0	0
Singapore	9,557,995	3,864,877	0	52932	0	0	0	0
Subtotal	42,411,268	30,775,274	12,094,273	13,656,498	294,119,427	137,933,576	118,351,414	372,788,928
All others	91,035	188,689	20,781	77,597	0	277,592	21,331	0
Total imports	42,502,303	30,963,963	12,115,054	13,734,095	294,119,427	138,211,168	118,372,745	372,788,928
	Unit value							
Malaysia	\$270.52	\$216.92	\$137.72	\$131.95	\$229.52	\$215.93	\$194.40	\$168.75
Thailand	301.80	333.57	129.96	287.98	242.55	246.01	217.25	156.26
Mexico	323.83	367.00	(1)	228.64	219.11	211.76	183.17	115.08
Korea	139.48	139.50	122.98	(1)	220.93	298.40	504.83	129.91
China	162.00	165.02	121.81	120.23	175.40	229.54	187.77	119.70
Indonesia	(1)	(1)	(1)	(1)	(1)	(1)	(1)	172.48
Japan	379.48	367.11	517.64	1,935.78	276.26	247.95	229.97	136.44
Taiwan	188.93	274.14	(1)	(1)	375.01	334.63	239.01	103.12
Austria	(1)	(1)	278.17	(1)	(1)	(1)	(1)	(1)
Netherlands	(1)	(1)	(1)	(1)	5,010.00	(1)	(1)	(1)
Philippines	(1)	230.45	349.13	(1)	(1)	(1)	(1)	(1)
Norway	(1)	(1)	(1)	(1)	(1)	3,302.50	3,855.91	ERR
UK	(1)	1,055.50	(1)	(1)	28,738.00	(1)	(1)	(1)
Spain	(1)	238.00	(1)	(1)	(1)	(1)	(1)	(1)
Singapore	346.30	277.65	(1)	367.58	(1)	(1)	(1)	(1)
Average	240.64	226.45	179.40	151.59	231.87	222.71	197.89	152.98
All others	263.11	1,986.20	250.37	3,103.88	(1)	205.47	4,266.20	(1)
Average	240.68	227.68	179.48	152.40	231.87	222.67	197.92	152.98

(1) Not applicable.

Source: Compiled from official Commerce statistics.

Table G-4

CTVs: U.S. imports of ALL CTVs, by source, 1992-99

Source	1992	1993	1994	1995	1996	1997	1998	1999
	Quantity (units)							
Mexico	6,228,862	7,952,242	10,584,872	11,317,351	12,964,140	13,129,639	16,071,689	17,531,432
Malaysia	1,015,307	1,241,167	1,294,440	1,507,063	2,360,997	2,446,337	3,137,972	4,872,492
Thailand	1,231,824	1,385,459	1,568,849	1,023,479	1,181,092	2,236,403	3,309,904	3,428,970
China	663,520	610,240	508,284	450,968	173,179	42,508	89,979	549,877
Korea	507,611	248,135	163,018	145,804	120,446	21,864	140,973	386,970
Indonesia	0	0	1,700	870	822	52,149	85,122	95,751
Philippines	105,229	32,963	601	1,499	989	30,547	31,913	59,843
Japan	194,861	208,101	203,626	157,260	61,758	29,108	43,384	38,762
Hong Kong	161,982	55,688	12,371	1,625	601	941	1,086	15,194
Turkey	0	0	0	8	0	0	0	12,099
Singapore	582,479	239,982	162,489	196,583	655,264	2,932,950	141,815	8,940
Germany	942	1,133	77	106	571	35	1,432	4,760
Taiwan	124,390	94,603	13,122	22,216	4,281	9,229	12,358	2,784
Switzerland	4,902	3	0	2	1	0	0	1,420
Belgium	165	254	14	1,614	2,847	151	2,020	718
Netherlands	1,336	454	137	187	325	114	21	82
UK	145	67	92	1,448	292	9	83	60
Austria	939	1,090	573	406	216	2	0	0
Norway	0	2,100	1,400	0	0	2	32	0
Spain	2	138	4	0	0	21	2	0
Subtotal	10,824,496	12,073,819	14,515,669	14,828,489	17,527,821	20,932,009	23,069,785	27,010,154
All others	110,270	81,736	199,886	263,142	88,052	19,396	11,488	842
Total imports	10,934,766	12,155,555	14,715,555	15,091,631	17,615,873	20,951,405	23,081,273	27,010,996
	Value, landed, duty-paid (dollars)							
Mexico	1,216,144,336	1,488,224,027	1,882,898,313	2,069,111,597	2,422,206,104	2,507,780,322	3,278,640,943	3,513,038,591
Malaysia	157,350,208	184,506,366	179,282,814	206,087,142	425,411,468	409,067,346	463,912,830	656,044,508
Thailand	191,713,568	210,213,209	228,576,433	148,537,347	203,100,633	362,076,582	452,697,848	435,095,278
China	95,354,754	85,783,211	66,654,658	57,400,402	22,170,054	5,006,863	10,984,904	52,428,917
Korea	70,514,658	36,039,075	21,423,159	18,122,453	14,772,220	3,066,380	15,077,191	45,376,342
Indonesia	0	0	248,584	109,253	92,813	6,271,225	9,936,766	12,235,005
Philippines	14,006,559	4,991,407	220,173	595,056	139,401	3,582,159	4,058,022	6,982,712
Japan	116,620,934	123,369,233	95,312,339	79,843,436	18,683,342	5,839,450	8,633,690	6,365,170
Hong Kong	22,667,762	7,387,261	1,531,322	243,619	88,373	172,889	95,737	1,485,594
Turkey	0	0	0	2,142	0	0	0	1,227,662
Singapore	106,671,916	42,537,144	27,654,749	18,350,597	13,208,987	10,466,973	3,715,042	1,873,588
Germany	534,524	589,486	203,207	255,874	189,472	60,382	1,620,146	5,651,605
Taiwan	21,804,870	14,797,050	4,352,037	5,612,848	2,373,339	2,534,834	2,362,735	516,801
Switzerland	748,778	7,594	0	9,336	2,043	0	0	219,770
Belgium	582,786	73,345	100,114	3,450,084	3,104,071	222,454	702,513	351,236
Netherlands	943,474	555,015	235,668	371,722	339,256	62,358	14,859	67,593
UK	148,356	172,204	112,390	581,538	123,951	22,473	70,827	101,542
Austria	408,694	431,579	276,613	415,681	166,962	5,063	0	0
Norway	0	256,095	168,932	0	0	6,605	123,389	0
Spain	10,510	378,928	1,849	0	0	48,516	8,145	0
Subtotal	2,016,226,687	2,200,312,229	2,509,253,354	2,609,100,127	3,126,172,489	3,316,292,874	4,252,655,587	4,739,061,914
All others	33,068,517	22,934,870	53,549,184	71,697,694	32,742,171	6,730,318	1,860,769	620,770
Total imports	2,049,295,204	2,223,247,099	2,562,802,538	2,680,797,821	3,158,914,660	3,323,023,192	4,254,516,356	4,739,682,684
	Unit value							
Mexico	\$195.24	\$187.15	\$177.89	\$182.83	\$186.84	\$191.00	\$204.00	\$200.39
Malaysia	154.98	148.66	138.50	136.75	180.18	167.22	147.84	134.64
Thailand	155.63	151.73	145.70	145.13	171.96	161.90	136.77	126.89
China	143.71	140.57	131.14	127.28	128.02	117.79	122.08	95.35
Korea	138.91	145.24	131.42	124.29	122.65	140.25	106.95	117.26
Indonesia	(1)	(1)	146.23	125.58	112.91	120.26	116.74	127.78
Philippines	133.11	151.42	366.34	396.97	140.95	117.27	127.16	116.68
Japan	598.48	592.83	468.08	507.72	302.53	200.61	199.01	164.21
Hong Kong	139.94	132.65	123.78	149.92	147.04	183.73	88.16	97.78
Turkey	(1)	(1)	(1)	267.75	(1)	(1)	(1)	101.47
Singapore	183.13	177.25	170.19	93.35	20.16	3.57	26.20	209.57
Germany	567.44	520.29	2,639.05	2,413.91	331.82	1,725.20	1,131.39	1,187.31
Taiwan	175.29	156.41	331.66	252.65	554.39	274.66	191.19	185.63
Switzerland	152.75	2,531.33	(1)	4,668.00	2,043.00	(1)	(1)	154.77
Belgium	3,532.04	288.76	7,151.00	2,137.60	1,090.30	1,473.21	347.78	489.19
Netherlands	706.19	1,222.50	1,720.20	1,987.82	1,043.86	547.00	707.57	824.30
UK	1,023.14	2,570.21	1,221.63	401.61	424.49	2,497.00	853.34	1,692.37
Austria	435.24	395.94	482.75	1,023.84	772.97	2,531.50	(1)	(1)
Norway	(1)	121.95	120.67	(1)	(1)	3,302.50	3,855.91	(1)
Spain	5,255.00	2,745.86	462.25	(1)	(1)	2,310.29	4,072.50	(1)
Average	186.27	182.24	172.87	175.95	178.35	158.43	184.34	175.45
All others	299.89	280.60	267.90	272.47	371.85	347.00	161.98	737.26
Average	187.41	182.90	174.16	177.63	179.32	158.61	184.33	175.47

(1) Not applicable.

Source: Compiled from official Commerce statistics.

APPENDIX H

**ADDITIONAL DATA REGARDING U.S. SHIPMENTS
AND IMPORTS, BY SCREEN SIZE AND TYPE**

Table H-1
CPTs: U.S. producers' U.S. shipments and U.S. imports, and market shares, by screen size and type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
LESS THAN 19 INCHES				
U.S. producers' U.S. shipments:				
Quantity (<i>units</i>)	0	0	0	0
Value (<i>1,000 dollars</i>)	0	0	0	0
Unit value	(¹)	(¹)	(¹)	(¹)
Share of screen size category	(¹)	(¹)	(¹)	(¹)
Share of U.S. producers' U.S. shipments	(¹)	(¹)	(¹)	(¹)
U.S. imports from:				
Canada--				
Quantity (<i>units</i>)	68	0	0	0
Value (<i>1,000 dollars</i>)	76	0	0	0
Unit value	\$1,117.40	(¹)	(¹)	(¹)
Share of screen size category	0.02	(¹)	(¹)	(¹)
Share of total imports from Canada	73.9	(¹)	(¹)	(¹)
Japan--				
Quantity (<i>units</i>)	6,623	6,383	4,653	5,256
Value (<i>1,000 dollars</i>)	1,540	1,378	1,088	1,019
Unit value	\$232.49	\$215.85	\$233.86	\$193.79
Share of screen size category	1.9	1.4	1.2	1.2
Share of total imports from Japan	21.2	45.7	40.6	82.3
Korea--				
Quantity (<i>units</i>)	24,716	5,311	1,793	43,454
Value (<i>1,000 dollars</i>)	1,235	331	115	2,508
Unit value	\$49.98	\$62.33	\$64.36	\$57.71
Share of screen size category	7.1	1.1	0.5	10.2
Share of total imports from Korea	94.8	24.4	9.8	98.2
Singapore--				
Quantity (<i>units</i>)	928	494	410	948
Value (<i>1,000 dollars</i>)	88	67	60	91
Unit value	\$94.44	\$136.59	\$145.60	\$95.82
Share of screen size category	0.3	0.1	0.1	0.2
Share of total imports from Singapore	90.6	98.0	97.6	86.7
SUBJECT COUNTRIES--				
Quantity (<i>units</i>)	32,335	12,188	6,856	49,658
Value (<i>1,000 dollars</i>)	2,939	1,776	1,263	3,617
Unit value	\$90.88	\$145.74	\$184.26	\$72.84
Share of screen size category	9.3	2.6	1.8	11.7
Share of total imports from subject countries	55.3	33.7	22.8	96.0
All other sources--				
Quantity (<i>units</i>)	316,896	455,575	376,809	375,953
Value (<i>1,000 dollars</i>)	17,439	18,886	15,724	15,947
Unit value	\$55.03	\$41.46	\$41.73	\$42.42
Share of screen size category	90.7	97.4	98.2	88.3
Share of total imports from other sources	60.4	97.5	97.3	99.0

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Table H-1--Continued
CPTs: U.S. producers' U.S. shipments and U.S. imports, and market shares, by screen size and type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
19-24 INCHES				
U.S. producers' U.S. shipments:				
Quantity (units)	***	***	***	***
Value (1,000 dollars)	***	***	***	***
Unit value	***	***	***	***
Share of screen size category	***	***	***	***
Share of U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from:				
Canada--				
Quantity (units)	***	***	***	***
Value (1,000 dollars)	***	***	***	***
Unit value	(1)	(1)	(1)	(1)
Share of screen size category	(1)	(1)	(1)	(1)
Share of total imports from Canada	(1)	(1)	(1)	(1)
Japan--				
Quantity (units)	178	145	101	148
Value (1,000 dollars)	241	130	91	152
Unit value	\$1,355.88	\$893.17	\$899.15	\$1,027.82
Share of screen size category	***	***	***	***
Share of total imports from Japan	0.6	1.0	0.9	2.3
Korea--				
Quantity (units)	543	757	757	150
Value (1,000 dollars)	29	58	58	18
Unit value	\$53.23	\$75.98	\$75.98	\$121.43
Share of screen size category	***	***	***	***
Share of total imports from Korea	2.1	3.5	4.2	0.3
Singapore--				
Quantity (units)	0	0	0	0
Value (1,000 dollars)	0	0	0	0
Unit value	(1)	(1)	(1)	(1)
Share of screen size category	(1)	(1)	(1)	(1)
Share of total imports from Singapore	(1)	(1)	(1)	(1)
SUBJECT COUNTRIES--				
Quantity (units)	721	902	858	298
Value (1,000 dollars)	270	187	148	170
Unit value	\$374.82	\$207.34	\$172.88	\$571.58
Share of screen size category	***	***	***	***
Share of total imports from subject countries	1.2	2.5	2.9	0.6
All other sources--				
Quantity (units)	7,000	638	440	1,433
Value (1,000 dollars)	244	66	43	243
Unit value	\$34.83	\$102.92	\$97.46	\$169.82
Share of screen size category	***	***	***	***
Share of total imports from other sources	1.3	0.1	0.1	0.4

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Table H-1—Continued
CPTs: U.S. producers' U.S. shipments and U.S. imports, and market shares, by screen size and type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
25-26 INCHES				
U.S. producers' U.S. shipments:				
Quantity (units)	***	***	***	***
Value (1,000 dollars)	***	***	***	***
Unit value	***	***	***	***
Share of screen size category	***	***	***	***
Share of U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from:				
Canada--				
Quantity (units)	24	0	0	0
Value (1,000 dollars)	7	0	0	0
Unit value	\$292.67	(1)	(1)	(1)
Share of screen size category	***	(1)	(1)	(1)
Share of total imports from Canada	26.1	(1)	(1)	(1)
Japan--				
Quantity (units)	167	158	82	374
Value (1,000 dollars)	48	71	40	200
Unit value	\$289.09	\$446.58	\$482.52	\$534.18
Share of screen size category	***	***	***	***
Share of total imports from Japan	0.5	1.1	0.7	5.9
Korea--				
Quantity (units)	719	15,577	15,577	608
Value (1,000 dollars)	61	955	955	79
Unit value	\$84.61	\$61.31	\$61.31	\$130.07
Share of screen size category	***	***	***	***
Share of total imports from Korea	2.8	71.7	85.6	1.4
Singapore--				
Quantity (units)	0	0	0	115
Value (1,000 dollars)	0	0	0	28
Unit value	(1)	(1)	(1)	\$246.43
Share of screen size category	(1)	(1)	(1)	***
Share of total imports from Singapore	(1)	(1)	(1)	10.5
SUBJECT COUNTRIES--				
Quantity (units)	910	15,735	15,659	1,097
Value (1,000 dollars)	116	1,026	995	307
Unit value	\$127.62	\$65.18	\$63.52	\$280.04
Share of screen size category	***	***	***	***
Share of total imports from subject countries	1.6	43.5	52.1	2.1
All other sources--				
Quantity (units)	1,266	280	255	971
Value (1,000 dollars)	277	28	20	129
Unit value	\$219.00	\$99.10	\$77.44	\$132.57
Share of screen size category	***	***	***	***
Share of total imports from other sources	0.2	0.1	0.1	0.3

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Table H-1--Continued
CPTs: U.S. producers' U.S. shipments and U.S. imports, and market shares, by screen size and type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
27 INCHES AND GREATER				
U.S. producers' U.S. shipments:				
Quantity (units)	***	***	***	***
Value (1,000 dollars)	***	***	***	***
Unit value	***	***	***	***
Share of screen size category	***	***	***	***
Share of U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from:				
Canada--				
Quantity (units)	0	6	6	0
Value (1,000 dollars)	0	63	63	0
Unit value	(1)	\$10,542.67	\$10,542.67	(1)
Share of screen size category	***	***	***	***
Share of total imports from Canada	(1)	100.0	100.0	(1)
Japan--				
Quantity (units)	24,310	7,275	6,614	606
Value (1,000 dollars)	17,321	2,853	2,419	313
Unit value	\$712.53	\$392.15	\$365.80	\$516.56
Share of screen size category	***	***	***	***
Share of total imports from Japan	77.7	52.1	57.8	9.5
Korea--				
Quantity (units)	106	79	79	50
Value (1,000 dollars)	11	13	13	7
Unit value	\$105.40	\$165.81	\$165.81	\$134.18
Share of screen size category	***	***	***	***
Share of total imports from Korea	0.4	0.4	0.4	0.1
Singapore--				
Quantity (units)	96	10	10	30
Value (1,000 dollars)	16	3	3	23
Unit value	\$169.91	\$345.10	\$345.10	\$764.23
Share of screen size category	***	***	***	***
Share of total imports from Singapore	9.4	2.0	2.4	2.7
SUBJECT COUNTRIES--				
Quantity (units)	24,512	7,370	6,709	686
Value (1,000 dollars)	17,349	2,933	2,499	343
Unit value	\$707.77	\$397.92	\$372.52	\$499.52
Share of screen size category	***	***	***	***
Share of total imports from subject countries	41.9	20.4	22.3	1.3
All other sources--				
Quantity (units)	199,307	10,590	9,903	1,352
Value (1,000 dollars)	59,223	2,329	2,160	238
Unit value	\$297.15	\$219.96	\$218.08	\$176.23
Share of screen size category	***	***	***	***
Share of total imports from other sources	38.0	2.3	2.6	0.4

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Table H-1--Continued
CPTs: U.S. producers' U.S. shipments and U.S. imports, and market shares, by screen size and type, 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
HD CPTs, ALL SIZES				
U.S. producers' U.S. shipments:				
Quantity (units)	0	0	0	***
Value (1,000 dollars)	0	0	0	***
Unit value	(1)	(1)	(1)	***
Share of HD category	(1)	(1)	(1)	***
Share of U.S. producers' U.S. shipments	(1)	(1)	(1)	***
U.S. imports from:				
<i>Canada--</i>				
Quantity (units)	5	0	0	0
Value (1,000 dollars)	8	0	0	0
Unit value	\$1,524.80	(1)	(1)	(1)
Share of HD category	***	(1)	(1)	(1)
Share of total imports from Canada	5.4	(1)	(1)	(1)
<i>Japan--</i>				
Quantity (units)	9	74	67	13
Value (1,000 dollars)	43	138	90	20
Unit value	\$4,772.22	\$1,869.99	\$1,336.97	\$1,514.85
Share of HD category	***	***	***	***
Share of total imports from Japan	0.03	0.5	0.6	0.2
<i>Korea--</i>				
Quantity (units)	96	0	0	0
Value (1,000 dollars)	9	0	0	0
Unit value	\$91.13	(1)	(1)	(1)
Share of HD category	***	(1)	(1)	(1)
Share of total imports from Korea	0.4	(1)	(1)	(1)
<i>Singapore--</i>				
Quantity (units)	0	0	0	0
Value (1,000 dollars)	0	0	0	0
Unit value	(1)	(1)	(1)	(1)
Share of HD category	(1)	(1)	(1)	(1)
Share of total imports from Singapore	(1)	(1)	(1)	(1)
SUBJECT COUNTRIES--				
Quantity (units)	110	74	67	13
Value (1,000 dollars)	59	138	90	20
Unit value	\$539.29	\$1,869.99	\$1,336.97	\$1,514.85
Share of HD category	***	***	***	***
Share of total imports from subject countries	0.2	0.2	0.2	0.03
All other sources--				
Quantity (units)	24	3,879	3,559	13
Value (1,000 dollars)	2	481	381	9
Unit value	\$73.58	\$123.90	\$106.92	\$708.92
Share of HD category	***	***	***	***
Share of total imports from other sources	0.005	0.8	0.9	0.003

¹ Not applicable.

Source: Compiled from responses to Commission questionnaires and official Commerce statistics.

APPENDIX I

THE RELATIONSHIPS AMONG NOMINAL EXCHANGE RATES, REAL EXCHANGE RATES, AND PRODUCER PRICE TRENDS, AND THE IMPACT OF CHANGES IN THEIR VALUES ON PRICES OF EXPORTS AND IMPORTS

An exchange rate is the price of one currency in terms of another currency. Hence, an exchange-rate index is a price index. The exchange rate indices discussed in this report were based on exchange rates expressed in U.S. dollars per unit of the foreign currency (i.e., price of the foreign currency). An exchange-rate index number below 100 indicates that the foreign currency has depreciated (become cheaper) vis-a-vis the U.S. dollar; e.g., it requires fewer U.S. dollars to buy one unit of the foreign currency compared to the number of U.S. dollars required during the base period,¹ which has an index number of 100. On the other hand, an exchange-rate index number above 100 indicates that the foreign currency has appreciated (become more expensive) vis-a-vis the U.S. dollar; e.g., it requires more U.S. dollars to buy one unit of the foreign currency.² For instance, depreciation of the Japanese yen makes *Japanese exports less expensive in U.S. dollars and Japanese imports more expensive in yen*. On the other hand, appreciation of the Japanese yen makes *Japanese exports more expensive in U.S. dollars and Japanese imports less expensive in yen*.

The producer or wholesale price indices measure inflation or deflation at the producer selling price level in each subject country and in the United States. Adjusting nominal exchange rates by relative inflation or deflation in the subject country vis-a-vis the United States yields a real exchange rate, which accounts for relative changes in prices in the subject country as well as changes in nominal exchange rates.³ As a result, the *nominal* exchange rate in each period has a counterpart *real* exchange rate for that period. Indexes of the two counterpart exchange rates may actually show opposing changes in the value of the currency, with one index representing the *nominal* value of the currency and the other the *real* value of the currency. For instance, the *nominal* exchange rate index may indicate that depreciation of the currency *in nominal terms* had occurred in a particular period but, because of sometimes large differences in inflation/deflation between countries, the counterpart *real* exchange rate index may actually indicate that appreciation of the currency *in real terms* had occurred in that period. In such an instance, changes in the nominal exchange rate would show an opposite (and incorrect) impact on export and import prices than that indicated by changes in the real exchange rate.

In considering real exchange rates it is important to understand the relationship between relative price changes and nominal exchange rates *at a given point in time*. Relatively *more inflation* in the subject country vis-a-vis the United States will *undercut nominal depreciation* of the subject country's currency vis-a-vis the United States, but will *reinforce nominal appreciation* of the subject country's currency.⁴ Relatively *less inflation*, on the other hand, will *reinforce nominal depreciation* of the subject country's currency and *undercut nominal appreciation* of the subject country's exchange rate.⁵ For instance, during July 1998-September 1999, the Japanese yen appreciated on a quarterly basis by 23.2 percent in nominal terms against the U.S. dollar, but deflation in Japan compared to inflation in the

¹ Depreciation of a currency also indicates that more of that currency is required to buy one U.S. dollar.

² Appreciation of a currency also indicates that less of that currency is required to buy one U.S. dollar.

³ The real exchange rate is a better indicator (than the nominal exchange rate) of the impact of exchange rates on export and import prices.

⁴ When looking at the impact of relative inflation rates on the nominal exchange rate *over time*, however, relatively more inflation in the subject country will tend *over time* to depreciate its nominal currency value as foreign demand shifts away from its products toward lower-priced products from other countries. The shift in demand away from the subject country's products will reduce demand for its currency and, thereby, put downward pressure on the exchange rate (price of the currency).

⁵ When looking at the impact of relative inflation rates on the nominal exchange rate *over time*, however, relatively less inflation in the subject country will tend *over time* to appreciate its nominal currency value as foreign demand increases for its products and away from higher-priced products from other countries. The shift in demand toward the subject country's products will increase demand for its currency and, thereby, put upward pressure on the exchange rate (price of the currency).

United States during this period (4.1 percent deflation versus 2.0 percent inflation) led the yen to appreciate by only 15.9 percent in real terms against the dollar. (While nominal appreciation of the yen made Japanese exports more expensive in dollars, the deflation in Japan compared to inflation in the United States acted to lower the dollar-converted prices of its exports. The net effect, as indicated by the real exchange rate, was less of an increase in the dollar prices of Japanese exports compared to the larger increase in export prices when only the nominal appreciation of the yen was considered.)