

# **Certain Bearings From China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom**

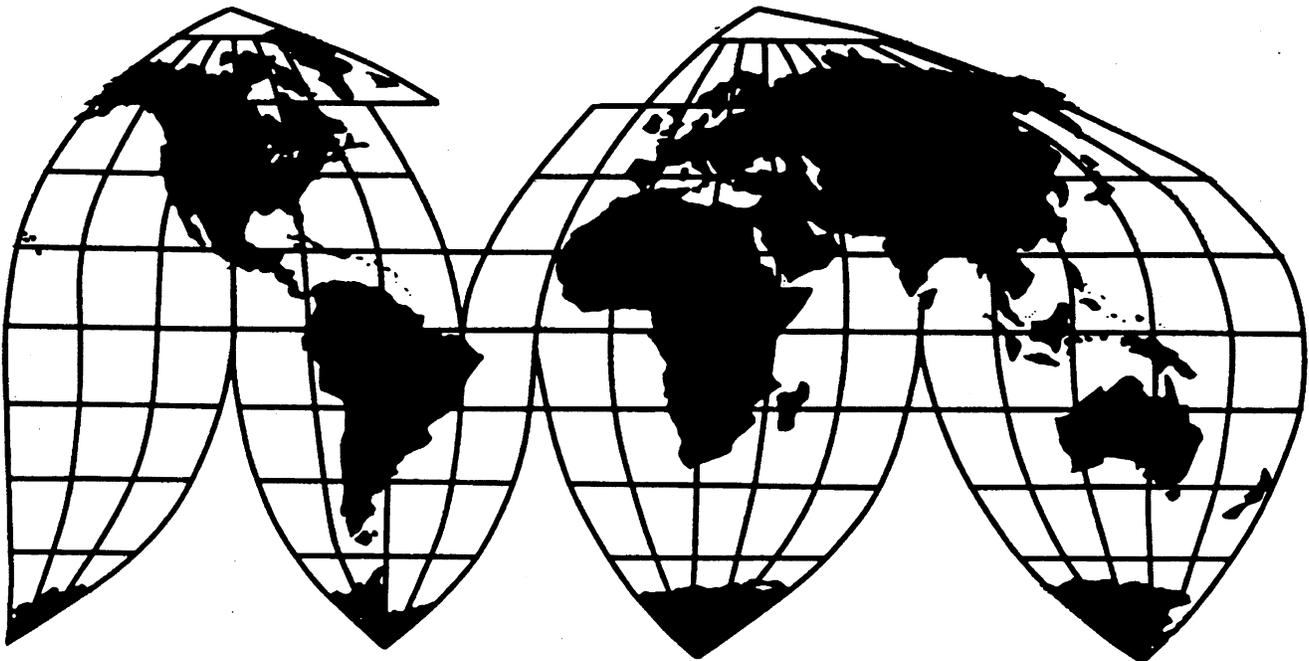
**Volume Two: Information Obtained in the Reviews**

Investigations Nos. AA1921-143, 731-TA-341, 731-TA-343-345,  
731-TA-391-397, and 731-TA-399 (Review)

**Publication 3309**

**June 2000**

**U.S. International Trade Commission**



# U.S. International Trade Commission

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## **Certain Bearings From China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom**

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**INFORMATION OBTAINED IN THE REVIEWS**



## **INTRODUCTION AND GENERAL OVERVIEW**



# INTRODUCTION AND GENERAL OVERVIEW

## BACKGROUND

On April 1, 1999, the Commission gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping duty orders on certain bearings and parts thereof<sup>1</sup> from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective July 2, 1999, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act (64 F.R. 38471, July 16, 1999).<sup>2</sup> Information relating to the background and schedule of the reviews is presented in overview table 1.

This part of the report presents general background information relating to the reviews, as well as certain information on the product, U.S. market participants, foreign producers, and the U.S. market that pertains to the overall class of certain bearings that are the subject of the reviews. Information specifically relating to tapered roller bearings (“TRBs”), ball bearings (“BBs”), cylindrical roller bearings (“CRBs”), and spherical plain bearings (SPBs”) is presented in chapters one to four.

### The Original Investigations

On October 31, 1973, a complaint was filed at the Treasury Department on behalf of domestic producers, alleging that TRBs from Japan were being sold at less than fair value (“LTFV”). The Treasury Department instituted an antidumping investigation on December 4, 1973, and on October 24, 1974, the Tariff Commission instituted investigation No. AA1921-143. On August 18, 1976, Treasury published a dumping finding with respect to TRBs and certain components thereof from Japan.

Treasury’s finding covered “tapered roller bearings, including inner race or cone assemblies and outer races or cups, exported to and sold in the United States, either as a unit or separately, from Japan.”<sup>3</sup> On August 10, 1981, the Department of Commerce published two clarifications to Treasury’s finding. The first clarification applied to the size of the TRBs covered by the finding. Commerce found no evidence in the record of the investigation that indicated that Treasury or the Commission investigated any bearings over four inches in diameter. As a result, Commerce included the term “four inches or less in outside diameter” in the definition of TRBs to describe more accurately the scope of the investigation and the administrative determination.<sup>4</sup>

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<sup>1</sup> The term “certain bearings” includes tapered roller bearings, ball bearings, cylindrical roller bearings, and spherical plain bearings. Bearings are primarily classified in heading 8482 of the Harmonized Tariff Schedule of the United States; the general rate of duty is from 2.4 to 9 percent *ad valorem*. Parts falling in 8482 are dutiable at general rates ranging from 4.4 to 9.9 percent *ad valorem*. See individual chapters of this report for all applicable tariff treatments.

<sup>2</sup> Cited *Federal Register* notices concerning the current sunset reviews and statements on adequacy appear in app. A and may also be found at the Commission’s web site (internet address <http://www.usitc.gov>). Commissioner votes on whether to conduct expedited or full reviews may also be found at the web site.

<sup>3</sup> See 41 F.R. 34975, August 18, 1976.

<sup>4</sup> See 46 F.R. 40550, August 10, 1981.

**Overview table 1**  
**Background and scheduling information related to the reviews**

<b>Effective date</b>	<b>Action</b>	<b>Federal Register citation<sup>1</sup></b>
August 18, 1976	Treasury's antidumping duty finding on TRBs, 4 inches and under from Japan	41 F.R. 34974
June 15, 1987	Commerce's antidumping duty order on TRBs from China	52 F.R. 22667
February 26, 1990	Commerce's amended antidumping duty order on TRBs from China	55 F.R. 6669
June 19, 1987	Commerce's antidumping duty order on TRBs from Hungary	52 F.R. 23319
June 19, 1987	Commerce's antidumping duty order on TRBs from Romania	52 F.R. 23320
October 6, 1987	Commerce's antidumping duty order on TRBs, over 4 inches from Japan	52 F.R. 37352
May 15, 1989	Commerce's antidumping duty order on BBs, CRBs, and SPBs from Germany	54 F.R. 20900
May 15, 1989	Commerce's antidumping duty order on BBs, CRBs, and SPBs from France	54 F.R. 20902
May 15, 1989	Commerce's antidumping duty order on BBs and CRBs from Italy	54 F.R. 20903
May 15, 1989	Commerce's antidumping duty order on BBs, CRBs, and SPBs from Japan	54 F.R. 20904
May 15, 1989	Commerce's antidumping duty order on BBs from Romania	54 F.R. 20906
May 15, 1989	Commerce's antidumping duty order on BBs from Singapore	54 F.R. 20907
May 15, 1989	Commerce's antidumping duty order on BBs and CRBs from Sweden	54 F.R. 20907
May 15, 1989	Commerce's antidumping duty order on BBs and CRBs from the United Kingdom	54 F.R. 20910
April 1, 1999	Commission's institution of reviews	64 F.R. 15783
July 2, 1999	Commission's decision to conduct full reviews	64 F.R. 38471, July 16, 1999
August 23, 1999	Commission's scheduling of full reviews	64 F.R. 46949, August 27, 1999

Table continued on next page.

**Overview table 1--Continued**  
**Background and scheduling information related to the reviews**

Effective date	Action	<i>Federal Register</i> citation <sup>1</sup>
November 4, 1999	Commerce's final results of expedited sunset reviews for France (BBs, CRBs, SPBs); Germany (BBs, CRBs, SPBs); Hungary (TRBs); Italy (BBs, CRBs); Japan (TRBs, BBs, CRBs, SPBs); Romania (TRBs, BBs); Singapore (BBs); Sweden (BBs, CRBs); and the United Kingdom (BBs, CRBs)	64 F.R. 60266
November 22, 1999	Commission's revised scheduling of full reviews	64 F.R. 67304, December 1, 1999
November 30, 1999	Commerce's amended final results of expedited sunset reviews on TRBs from Japan	64 F.R. 66891
March 3, 2000	Commerce's final results of full sunset review on TRBs from China	65 F.R. 11550
March 21, 2000	Commission's hearing <sup>2</sup>	64 F.R. 67304
June 2, 2000	Commission's votes	Not applicable
June 26, 2000	Commission's determinations transmitted to Commerce	Not applicable
<p><sup>1</sup> The date of the <i>Federal Register</i> notice is the same as the effective date unless otherwise noted. Cited <i>Federal Register</i> notices are shown in app. A.</p> <p><sup>2</sup> A list of hearing witnesses is presented in app. B.</p> <p>Source: <i>Federal Register</i> notices.</p>		

The second clarification applied to the degree of completion of imported TRBs.<sup>5</sup> According to Commerce, neither the petition nor the investigation was directed at transactions involving partially manufactured merchandise. Commerce found that extensive transformation must take place before unfinished TRBs can be sold for use, and that manufacturing rather than assembly or final stage processing is required before the unfinished TRB is considered an essentially finished article. In its clarification, Commerce stated that there are major differences in physical characteristics, manner of sale, and use between finished and unfinished TRBs and, therefore, unfinished TRBs are not the same class of merchandise as finished TRBs. As a result, Commerce excluded the unfinished components of TRBs as described above from the finding of dumping.<sup>6</sup>

As a result of its first administrative review on TRBs four inches or less from Japan, Commerce found that there were no sales at LTFV during the period of its review, April 1, 1978 through November 14, 1979, for NTN. In its notice, Commerce revealed that prior Treasury reviews also indicated that

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<sup>5</sup> Commerce's August 10, 1981 *Federal Register* notice describes complete TRBs as consisting of a cone or inner race, cage (roller retainer), and rollers in one assembled unit, and the cup or outer race, which is the outer ring on which the rollers turn, and describes unfinished TRBs as cups, cones, and retainers that have been forged and rough-machined, and must be further manufactured before they can be sold for use as TRBs.

<sup>6</sup> See 46 F.R. 40550, August 10, 1981.

there were no sales of TRBs, as defined above, by NTN at LTFV during the period April 1, 1974 through March 31, 1978.<sup>7</sup> On June 15, 1982, Commerce published its revocation of the antidumping finding on TRBs, four inches or less in outside diameter when assembled, including inner race or cone assemblies and outer races or cups, exported to and sold in the United States either as a unit or separately, from Japan, produced and sold by NTN.<sup>8</sup>

On August 25, 1986, a second TRB petition was filed with Commerce and the Commission on behalf of the Timken Co., alleging that imports of TRBs and parts thereof from China, Hungary, Italy, Japan,<sup>9</sup> Romania, and Yugoslavia were being sold in the United States at LTFV. Following affirmative final determinations of dumping by Commerce and injury by the Commission, Commerce published antidumping duty orders with respect to China on June 15, 1987, Hungary and Romania on June 19, 1987, and Japan<sup>10</sup> on October 6, 1987.<sup>11</sup> After the final determinations, the Commission issued a negative remand determination on TRBs from Hungary that was later reversed.<sup>12</sup>

On March 31, 1988, a petition was filed by counsel on behalf of the Torrington Co., alleging that imports of BBs and SPBs from Singapore and BBs from Thailand were being subsidized by the Governments of Singapore and Thailand. The petition further alleged that imports of BBs, CRBs, SPBs, needle roller bearings (“NRBs”), spherical roller bearings (“SRBs”), and slewing rings (“SRs”) from Germany; BBs, CRBs, SPBs, SRBs, NRBs, and SRs from France; BBs, CRBs, SRBs, NRBs, and SRs from Italy; BBs, CRBs, SPBs, SRBs, NRBs, and SRs from Japan; SRBs and SRs from Romania; BBs and SRs from Singapore; BBs, CRBs, SRBs, and SRs from Sweden; BBs and SRs from Thailand; and BBs, SRBs, CRBs, NRBs, and SRs from the United Kingdom were being sold in the United States at LTFV. On May 8, 1989, the Commission determined that a domestic industry producing BBs was materially injured by reason of LTFV imports from France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; that a domestic industry producing CRBs was materially injured by reason of LTFV imports from France, Germany, Italy, Japan, Sweden, and the United Kingdom; and that a domestic industry producing SPBs was materially injured by reason of LTFV imports from France, Germany, and Japan. Commerce published the antidumping duty orders on these bearings on May 15, 1989.<sup>13</sup> The scope of the orders is discussed in part I of chapters one to four in the section entitled *The Subject Product*.

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<sup>7</sup> See 46 F.R. 14371, February 27, 1981.

<sup>8</sup> See 47 F.R. 25757, June 15, 1982.

<sup>9</sup> The petition, as it related to Japan, was filed to cover the remainder of TRBs not subject to the 1976 finding.

<sup>10</sup> The 1987 order on Japan includes finished TRBs and components four inches in outside diameter and under from NTN, finished TRBs and components over four inches in outside diameter, and finished and unfinished parts for all sizes of TRBs.

<sup>11</sup> Commerce also issued orders on TRBs from Italy and Yugoslavia, but the orders were ultimately revoked on October 9, 1996 (61 F.R. 52920) and November 24, 1995 (60 F.R. 58046), respectively.

<sup>12</sup> On December 21, 1989, the Commission made a unanimous negative remand determination on TRBs from Hungary because in July 1989, the U.S. Court of International Trade (“CIT”) reversed the Commission’s earlier cumulative injury determination. However, the antidumping duty orders remained in place because the U.S. Court of Appeals for the Federal Circuit reversed the CIT’s remand decision on November 20, 1990.

<sup>13</sup> The Commission also found that a domestic industry was materially injured by reason of subsidized imports of BBs from Thailand. Commerce published the countervailing duty order on Thailand on May 15, 1989, but later revoked the order. See 61 F.R. 31506, June 20, 1996. The Commission made final negative determinations with respect to all other products and countries.

## Related Investigations

On February 13, 1991, a petition was filed by counsel for the Torrington Co. alleging that imports of BBs, mounted or unmounted, and parts thereof from Turkey were being subsidized by the Government of Turkey, and that imports of BBs from Argentina, Austria, Brazil, Canada, China, Hong Kong, Hungary, Korea, Mexico, Poland, Spain, Taiwan, Turkey, and Yugoslavia were being sold in the United States at LTFV. On April 1, 1991, the Commission made negative determinations in all of these investigations.

Following receipt on June 9, 1993, of a request from the Office of the United States Trade Representative, the Commission instituted investigation No. 332-344 under section 332(g) of the Act for the purpose of analyzing the economic effects of antidumping and countervailing duty orders and suspension agreements. The Commission conducted eight case studies representing various U.S. industries, including TRBs and BBs.<sup>14</sup>

## STATUTORY CRITERIA

Section 751(c) of the Tariff Act of 1930 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.”<sup>15</sup>

Section 752(a)(1) of the Act states that the 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.”*

Section 752(a)(2) of the Act states that 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--

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<sup>14</sup> The results of the Commission’s study are presented in USITC Pub. 2900, June 1995.

<sup>15</sup> 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 Jan. 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.

*(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.”*

Section 752(a)(3) of the Act states that 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.”*

Section 752(a)(4) of the Act states that 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 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 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.”

## **SUMMARY DATA**

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. Summaries of the data collected in the reviews, by type of bearing, are presented in appendix C. Responses by U.S. producers, importers, and purchasers of certain bearings and producers of the product in China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom 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.

U.S. industry data contained in this report are based on questionnaire responses of 42 firms that are believed to account for the vast majority of U.S. production of certain bearings in 1998. U.S. import data are based on official Commerce statistics. Value data are emphasized over quantity data in these tables and throughout this report because of the serious inherent risks in using quantity data. Literally thousands of types of bearings are subsumed in the four categories of bearings covered by these reviews. Unit values vary from a few cents to thousands of dollars, reflecting differences in size (which can vary from less than one-quarter inch to several feet in diameter), manufacturing tolerances, and other variables. Further, there is no meaningful way to uniformly quantify the various parts of bearings that are also subject to these reviews.

## THE PRODUCT

### Physical Characteristics and Uses

TRBs, BBs, CRBs, and SPBs can be classified under the larger product category of antifriction bearings. Antifriction bearings are machine components that permit free motion between moving and fixed parts by holding, separating, or guiding the moving parts to minimize friction and wear. In an antifriction bearing, a series of rollers or balls are usually mounted in a separator called a cage and enclosed between two rings called races. The rolling elements transmit the physical load or force from the moving parts to the stationary support. Under normal operating conditions, the races and rolling elements carry the load, while the cage spaces and retains the rollers. Bearings may also be fitted with seals or shields, which protect the bearing from contamination and extend bearing life. Bearing sizes vary considerably, from a few millimeters to several meters in outside diameter. Bearings are primarily made from alloy steel; however, some bearing types and certain components may be fabricated from materials such as stainless steel, bronze, copper, ceramic, and certain plastics.

Bearings are designed and sized for specific applications in a variety of products and industries.<sup>16</sup> The choice of which bearing to use for a particular application depends on the load capacity, size, performance, cost, bearing life, and reliability of the bearing types available. Although designed for specific applications, bearings are highly standardized, and in general, bearings of a similar type, size, and configuration, that are manufactured to the same geometries and specific tolerances, are fully interchangeable regardless of the origin of fabrication.

### Manufacturing Process

There are four major steps in the production of antifriction bearings: green machining, heat treatment, finishing, and assembly and inspection. Special bearing-grade alloy steel in the form of seamless tubing is the raw material utilized in the production of most inner and outer rings. Alloy wire, in the form of coils, is the base material for roller manufacture. There is a generally accepted minimum industry standard for steel utilized in bearings production; however, the raw material used by most bearing manufacturers exceeds this standard in quality. The production processes described below generally apply to the manufacture of all types of bearings. However, because of the strict specification

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<sup>16</sup> For example, the U.S. Department of Commerce has identified 114 distinct industries that directly consume bearings and 473 product sectors that consume bearings indirectly. Tucker, John, Bureau of Export Administration, U.S. Department of Commerce, *Statistical Handbook of the Ball and Roller Bearing Industry*, part 8, found at Internet address [http://www.doc-bxa.bmpcoe.org/dmrr\\_bearingshandbook.html](http://www.doc-bxa.bmpcoe.org/dmrr_bearingshandbook.html).

requirements applied to precision and superprecision bearings,<sup>17</sup> production of these products often involves greater inspection and the use of clean rooms to control particle and humidity levels during the manufacturing process.

The first step in the process of bearings production—green machining—refers to the machining operations performed on the raw material prior to heat treatment. For inner and outer rings, the steel tubing is machined on single or multiple screw machines. When the desired contour and shape is achieved, the inner or outer ring is sheared off the end of the tube. Green machining the inner ring involves more steps because of the complexity of the design and function of this component. The machined components are then inspected and gauged to ensure adherence to the prescribed specifications. Alternatively, the process may begin with steel bar, which is processed to create rough forgings. These forgings are then green-machined, inspected, and gauged so that they are ready for heat treatment. The green machining of rollers begins with coil wire drawn into a cold header machine where the rollers are sheared in rapid succession and are “headed” or butted in a die to the desired shape.

Following the green machining process, bearing components are heat-treated to ensure durability, hardness, and shock resistance. The first step in this process, carburization, heats the green-machined components in a carbon-rich atmosphere to impregnate carbon into the surface of the product.<sup>18</sup> The components are then “quenched” or immersed in an oil bath. After quenching, the carbonized outside case becomes very hard, whereas the lower carbon core remains comparatively soft. The highly carbonized outer layer ensures that the roller contact surfaces will be hard and wear-resistant, while the softer core enables the bearing to absorb shocks more easily.

The next stage of heat treatment is applicable in the manufacture of all steel bearing parts, with the exception of cages.<sup>19</sup> The components are placed in a hardening furnace and heated to very high temperatures for an extended period of time. This process permanently fixes the carbon in the bearing component. The components are then placed in a stamping die for reshaping, as the heating process distorts their size, and are quenched once more in an oil bath.

The third phase of production is finishing. This process consists mainly of a series of grinding and honing operations to ensure that the components are sized to the required precise tolerances and polished to ensure the smoothest possible rolling surface. Grinding is performed in a series of steps wherein the width, outside diameter, and bore of the inner and outer rings are shaped. Honing involves the polishing of the inside diameter of the outer ring and the outside diameter of the inner ring.

Rollers are finished somewhat differently than are the inner and outer rings. The basic steps involve rough-grinding the roller body, grinding the roller end, finish-grinding the roller body, and roller-honing. Rollers initially pass through a number of grinding machines that remove steel from the outside diameter in order to obtain a specified size. During end-grinding, steel is removed from the large end of

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<sup>17</sup> Precision and superprecision bearings are manufactured to higher tolerances than non-precision bearings. ABEC (Annular Bearing Engineering Committee) tolerances pertain to ball bearings, while RBEC (Roller Bearing Engineering Committee) tolerances pertain to roller bearings. Tolerance classes are 1, 3, 5, 7, and 9 (higher numbered classes correspond to higher tolerances); these classes define the minimum and maximum manufacturing ranges for bearings (for example, such tolerances govern the allowable variation limits on bore size, diameter, width, and thickness as well as other error limitations). Bearings that are manufactured to higher tolerances provide greater running accuracy and have a higher speed capability. A common use for such bearings is in machine tool spindle units.

<sup>18</sup> The process of adding carbon to noncarbonized steel is known as “case hardening.” The vast majority of bearings are heat-treated in this manner. Alternatively, however, bearings may be “through hardened,” a process wherein bearing components made from steel with a high carbon content are simply heat-treated but not carburized.

<sup>19</sup> Cages are manufactured from cold-rolled strip steel. The steel is fed into a press, which blanks and pierces the material to form a finished cage. The cages are then surface-treated and cleaned before incorporation into the assembly process.

the roller, leaving a slightly convex shape. After final grinding and honing, the rollers are inspected, gauged, and packaged in their sequential order of production to minimize the variance of a complement of rollers in an inner ring assembly.

After the finishing process, the bearings are assembled. Cages are mounted on an assembly nest and the balls or rollers are placed in the openings or pockets of the cage. The inner ring is then inserted into the middle of the cage. The inner and outer ring assemblies are then demagnetized, inspected, slushed with a protective anti-rust solution, and packaged for shipment.

## **U.S. MARKET PARTICIPANTS**

### **U.S. Producers**

According to public sources, there are 80 producers of subject bearings in the United States. Producer questionnaires were sent to all 80 companies.<sup>20</sup> Forty-two firms provided data in response to the questionnaire,<sup>21</sup> 19 firms indicated that they did not produce the subject bearings,<sup>22</sup> and the remaining 19 firms failed to respond. The largest U.S. producers of certain bearings include NHBB, NSK, NTN, RBC, SKF, Timken, and Torrington. A complete listing of producers that submitted data in response to the Commission's questionnaire, along with information on foreign ownership and the types of certain bearings produced, is presented in overview table 2.

The U.S. bearing industry has expanded and rationalized since the orders went into effect. A description of significant changes that have occurred in the domestic industry since 1970, by firm, is presented in overview table 3. This information was compiled from questionnaire responses, party submissions, and prior Commission reports.

### **U.S. Importers**

Importer questionnaires were sent to 693 importers of products that fall within the scope of these reviews. One hundred eighty-nine affirmative responses were received and 194 negative responses were returned. Importers of certain bearings are located throughout the United States. Virtually all of the largest importers of subject bearings responded to the questionnaire. Several U.S. producers or their related firms imported subject and/or nonsubject bearings. Data on U.S. producers' imports of certain bearings are presented in part III of chapters one to four of the report.

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<sup>20</sup> In addition to the questionnaires mailed to known U.S. producers, importers, and purchasers of subject bearings, a complete set of questionnaires was distributed to all parties to these reviews.

<sup>21</sup> Alinabal, American Roller Bearing, ART Technologies, Atlantic Bearing, Ball & Roller Bearing, Barden, Delphi Automotive Systems, Dodge/Rockwell Automation, Emerson Power Transmission, FAG Bearings, Frantz Manufacturing, Frost, Gear Products, General Bearing, Hoover Precision Products, INA USA, Kaydon, Kendale Industries, Koyo Corp., Kubar Bearings, Link-Belt Bearings, McGill Manufacturing, MPB-Timken Aerospace, Nachi Technology, Nakanishi Manufacturing, National Bearings, New Hampshire Ball Bearings, NN Ball & Roller, NSK, NSK-AKS Precision Ball, NTN Bearing, Nucor Bearing Products, Ovako Ajax, Phillips-Moldex, QA1 Precision Products, Roller Bearing Co. of America, Rollway Bearing, Saint Gobain Ceramics, SKF USA, Timken, Torrington, and Triangle Manufacturing.

<sup>22</sup> Abbott Ball, Avon, Bishop-Wisecarver, Consolidated Bearings, Cooper, de Groh Bearing, Delta Rubber, Freeway Corp., Hub City, Lee Controls, Megatool, Metalkraft Industries, Pratt Whitney, Rotek, Sikorsky, Specialty Ring, Thomson, Trostal, and Universal Bearing.

**Overview table 2**  
**Responding U.S. producers, their foreign ownership (if any), and types of certain bearings produced**

U.S. producer	Foreign ownership	TRBs	BBs	CRBs	SPBs
Alinabal, Inc.					✓
American Roller Bearing Industries, Inc.		✓	✓	✓	
ART Technologies			✓		
Atlantic Bearing			✓		
Barden Corp.	FAG, Germany		✓		
Delphi Automotive Systems Corp.			✓		
Dodge/Rockwell			✓		
Emerson Power Transmission			✓		
FAG Bearings Corp.	FAG, Germany		✓	✓	
Frantz Mfg. Co.			✓		✓
Frost, Inc.			✓		
Gear Products			✓		
General Bearing		✓			
Hoover Precision Products, Inc.	Tsubaki Nakashima, Japan		✓		
INA USA Corp.	INA, Germany		✓	✓	
Kaydon		✓	✓	✓	
Kendale Industries, Inc.			✓		
Koyo Corp. of USA	Koyo Seiko, Japan	✓	✓		
Kubar Bearings			✓		
Link-Belt Bearing-Rexnord			✓	✓	
McGill Mfg. Co.			✓	✓	✓
MPB Corp.-Timken Aerospace			✓	✓	
Nachi Technology, Inc.			✓		
Nakanishi Mfg. Corp.	Nakanishi Metal Works, Japan	✓	✓		
National Bearings Co.			✓		

Table continued on next page.

**Overview table 2--Continued**

**Responding U.S. producers, their foreign ownership (if any), and types of certain bearings produced**

U.S. producer	Foreign ownership	TRBs	BBs	CRBs	SPBs
NHBB	Minebea, Japan		✓	✓	✓
NN Ball & Roller, Inc.			✓	✓	
NSK Corp.	NSK, Japan		✓		
NSK-AKS Precision Ball Co.	Amatsuji Steel Ball Co. and NSK, Japan		✓		
NTN Bearing Corp. of America	NTN, Japan	✓	✓	✓	
Nucor Bearing Products		✓	✓		
Ovako Ajax, Inc.	Ovako Steel, Sweden	✓			
Phillips-Moldex Co.			✓		
QA1 Precision Products, Inc.					✓
Roller Bearing Co. of America		✓	✓	✓	✓
Rollway Bearing Corp.				✓	
Saint Gobain Industrial Ceramics	Saint Gobain, France		✓		
SKF	SKF, Sweden	✓	✓	✓	✓
Timken Co.		✓	✓		
Torrington Co.		✓	✓	✓	✓
Triangle Mfg. Co.			✓		✓

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

**U.S. Purchasers**

Purchaser questionnaires were mailed to 75 known purchasers of certain bearings. Forty-four affirmative responses were received and five negative responses were returned. The largest purchasers of certain bearings overall in 1997 and 1998 include: Delphi Automotive, Caterpillar, Deere and Co., General Motors Corp., and a number of bearings distributors.

**Overview table 3**  
**Changes in the U.S. industry since 1970**

U.S. producer	Event
Delphi	General Motors closed its bearing facility in Connecticut (1992)
FAG	Acquired The Barden Corp. and its UK affiliate (1990)
Federal Mogul	Acquired by NTN
Hoover Precision Products	Tsubakimoto purchased the ball and roller division of the Hoover Group
Koyo	Koyo USA established U.S. manufacturing division (1973)
Link-Belt Bearing	Acquired MB Manufacturing in Indiana; closed plant that manufactured BBs and consolidated product line in Indiana factory (1998)
MPB	Acquired Aerospace Bearing Unit of Torrington, relocated to New Hampshire (1993)
MPB	Acquired Torrington's Wolverhampton, UK facility (1997)
Nachi	Established Nachi Bearing and began assembly in Maine (1974)
Nachi	Established Nachi Technology in Indiana to specialize in automotive bearings (1988)
Nakanishi	Established to produce steel cages for TRBs and BBs
NSK	Formed joint venture with Amatsuji (NSK-ASK) to produce balls in new Iowa plant
NSK	Integrated RHP Bearings of Ohio into NSK's organization (1994)
NSK	Began production of ball screw and automotive hub plants in Indiana (1993)
NSK	Began component manufacturing in Indiana (1996)
NSK	***
NTN	Opened BB plants in Illinois (1971 and 1975)
NTN	Began producing TRBs in Illinois (1984)
NTN	NTN-Bower (NTN's U.S. subsidiary) formed joint venture with Federal Mogul (1985)
NTN	Transferred 3 TRB production lines from Japan to the United States (1988)
NTN	Acquired Federal Mogul Corp.'s BB operations (1996)
QA1 Precision Products	Commenced production of SPBs (1994)
RBC	Acquired Transport Dynamics (1992) and Heim Bearings (1993); both produce aerospace bearings and SPBs
RBC	Acquired Nice Bearings (1997) (BB production) and Tyson Bearings (1999) (TRB production) from SKF
SKF	Purchased Ajax Forge and formed Ovako-Ajax, a ring forger (1988)
SKF	Opened BB plants in South Carolina and Kentucky and SPB plant in Connecticut
SKF	Added BB production lines to Pennsylvania and Georgia plants

Table continued on next page.

**Overview table 3--Continued**  
**Changes in the U.S. industry since 1970**

<b>U.S. producer</b>	<b>Event</b>
SKF	Closed plants in Pennsylvania and Connecticut
SKF	Sold BB plant in Pennsylvania and TRB plant in Kentucky
Timken	Opened Tata Timken bearing plant (1986)
Timken	Closed Columbus bearing plant (1988)
Timken	Acquired MPB Corp. (1990)
Timken	Opened Altavista bearing plant
Timken	Opened Asheboro bearing plant
Timken	Acquired Rail Bearing Service, Inc. (1995)
Timken	Acquired Bearing Repair Specialists (1998)
Torrington	Acquired Fafnir Bearing Division of Textron, Inc. (1985)
Torrington	Sold Newington plant (aerospace bearings) to MPB (1993)
Torrington	Closed Calhoun plant; closing was done in context of restructuring BB operations (1998)
Torrington	Invested in a joint venture with GMN, producing BBs in Illinois (1989)
Torrington	Purchased the GMN share in the venture
Torrington	Opened new green ring facility in Canton (1997)
<p>Note.--The periods in which the changes occurred (or are scheduled to occur) are shown in parentheses, to the extent known.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires, party submissions, and prior Commission reports.</p>	

### **FOREIGN PRODUCERS**

Foreign producer questionnaires were sent to all known producers of certain bearings in the subject countries.<sup>23</sup> A complete listing of foreign producers that submitted data in response to the Commission's questionnaires, including the types of certain bearings they produce, is presented in overview table 4.

### **THE U.S. MARKET**

Most U.S. producers reported serving the entire domestic market. Several producers reported selling primarily in the Midwest where OEM auto makers have plants. All reporting producers stated that their market area had not changed since the antidumping orders took effect. Most importers also reported selling nationwide, but they tended to focus on particular regions more than producers. Slightly less than half of the reporting importers stated that they sell primarily in regional markets. Regional

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<sup>23</sup> In addition to the questionnaires mailed to known foreign producers of subject bearings, a complete set of questionnaires was distributed to all parties to these reviews.

**Overview table 4**  
**Responding foreign producers, by country, and types of certain bearings produced**

Foreign producer	TRBs	BBs	CRBs	SPBs
<b>China:</b>				
CMC	✓			
Louyang	✓			
Xibiei	✓			
Yantai Timken	✓			
ZCCBC	✓			
<b>France:</b>				
Nadella			✓	
SKF		✓		✓
<b>Germany:</b>				
ASK Kugellagerfabrik				✓
FAG		✓	✓	
INA			✓	
Neuwig Fertigung	✓			
SKF	✓			
Torrington Nadellager			✓	
Zwicker Kugellager			✓	
<b>Hungary:</b>				
Daewoo-MGM	✓			
<b>Italy:</b>				
FAG		✓	✓	
Meter		✓	✓	
SKF		✓		
<b>Japan:</b>				
Asahi Seiko		✓		
Fujino Iron Works		✓		
Higashino Seiko			✓	
Inoue Jikukke Kogyo		✓		
Izumoto Seiko		✓		

Table continued on next page.

**Overview table 4--Continued**  
**Responding foreign producers, by country, and types of certain bearings produced**

Foreign producer	TRBs	BBs	CRBs	SPBs
<b>Japan (cont.):</b>				
Koyo Seiko	✓	✓	✓	
Maekawa Bearing	✓	✓	✓	
Minebea		✓		✓
Nachi-Fujikoshi		✓	✓	
Nakai Bearing		✓		
Nippon Thompson		✓	✓	✓
NPBS		✓		
NSK	✓	✓	✓	✓
NSK Torrington			✓	
NTN	✓	✓	✓	✓
Takeshita Seiko		✓		
Wada Seiko		✓		
<b>Romania:</b>				
Koyo	✓	✓		
SC Rulmenti Barland		✓		
SC Rulmenti Slatina		✓		
SC Rulmentul Brasov	✓	✓		
SC URB Rulmenti	✓	✓		
Timken Romania	✓	✓		
<b>Singapore:</b>				
NMB/Pelmec		✓		
<b>Sweden:</b>				
SKF		✓		
<b>United Kingdom:</b>				
Barden		✓		
NSK-RHP Europe		✓	✓	
RHP Aerospace		✓	✓	
Timken Aerospace		✓	✓	
Torrington		✓	✓	

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

concentrations tended to be in the Midwest or South. Importers did not report any major changes in marketing area since the imposition of the antidumping orders.

One purchaser stated that corporate consolidations and buyouts had diminished the number of U.S. suppliers of certain bearings over the last 20 years; however, U.S. production volume increased and price decreased because new technology enabled all suppliers to increase efficiency. A U.S. producer stated that it expected more consolidation among bearings companies and that the market will consist of a few large producers serving OEM customers and the general bearings market, while smaller companies would serve only niche markets. OEMs have encouraged industry consolidation by increasingly relying on a single bearings supplier, in place of several that they may have previously used.<sup>24</sup>

Distributors compete to some degree with U.S. producers and importers. The Commission asked purchasers if they competed for sales with manufacturers and importers of certain bearings. Nine purchasers that are distributors stated that they did compete, and five stated that they did not compete. In addition, five purchasers that are end users reported competing with producers and importers, and 18 stated that they did not compete.

Despite the large size of bearings companies (see overview table 5), sales are often to even larger firms that command market power on the buying side. For example, the auto industry is an important consumer of bearings, and questionnaire responses indicate that many of these firms are requiring improved efficiencies and reduced prices as contract conditions. A market analyst states that despite poor demand from OEMs, the automotive industry and the computer industry will continue to propel growth.<sup>25</sup>

**Overview table 5**  
**The world's top 10 bearings companies based on 1996 sales**

<b>Company</b>	<b>World bearing sales (\$ million)</b>	<b>Share of world sales (percent)</b>
AB SKF (Sweden)	4,100	20.0
NSK Ltd (Japan)	2,487	12.1
NTN Toyo (Japan)	1,940	9.4
Koyo Seiko (Japan)	1,784	8.7
Timken (USA)	1,598	7.8
FAG (Germany)	1,550	7.6
(e) Torrington (USA)	1,250	6.1
(e) INA (Germany)	1,000	4.9
Minebea (Japan)	530	2.6
SNR (France)	445	2.2

(e) - estimate.

Source: Statistical Handbook of the Ball and Roller Bearing Industry, John A. Tucker, Bureau of Export Administration, U.S. Department of Commerce, 1997.

<sup>24</sup> Frost and Sullivan, Market Engineering Consulting Report, October 1997.

<sup>25</sup> Frost and Sullivan, Market Engineering Consulting Report, November 1999.

**CHAPTER ONE**  
**TAPERED ROLLER BEARINGS**



## PART I: OVERVIEW

This chapter presents information pertaining to the Commission's reviews involving the antidumping finding on TRBs from Japan and the antidumping duty orders on TRBs from China, Hungary, Japan, and Romania. A summary of the data collected in these reviews is presented in appendix table C-1. U.S. industry data are based on questionnaire responses of 12 firms that are believed to account for virtually all U.S. production of TRBs in 1998. U.S. import data are based on official Commerce statistics. Available comparative data from the original investigations and the current sunset reviews are presented in table TRB-I-1. Figure TRB-I-1 presents the trends of TRB imports from the subject countries and all other sources for the period 1985 to 1999 based on official Commerce statistics.

The value of subject TRB imports from China increased significantly following the imposition of the orders, from \$830,000 in 1986 to \$23.8 million in 1998.<sup>1</sup> The value of TRB imports from all other subject countries decreased after the orders went into effect. In particular, imports from Hungary decreased in the early to mid-1990s following reorganization and privatization of the sole Hungarian TRB producer, and imports from Japan decreased by a third from 1986 to 1998.<sup>2</sup> In addition to the antidumping duties, the decrease in imports from Japan is most likely attributable to the increase in Japanese manufacturers establishing and expanding their production of TRBs in the United States following the orders. TRB imports from Romania were 49 percent lower in 1998 than in 1986, but were near 1986 levels for the period January-September 1999. The decrease in TRBs from Romania following imposition of the order may be attributable to Romania's temporary loss of MFN status from July 1988 to November 1994. Imports of TRBs from nonsubject countries increased 478 percent from 1986 to 1998, while total imports almost doubled over the same period.

### NATURE AND EXTENT OF SALES AT LTFV

#### Commerce's Final Results of Its Full Sunset Review on China

On March 3, 2000, Commerce announced the final results of its full sunset review on TRBs from China. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce based its sunset margins on a review of information submitted by interested parties, U.S. Census Bureau statistics, and data from the original investigation and subsequent administrative reviews. The original margins and sunset margins are presented in table TRB-I-2.

Only two companies, Premier and CMEC, participated in the original investigation. For all other companies the original margin presented in the table is based on the rate received during the first administrative review in which each company participated.<sup>3</sup> Commerce made no duty absorption findings with respect to this order.

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<sup>1</sup> In February 1997, the order was revoked with respect to Shanghai General Bearing Co., whose imports accounted for approximately \*\*\* percent, by value, of total Chinese imports in 1998.

<sup>2</sup> In November 1996, the order was revoked with respect to Honda. Honda's imports accounted for approximately \*\*\* percent, by value, of total Japanese imports in 1998.

<sup>3</sup> For companies not specifically investigated or for companies that did not begin shipping until after the order was issued, Commerce typically provided a margin based on the "all others" rate from the investigation.

**Table TRB-I-1  
Tapered roller bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	Jan.-Sept. 1998	Jan.-Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>																						
<b>U.S. consumption:</b>																						
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	1,322,281	1,418,791	1,064,646	1,081,615	
Producers' share	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	82.3	80.2	79.8	82.1	
Importers' share:																						
China <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	2.1	1.7	1.7	1.8	
Hungary	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	
Japan <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	4.4	4.7	4.7	4.2	
Romania	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	0.2	0.1	0.1	0.3	
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	6.6	6.5	6.5	6.3	
All others	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	11.1	13.3	13.7	11.6	
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	17.7	19.8	20.2	17.9	
<b>Value of U.S. imports from:</b>																						
China <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***	***	989	1,751	955	830	27,242	23,837	18,431	19,158	
Hungary	***	***	***	***	***	***	***	***	***	***	***	***	***	1,803	1,856	1,925	2,909	3	8	4	148	
Japan <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***	***	69,724	126,344	112,853	104,659	57,639	66,483	50,059	45,520	
Romania	***	***	***	***	***	***	***	***	***	***	***	***	***	4,702	3,153	7,598	3,741	2,695	1,909	1,139	3,627	
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	77,218	133,104	123,331	112,139	87,579	92,237	69,634	68,453	
All others	***	***	***	***	***	***	***	***	***	***	***	***	***	15,345	26,477	25,705	30,402	146,280	188,660	145,862	125,003	
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	92,563	159,581	149,036	142,541	233,859	280,896	215,496	193,456	

Table continued on next page.

**Table TRB-I-1--Continued**  
**Tapered roller bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1970	1971	1972	1973	1983	1984	1985	1986	1987	1988	Jan.-Sept. 1988	Jan.-Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>												
<b>U.S. producers<sup>1</sup>:</b>												
Capacity <sup>4,5</sup>	***	***	***	***	182,831	178,753	182,602	176,109	146,503	154,931	115,865	119,627
Production <sup>4,5</sup>	***	***	***	***	110,200	132,708	118,419	102,531	145,267	146,862	114,105	112,283
Capacity utilization	***	***	***	***	52.9	66.1	57.6	51.3	94.5	90.3	93.7	90.5
U.S. shipments	***	***	***	***	***	***	***	***	1,088,422	1,137,894	849,150	888,159
Export shipments	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	7,506	9,149	7,694	6,792	***	***	***	***
Hours worked	***	***	***	***	14,509	18,678	15,163	12,973	***	***	***	***
Net sales <sup>7</sup>	***	***	***	***	***	***	***	***	***	***	***	***
COGS <sup>7</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss) <sup>7</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss) <sup>7</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss) margin <sup>7</sup>	***	***	***	***	***	***	***	***	***	***	***	***

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

<sup>2</sup> China, Hungary, and Romania were not subject to the first TRB investigation.

<sup>3</sup> Less than 0.05 percent.

<sup>4</sup> Capacity and production data exclude parts other than cups, cone assemblies, and sets, which are viewed as complete bearings. For the period 1983-86, capacity was calculated by using a simple average of cups and cone assemblies. Production was calculated using a simple average of cups and cone assemblies and then adding sets. Capacity utilization was determined by using a simple average of data presented for cups and cone assemblies. For the current periods, TRBs, TRB sets, and the equivalent of TRB sets were added together.

<sup>5</sup> For the period 1983-86, the capacity and production data do not include \*\*\* because of statistical discrepancies in its questionnaire response.

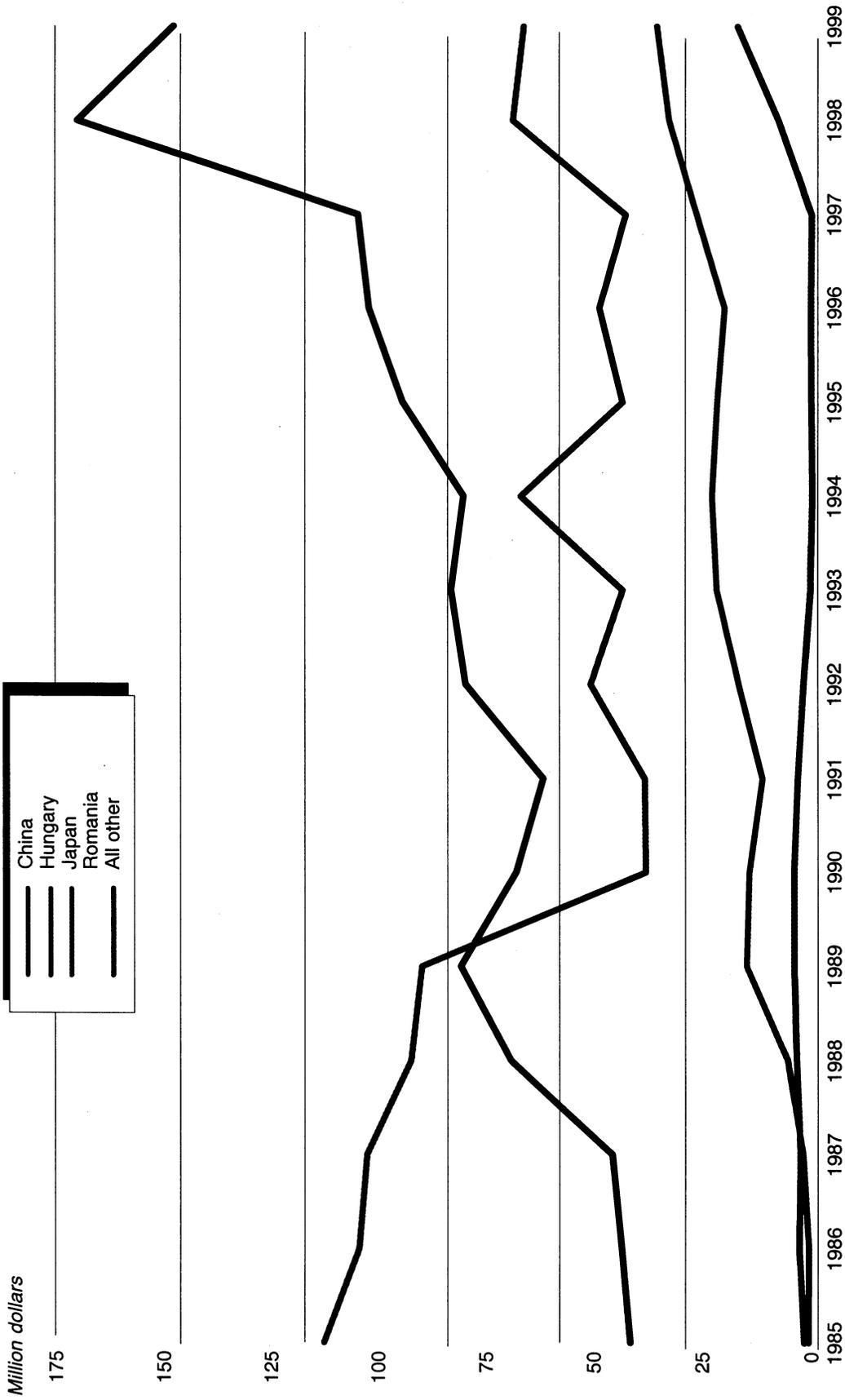
<sup>6</sup> Reliable or comparable data are not available.

<sup>7</sup> For the period 1970-73, financial data are provided by 3 of 9 producers, \*\*\*.

Note.—Because of rounding, figures may not add to the totals shown. Capacity and production data are in quantity; shipments and profit-and-loss data are in value. All value-based data and employment data include all parts of TRBs.

Source.—Data for 1970-73 compiled or derived from data in Staff Report to the Commission on Investigation No. AA-1921-143.; data for 1983-86 compiled or derived from data in Staff Report to the Commission on Investigations Nos. 731-TA-341, 344, and 345 (Final); all data for 1997-99 compiled in response to Commission questionnaires and official Commerce statistics.

**Figure TRB-I-1**  
**Tapered roller bearings: U.S. imports from China, Hungary, Japan, Romania, and all other sources, 1985-99**



Source: Data compiled from official Commerce statistics.

**Table TRB-I-2**  
**Original and sunset margins for Chinese producers/exporters**

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Tapered	CMC <sup>1</sup>	0.39	0.03
Tapered	Wanxiang <sup>1</sup>	0.03	0.03
Tapered	Zheijiang <sup>1</sup>	4.32	0.11
Tapered	Luoyang <sup>1</sup>	1.05	3.20
Tapered	Premier <sup>2</sup>	0.97	5.43
Tapered	Liaoning <sup>3</sup>	0.00	9.72
Tapered	CMEC <sup>4</sup>	4.69	29.40
Tapered	ZCCBC	29.40	0.00
Tapered	All others <sup>5</sup>	2.96	29.40

<sup>1</sup> Commerce found that these companies are likely to continue dumping at lower rates found in more recent administrative reviews. Sunset margins for CMC, Luoyang, and Zheijiang are each from the 1996-97 administrative review period. The margin for Wanxiang is from the 1995-96 administrative review period.

<sup>2</sup> The margins for Premier have generally increased throughout the history of the order. Premier's dumping margin peaked at 25.56 percent in the 1993-94 administrative review, and then decreased irregularly to 7.22 percent in the 1996-97 review. Commerce assigned a sunset margin of 5.43 percent from the 1995-96 period of review, in which the overall volume of imports peaked and then began to decline.

<sup>3</sup> To calculate the sunset margins for Liaoning, Commerce assigned a company-specific rate from the administrative review during which its imports increased. Liaoning's highest rate was from the 1994-95 period of review.

<sup>4</sup> Over the period of the order, this company was subject to a separate rate, but was assigned the "all others" rate when it did not participate in subsequent reviews. As a result, Commerce found the sunset margin to be the "all others" rate from the 1995-96 administrative review.

<sup>5</sup> Commerce found that the total volume of imports less imports from those companies with separate rates increased from 1994 to 1996, then declined from 1997 to 1998. The "all others" rate reached a peak of 33.18 percent in 1997 and then declined by approximately 60 percent. Commerce's sunset margin of 29.40 percent is the "all others" rate from the 1995-96 administrative review.

Source: Commerce's final results of its full sunset review.

**Commerce's Final Results of Its Expedited Sunset Reviews on  
Hungary, Japan, and Romania**

**Hungary**

The antidumping order covering TRBs from Hungary established one country-wide weighted-average dumping margin for all exports of TRBs from Hungary. In its sunset review, Commerce found that the margin calculated in the original investigation was probative of the behavior of Hungarian producers and/or exporters if the order were revoked as it is the only margin that reflects their behavior absent the discipline of the order. Commerce made no duty absorption findings with respect to this order. The original and sunset margins are shown in the tabulation below.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Tapered	Country-wide rate	7.42	7.42

## Japan

On August 18, 1976, Treasury published a dumping finding with respect to TRBs from Japan. Commerce subsequently amended the scope of the finding.<sup>4</sup> Treasury did not publish any dumping margins in its original finding. Commerce made duty absorption findings in the 1995-96 and 1997-98 administrative reviews on TRBs. The administrative review margins, adjusted to account for duty absorption, are lower than the margins from the original investigations or from the first administrative reviews of the finding and order. Commerce found that the margins calculated in the original investigations or the first administrative reviews are probative of the behavior of Japanese producers and/or exporters absent the discipline of the finding and order. The original and sunset margins are presented in table TRB-I-3.

**Table TRB-I-3**  
**Original and sunset margins for Japanese producers/exporters**

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Tapered, 4 inches or less	Koyo Seiko	20.56	20.56
Tapered, 4 inches or less	NSK	17.42	17.42
Tapered, 4 inches or less	Auto Dynamics	18.07	18.07
Tapered, 4 inches or less	Caterpillar Mitsubishi	16.92	16.92
Tapered, 4 inches or less	Deer Island Industries	9.80	9.80
Tapered, 4 inches or less	Nachi America	8.30	8.30
Tapered, 4 inches or less	Nachi Western	18.07	18.07
Tapered, 4 inches or less	Nachi/all other purchasers	8.30	8.30
Tapered, 4 inches or less	Kobe Steel	18.07	18.07
Tapered, 4 inches or less	Komatsu	18.07	18.07
Tapered, 4 inches or less	Kubota	18.07	18.07
Tapered, 4 inches or less	Maekawa	0.71	0.71
Tapered, 4 inches or less	Maekawa/Daido Enterprising	16.92	16.92
Tapered, 4 inches or less	Maekawa/Hajime Industries	16.92	16.92
Tapered, 4 inches or less	Maekawa/Taisei Industries	16.92	16.92
Tapered, 4 inches or less	Maekawa/Schneider Engineering	18.07	18.07
Tapered, 4 inches or less	Marubeni	18.07	18.07
Tapered, 4 inches or less	Mitsubishi	16.92	16.92
Tapered, 4 inches or less	Nachi Fujikoshi	18.07	18.07
Tapered, 4 inches or less	Naniwa Kogyo	18.07	18.07

<sup>4</sup> See details regarding amended scope and partial revocation of this order in the section entitled *The Original Investigations* in Chapter 1 of this report.

**Table TRB-I-3--Continued**  
**Original and sunset margins for Japanese producers/exporters**

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Tapered, 4 inches or less	Nichimen	16.92	16.92
Tapered, 4 inches or less	Nissho-Iwai	16.92	16.92
Tapered, 4 inches or less	Sumitomo Shoji Kaisha	3.40	3.40
Tapered, 4 inches or less	Sumitomo Yale	16.92	16.92
Tapered, 4 inches or less	Tatsumiya Kogya	18.07	18.07
Tapered, 4 inches or less	Toyo Kogyo	3.40	3.40
Tapered, 4 inches or less	Toyosha	16.92	16.92
Tapered, 4 inches or less	United Trading	9.8	9.80
Tapered, 4 inches or less	All others	18.07	18.07
Tapered, 4 inches or less	Federal Mogul Canada	( <sup>1</sup> )	18.07
Tapered, 4 inches or less	Flanders Enterprises	( <sup>1</sup> )	16.92
Tapered, 4 inches or less	John Deere Welland	( <sup>1</sup> )	18.07
Tapered, 4 inches or less	Nachi Canada	( <sup>1</sup> )	18.07
Tapered, 4 inches or less	Superior Bearing	( <sup>1</sup> )	18.07
Tapered, over 4 inches	Koyo Seiko	36.21	36.21
Tapered	NTN Bearing	36.53	36.53
Tapered, over 4 inches	All others	36.52	36.52

<sup>1</sup> Companies are third country resellers and did not receive separate margins in the original investigation.  
Source: Commerce's final results of its expedited sunset review.

**Romania**

In its expedited sunset review, Commerce determined that the margins calculated in the original investigation covering TRBs from Romania are probative of the behavior of Romanian producers and/or exporters if the order were revoked, as they are the only rates that reflect the behavior of these producers and exporters without the discipline of the order. Commerce made no duty absorption findings with respect to this order. The original and sunset margins are shown in the tabulation below.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Tapered	Country-wide rate	8.70	8.70

## Administrative Reviews on China, Hungary, Japan, and Romania

### China

There have been 10 final results of administrative reviews for the subject antidumping duty order on TRBs from China, which are described in table TRB-I-4. Over the period of the order Commerce has investigated and/or reviewed imports from 21 different producers/exporters. Although all 21 companies had, at some point, established the right to a separate rate, three of these companies ceased participation in the more recent reviews and, therefore, are no longer entitled to a separate rate. In addition, the order was revoked in part with respect to subject merchandise produced by Shanghai General Bearing Co., Ltd.<sup>5</sup> Commerce, to date, has not issued any duty absorption findings with respect to this order.

**Table TRB-I-4**  
**Results of administrative reviews relating to tapered roller bearings from China**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Premier	2/6/87-5/31/88	January 2, 1991 (56 F.R. 66)	0.97
Premier	6/1/88-5/31/89	January 2, 1991 (56 F.R. 66)	0.97
CMEC	5/12/89-5/31/90	December 31, 1991 (56 F.R. 67597)	0.00
Guizhou			0.00
Henan			0.00
Jilin			7.07 <sup>1</sup>
Liaoning			0.00
Luoyang			1.05
Premier			6/1/89-5/31/90
Shanghai General	0.00		
All others	5/12/89-5/31/90		2.96 <sup>1</sup>
Premier	6/1/90-5/31/91	December 13, 1996 (61 F.R. 65527)	4.24
Guizhou			2.48
Henan			0.00
Luoyang			1.14
Shanghai General			0.00
Jilin			4.24
Chin Jun			8.83
Wafangdian			8.83

<sup>5</sup> On February 11, 1997, Commerce revoked the order with respect to Shanghai. Commerce found that for the period June 1, 1993 through May 31, 1994, Shanghai had a weighted-average antidumping duty margin of 0.04 percent and had not sold subject merchandise at LTFV for three consecutive review periods. See 62 F.R. 6173.

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Liaoning	6/1/90-5/31/91	December 13, 1996 (61 F.R. 65527)	8.83
All others			8.83
Premier	6/1/91-5/31/92	December 13, 1996 (61 F.R. 65527)	5.25
Guizhou			3.70
Henan			0.14
Luoyang			0.00
Shanghai General			0.00
Jilin			5.05
Chin Jun			0.61
Wafangdian			5.25
Liaoning			1.75
All others			8.83
Premier			6/1/92-5/31/93
Guizhou	0.00		
Henan	0.00		
Luoyang	0.00		
Shanghai General	0.24		
Jilin	0.00		
Chin Jun	1.54		
Wafangdian	No sales		
Liaoning	0.66		
All others	8.83		
Premier	6/1/93-5/31/94	February 11, 1997 (62 F.R. 6189)	
Guizhou			1.22
Henan			0.16
Luoyang			0.00
Shanghai General <sup>2</sup>			0.04
Jilin			25.26
Chin Jun			4.28
Wafangdian			1.28
Liaoning			4.01
CMEC			0.00

TRB-I-9

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
CNAC	6/1/93-5/31/94	February 11, 1997 (62 F.R. 6189)	0.46
Tianshui			0.00
Zhejiang			4.32
All others			25.56
Premier	6/1/94-5/31/95	February 11, 1997 (62 F.R. 6173)	2.76
Guizhou			17.65
Luoyang			0.00
Jilin			29.40
Wafangdian			29.40
Liaoning			9.72
CMEC			0.00
CNAC			25.66
Tianshui			24.17
Zhejiang			2.75
Xiangfan			0.00
East Sea			3.23
All others			29.40
Wanxiang			6/1/95-5/31/96
Shandong	17.76		
Luoyang	2.35		
CMC	0.39		
Xiangfan	0.39		
Guizhou	21.79		
Zhejiang	0.18		
Jilin	29.40		
Liaoning	0.17		
Premier	5.43		
Cin Jun	5.23		
All others	29.40		
Wafangdian	6/1/96-5/31/97	November 17, 1998 (63 F.R. 63842)	0.00
Luoyang			3.20
CMC			0.03

TRB-I-10

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Xiangfan	6/1/96-5/31/97	November 17, 1998 (63 F.R. 63842)	33.18
Zhejiang			0.11
Wanxiang			0.00
Liaoning			0.02
Premier			7.22 <sup>4</sup>
Chin Jun			0.05 <sup>4</sup>
ZX			0.00
All others			33.18
Luoyang	6/1/97-5/31/98	July 8, 1999 (64 F.R. 36857) <sup>5</sup>	0.98
Premier			23.61
All others			33.18
<sup>1</sup> As amended. See 61 F.R. 29346 (June 10, 1996). <sup>2</sup> On February 11, 1997, Commerce revoked the order with respect to Shanghai General. See 62 F.R. 6189. <sup>3</sup> In this administrative review, Commerce clarified the scope of the order when it added two additional HTS numbers, 8708.99.8080 and 8708.99.9015, applicable to imports of the subject merchandise that previously had not been included in the order. <sup>4</sup> As amended. See 63 F.R. 71447 (December 28, 1998). <sup>5</sup> Preliminary results of administrative review.  Source: Final results of cited administrative reviews.			

## Hungary

Commerce has conducted four administrative reviews<sup>6</sup> on TRBs from Hungary since the order was imposed. The results of these reviews are presented in table TRB-I-5. The order on TRBs from Hungary covers all producers and exporters of the subject product. Commerce has issued no duty absorption findings with respect to this order.

**Table TRB-I-5**  
**Results of administrative reviews relating to tapered roller bearings from Hungary**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
MGM	2/6/87-5/31/88	May 22, 1990 (55 F.R. 21066)	5.38
New exporters			5.38
MGM	6/1/88-5/31/89	November 19, 1990 (55 F.R. 48146)	1.84

<sup>6</sup> On July 22, 1992 and July 21, 1993, MGM requested administrative reviews on TRBs from Hungary. On December 22, 1993, MGM and Timken Co., the petitioner, jointly asked Commerce to terminate the reviews, stating that both parties sought to conserve resources, and MGM withdrew its requests for reviews. See 59 F.R. 2594, January 18, 1994.

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
MGM	6/1/89-5/31/90	August 23, 1991 (56 41819)	1.68
All others			1.68
MGM	6/1/90-5/31/91	September 13, 1993 (58 F.R. 47861)	6.66

Source: Final results of cited administrative reviews.

## Japan

Commerce has conducted several administrative reviews on TRBs since the finding and order were imposed. The results of those reviews are presented in table TRB-I-6. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. In addition, the finding was revoked in part with respect to TRBs four inches and under exported by Honda.<sup>7</sup> Duty absorption findings are noted where relevant.

**Table TRB-I-6**  
**Results of administrative reviews relating to tapered roller bearings from Japan**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
NSK	4/1/74-6/30/76	June 1, 1990 (55 F.R. 22369) <sup>1</sup>	15.70
	7/1/76-7/31/77		15.70
	8/1/77-7/31/78		23.43
	8/1/78-7/31/79		18.81
	8/1/79-7/31/80		4.99
Koyo	4/1/74-7/31/76		35.89
	8/1/76-3/31/78		26.65
	4/1/78-7/31/78		23.43
	8/1/78-3/31/79		18.81
Koyo	4/1/79-7/31/80	November 10, 1994 (59 F.R. 56052) <sup>1</sup>	44.60
Koyo	8/1/80-7/31/81		35.44
NSK			14.34
Mitsubishi			39.60
Sumitomo			39.60

<sup>7</sup> On November 7, 1996, Commerce revoked the finding with respect to Honda. Commerce found that Honda had no dumping margins for a three-year consecutive period. See 61 F.R. 57650.

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Koyo	8/1/81-7/31/82	November 10, 1994 (59 F.R. 56052) <sup>1</sup>	33.10
NSK			14.34
Mitsubishi			39.60
Sumitomo			39.60
Koyo	8/1/81-7/31/82		20.38
NSK			19.52
Mitsubishi			39.60
Sumitomo			39.60
Koyo	8/1/82-7/31/83		20.38
NSK			19.52
Mitsubishi			39.60
Sumitomo			39.60
Koyo	8/1/83-7/31/84		20.38
NSK			19.52
Mistubishi			39.60
Sumitomo			39.60
Koyo	8/1/84-7/31/85	8.68	
NSK		8.14	
Mitsubishi		36.60	
Sumitomo		39.60	
Koyo	8/1/85-7/31/86	30.94	
NSK		43.23	
Nachi		18.70	
Nigata		0.00	
Toyota		28.24	
Toyosha		39.60	
Yamaha		15.25	
Suzuki		39.60	
Maekawa		39.60	
Sumitomo		0.00	
NSK		8/1/86-7/31/87	September 20, 1990 (55 F.R. 38720) <sup>1</sup>
Koyo	40.89		
Isuzu	40.89		
Nissan	3.29		
Toyota	1.11		
Nachi	18.07		

TRB-I-13

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Koyo	8/1/87-7/31/88	June 6, 1991 (56 F.R. 26054) <sup>1</sup>	47.39
NSK			16.28
Nachi			18.07
Koyo	3/27/87-9/30/88	August 21, 1991 (56 F.R. 41508) <sup>2</sup>	35.20
NTN/Caterpillar			10.19
Koyo	8/1/88-7/31/89	December 16, 1991 (56 F.R. 65228) <sup>1</sup>	16.09
NSK			6.01
Isuzu			15.89
Toyota			15.89
Nachi			18.07
Koyo	10/1/88-9/30/89	February 11, 1992 (57 F.R. 4951) <sup>2</sup>	24.88
Nachi			40.37
NSK			15.59
NTN/Caterpillar			7.08
Koyo	8/1/89-7/31/90	February 11, 1992 (57 F.R. 4975) <sup>1</sup>	15.96
NSK			2.76
Nachi			18.07
NTN/Caterpillar	10/1/89-9/30/90	February 11, 1992 (57 F.R. 4960) <sup>2</sup>	21.49
Koyo			23.24
NSK			1.54
Nachi			45.95
Koyo	8/1/90-9/30/91	December 9, 1993 (58 F.R. 64720) <sup>1</sup>	23.97
Nachi			18.07
NSK			17.87
Koyo	10/1/90-9/30/91	December 9, 1993 (58 F.R. 64720) <sup>2</sup>	14.65
Nachi			40.37
NSK			12.17
NTN			16.03
Koyo	10/1/91-9/30/92	December 9, 1993 (58 F.R. 64720) <sup>1</sup>	35.37
Nachi			18.07
NSK			12.66

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Koyo	10/1/91-9/30/92	December 9, 1993 (58 F.R. 64720) <sup>2</sup>	19.79
Nachi			40.37
NSK			8.40
NTN			19.25
Nachi	10/1/92-9/30/93	November 7, 1996 (61 F.R. 57629) <sup>1</sup>	18.07
NSK			11.42 <sup>3</sup>
Fuji			1.76
Honda			0.00
Kawasaki			11.62
Yamaha			47.63
MC Intl			0.45
Maekawa			0.00
Toyosha			47.63
Nigata			47.63
Suzuki			47.63
Koyo			38.07
NTN	10/1/92-9/30/93	November 7, 1996 (61 F.R. 57629) <sup>2</sup>	16.55 <sup>3</sup>
Nachi			40.37
NSK			10.28 <sup>3</sup>
Kawasaki			36.52
Yamaha			40.37
Toyosha			40.37
Nigata			40.37
Suzuki			40.37
Ichiyonagi			40.37
Nittetsu			40.37
Sumikin			40.37
Koyo			40.12
Koyo	10/1/93-9/30/94	April 27, 1998 (63 F.R.20585) <sup>1</sup>	35.27
Nachi			47.63
NSK			11.25
Fuji			6.04

TRB-I-15

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Kawasaki	10/1/93-9/30/94	April 27, 1998 (63 F.R.20585) <sup>1</sup>	47.63
Yamaha			47.63
MC Intl			2.36
Maekawa			47.63
Toyosha			47.63
Nigata			47.63
Suzuki			47.63
NTN	10/1/93-9/30/94	April 27, 1998 (63 F.R.20585) <sup>2</sup>	20.80
Koyo			41.04
Nachi			40.37
NSK			12.78
Kawasaki			40.37
Yamaha			40.37
Maekawa			40.37
Toyosha			40.37
Nigata			40.37
Suzuki			40.37
Daido			40.37
Ichiyonagi			40.37
Kawada			40.37
Asakawa			40.37
Isshi Nut	40.37		
Koyo	10/1/94-9/30/95	March 13, 1997 (62 F.R. 11825) <sup>1</sup>	21.70
Fuji			11.48
Kawasaki			47.63
Yamaha			47.63
Nigata			47.63
Suzuki			47.63
Kawasaki	10/1/94-9/30/95	March 13, 1997 (62 F.R. 11825) <sup>2</sup>	40.37
Yamaha			40.37
Nigata			40.37
Suzuki			40.37

TRB-I-16

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Koyo <sup>4</sup>	10/1/95-9/30/96	January 15, 1998 (63 F.R. 2558) <sup>1</sup>	9.58
Fuji			.34
NSK <sup>4</sup>			1.64
MC Intl			1.92
Koyo	10/1/95-9/30/96	January 15, 1998 (63 F.R. 2558) <sup>2</sup>	28.65
NTN			21.41
NSK			10.17
Koyo	10/1/96-9/30/97	November 17, 1998 (63 F.R. 63860) <sup>1</sup>	7.62
NTN	10/1/96-9/30/97	November 17, 1998 (63 F.R. 63860) <sup>2</sup>	19.78
Fuji <sup>5</sup>	10/1/97-9/30/98	March 6, 2000 (65 F.R. 11767) <sup>1</sup>	0.05
Koyo Seiko <sup>4</sup>			10.50
NSK <sup>4</sup>			4.07
Koyo Seiko <sup>4</sup>	10/1/97-9/30/98	March 6, 2000 (65 F.R. 11767) <sup>2</sup>	23.36
NSK <sup>4</sup>			1.80
NTN <sup>4</sup>			17.58
<sup>1</sup> Review related to the 1976 finding. <sup>2</sup> Review related to the 1987 order. <sup>3</sup> Results of the 1992-93 review were amended on April 10, 2000. <sup>4</sup> Commerce made a duty absorption finding in this instance. <sup>5</sup> Commerce published its notice of revocation regarding the 1976 finding on TRBs from Japan with respect to Fuji on March 6, 2000.			
Source: Final results of cited administrative reviews.			

## Romania

Commerce has conducted six administrative reviews on TRBs from Romania since the order was imposed. The results are shown in table TRB-I-7. The order on TRBs from Romania covers imports from all known Romanian producers and/or exporters. Commerce has issued no duty absorption findings with respect to this order.

**Table TRB-I-7**  
**Results of administrative reviews relating to tapered roller bearings from Romania**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
TIE <sup>1</sup>	2/6/87-5/31/88	January 11, 1991 (56 F.R. 1169)	0.77
TIE	6/1/88-5/31/89	August 21, 1991 (56 F.R. 41518)	0.00
All others	6/1/94-5/31/95	November 22, 1996 (61 F.R. 59416)	7.67
TIE	6/1/95-5/31/96	July 11, 1997 (62 F.R. 37194)	2.70

TRB-I-17

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
All others	6/1/93-5/31/94	June 6, 1997 (62 F.R. 31075)	0.00
TIE	6/1/96-5/30/97	July 6, 1998 (63 F.R. 36390)	0.86

<sup>1</sup> Amended 56 F.R. 23320, July 1, 1991.

Source: Final results of cited administrative reviews.

### Antidumping Duties Collected

Table TRB-I-8 presents the actual amount of customs duties collected under the TRB antidumping finding and antidumping duty orders from 1994 to 1998. Total duties collected pursuant to the finding/orders ranged from \$9.1 million to \$14.6 million per year during this period, while the total value of imports ranged from \$72.4 million to \$105.0 million.

**Table TRB-I-8**

**Tapered roller bearings: Actual duties collected and imports from subject countries, fiscal years 1994-98<sup>1</sup>**

Finding/ order date	Product/country	Duties collected				
		Imports				
		1994	1995	1996	1997	1998
8/8/76	Tapered roller bearings, 4 inches & under/Japan	\$2,829,162	\$6,385,662	\$4,746,573	\$2,819,553	\$1,493,427
		15,655,222	27,731,715	23,852,500	18,471,449	19,444,588
6/15/87	Tapered roller bearings/China	564,305	642,654	456,610	326,885	214,202
		19,867,968	24,628,401	21,398,155	19,999,041	21,702,937
6/19/87	Tapered roller bearings/Hungary	( <sup>2</sup> )	22	611	570	660
		( <sup>2</sup> )	342	9,180	8,562	9,917
6/19/87	Tapered roller bearings/Romania	0	0	0	160,712	14,246
		2,682,806	4,925,117	4,926,322	2,065,395	1,223,525
10/6/87	Tapered roller bearings, over 4 inches/Japan	7,038,289	7,552,881	6,625,987	5,800,785	11,018,002
		38,241,676	47,677,195	43,393,794	31,859,974	47,678,008
<b>Total duties collected</b>		10,431,756	14,581,219	11,829,781	9,108,505	12,740,537
<b>Total value of imports</b>		76,447,672	104,962,770	93,579,951	72,404,421	90,058,975

<sup>1</sup> The federal fiscal year is October 1-September 30.  
<sup>2</sup> Business proprietary information not divulged by Customs.

Source: U.S. Customs Service Annual Report, Part A.

## THE SUBJECT PRODUCT

For purposes of these reviews, Commerce has generally defined TRBs and parts thereof, whether finished or unfinished, as antifriction bearings that employ tapered rollers as the rolling element. Included in the scope<sup>8</sup> are tapered rollers; outer races or cups, whether sold as a unit or separately; inner races or cone assemblies, whether sold as a unit or separately; rough forgings; flange, take-up, cartridge, and hanger units incorporating TRBs; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use. TRBs and parts for TRBs are classified under the following HTS subheadings: 8482.20.00, 8482.91.00, 8482.99.15, 8482.99.45, 8483.20.40, and 8483.20.80. Additional parts, products that contain TRBs, and items that were included as a result of scope determinations following the original investigations are classified under HTS subheadings 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, and 8708.99.80.

A TRB is made up of four basic components—the cup, the cone, the cage, and the rollers. The cup, also called the outer ring, is the largest part of the assembly, and its inner surface is tapered to conform with the angle of the roller assembly. The cone forms the inner race of the bearing, while the cage keeps the rollers equally distributed around the cup and cone. The rollers, cage, and cone are joined together to form a cone assembly. When joined with a cup, the cone assembly and cup form a TRB set. TRBs provide combined radial and thrust load capability.

## U.S. Tariff Treatment

The column 1-general, or normal trade relations (“NTR”), rate of duty for assembled TRBs is 5.8 percent *ad valorem*. The general duty rates for most parts of these bearings range from 4.4 percent to 5.8 percent *ad valorem*, while imports of housed tapered roller bearings are subject to a duty rate of 4.5 percent *ad valorem*. These duty rates are final Uruguay Round concession rates and, thus, are not subject to further proclaimed reductions. General rates of duty for additional parts, products containing tapered roller bearings, and those goods included as a result of scope determinations range from 2.5 percent to 5.5 percent *ad valorem*.

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<sup>8</sup> Commerce’s scope language varies from one review to another. The differences are fairly minor, except in the case of the two TRB reviews involving Japan, for which Commerce has issued separate sunset determinations pertaining to the 1976 antidumping finding by Treasury and the 1987 antidumping duty order issued by Commerce. As noted in the earlier discussion under *The Original Investigations* section in the *Introduction and General Overview* to this report, the 1976 Treasury finding covered all TRBs from Japan. However, on August 10, 1981, Commerce issued clarifications of the finding which, among other things, limited the scope to TRBs four inches or less in diameter. Further, on June 15, 1982, Commerce revoked the finding with respect to subject merchandise produced and sold by NTN. The domestic industry then filed a second petition in 1986 intended to cover all TRBs from Japan not covered by the earlier finding (i.e., TRBs over four inches in diameter and merchandise produced and sold by NTN). The 1987 order issued by Commerce covers all such merchandise.

Commerce also made two scope rulings in 1989 and 1995 with respect to the 1987 order on Japan: that green rings that had not been heat-treated are within the scope; and that Koyo’s rough forgings, including hot, cold, and tower forgings, are within the scope. See 64 F.R. 60266 (November 4, 1999). Commerce noted, however, that these scope rulings are order-specific and do not apply to the orders on TRB imports from the other subject countries. See 64 F.R. 60272 (November 4, 1999).

## DOMESTIC LIKE PRODUCTS

In its original 1987 determinations concerning TRBs from China, Hungary, Japan, and Romania, the Commission found a single like product consisting of TRBs and parts thereof, finished or unfinished; flange, take-up, cartridge, and hanger units incorporating TRBs; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, and whether or not for automotive use.<sup>9</sup> No party urges the Commission to find that the TRBs covered by the orders subject to these reviews comprise more than one domestic like product.<sup>10 11</sup>

### Physical Characteristics and Uses

TRBs are used in applications where it is necessary to counteract friction caused by both radial and thrust loads. TRBs are able to withstand such combined loads while offering moderate speed capacity and heavy load capacity. The primary end market for this type of bearing is the automotive industry, which accounts for approximately 20 to 25 percent of the total market for TRBs.<sup>12</sup> TRBs are also used extensively in the heavy machinery sector—primarily construction and agricultural equipment—as well as the railroad and general industry sectors. More specifically, TRBs are widely used in these industries in transmissions and wheel applications.<sup>13</sup>

### Manufacturing Process and Facilities

The manufacturing process for antifriction bearings, including TRBs, is described in the section entitled *The Product* in the *Introduction and General Overview* to this report. TRBs are generally produced on dedicated machinery, and a producer cannot switch production of TRBs to other types of bearings without reconfiguration of production lines, which adds to costs. Thus, firms cannot easily switch from producing one type of bearing to another. The Commission noted in its 1989 determination that many producers make only one type of bearing while those larger producers that produce several

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<sup>9</sup> *Tapered Roller Bearings and Parts Thereof, and Certain Housings Incorporating Tapered Rollers from Hungary, the People's Republic of China, and Romania*, Investigations Nos. 731-TA-341, 344, and 345 (Final), USITC Pub. 1983, June 1987, p. 9. The Commission's first determination on TRBs from Japan contained no like product analysis. See *Tapered Roller Bearings and Certain Components Thereof from Japan*, Investigation No. AA1921-143, USITC Pub. 714, January 1975. The Commission's second determination on TRBs from Japan reached the same conclusions regarding like product as were reached in the above-cited investigations involving Hungary, China, and Romania. See *Tapered Roller Bearings and Parts Thereof, and Certain Housings Incorporating Tapered Rollers from Japan*, Investigation No. 731-TA-343 (Final), USITC Pub. 2020, September 1987, pp. 3-8.

<sup>10</sup> See Japan Bearing Industry Association ("JBIA") prehearing brief at 6; and Timken and Torrington's response to notice of institution at 61.

<sup>11</sup> Further, no party to these reviews has argued that the four categories of antifriction bearings subject to these reviews—TRBs, BBs, CRBs, and SPBs—should comprise fewer than four separate domestic like products or that the four types of bearings should be cumulated for the Commission's injury analysis. The Commission in the original investigations on antifriction bearings other than TRBs considered, but rejected, petitioner's argument for a single domestic like product. See *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391 through 399 (Final), USITC Pub. 2185, May 1989, pp. 14-18.

<sup>12</sup> Hearing transcript, p. 261.

<sup>13</sup> *Ibid.*

types of bearings routinely rationalize their production of antifriction bearings by the type of rolling element employed. The Commission found, "For each rolling element, a separate manufacturing facility is generally utilized."<sup>14</sup> In the current reviews, \*\*\* commented that it cannot easily switch production between TRBs and other types of products because it generally produces its products, including TRBs, on dedicated machinery. \*\*\* further stated that in the early phases of production, the machines are process-specific (i.e., some of the equipment used in the early phases of the production process can be used to perform the same process on different types of bearings). However, after a certain point in the process (generally after the initial grinding of the rings), the production equipment becomes product-specific, as well as process-specific, at which point a machine can be used for only a particular type of bearing or model group.<sup>15</sup>

### **Interchangeability and Customer and Producer Perceptions**

According to data received in response to the Commission's purchaser questionnaire, the majority of purchasers of the subject merchandise view Chinese, Hungarian, Japanese, and Romanian TRBs as interchangeable with U.S.-manufactured product. Party positions on the degree of interchangeability between U.S. and subject TRBs are widely disparate. Those in support of continuation of the orders note that the subject merchandise imported from China, Hungary, Japan, and Romania consists largely of standardized, highly substitutable bearings.<sup>16</sup> Further, a reported 80 percent of all TRBs sold in the U.S. market consist of standard part numbers (that is, off-the-shelf bearings), which several domestic and foreign producers are capable of producing.<sup>17</sup> By comparison, parties in favor of revocation contend that TRBs have limited interchangeability—that in fact such bearings have become less interchangeable since the original orders due to increased customization and high quality requirements.<sup>18</sup> The JBIA companies further point out that many standard off-the-shelf bearings are actually "customized" bearings because of the unique production processes and/or other qualities imparted on the bearing by the individual manufacturer.<sup>19</sup> The JBIA companies note that Timken has not, until recently, needed to offer customized TRBs to its customers because of its extensive inventory of standard bearings.<sup>20</sup> Chinese producers further state that despite the fact that certain Chinese-produced and U.S.-manufactured TRBs exhibit identical part numbers (indicating equivalent dimensions and applications), the two products are not interchangeable because of the lower quality of Chinese-manufactured TRBs.<sup>21</sup>

### **Channels of Distribution**

TRBs are sold to a wide variety of customers for use in a multitude of distinct industries. The two channels of distribution for TRBs are sales to OEMs, primarily producers of motor vehicles and parts, heavy equipment, railroad equipment, and industrial machinery, and sales in the aftermarket. A

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<sup>14</sup> USITC Pub. 2185, p. 17.

<sup>15</sup> \*\*\* questionnaire response.

<sup>16</sup> Timken posthearing brief, responses to Chairman Bragg, pp. 30 and 35.

<sup>17</sup> Hearing transcript, p. 47.

<sup>18</sup> Hearing transcript, p. 277; JBIA posthearing brief, p. 12; and Caterpillar posthearing brief, p. 1.

<sup>19</sup> JBIA posthearing brief, p. A-2.

<sup>20</sup> JBIA prehearing brief, p. 32. They point out that, whereas Timken offers over \*\*\* bearing part numbers, by contrast Koyo offers only \*\*\* part numbers. *Ibid.*

<sup>21</sup> Chinese respondents posthearing brief, pp. 7-8, and \*\*\*.

small portion of the subject product may also be directed to other minor outlets such as local or national governments. According to questionnaire data, U.S. producers shipped 84.2 percent of their U.S. shipments of TRBs to end users/OEMs in 1998, and the remaining 15.8 percent to distributors/aftermarket customers.<sup>22</sup> By comparison, importers shipped 52.7 percent of their U.S. shipments of TRBs to end users/OEMs in 1998, and the remaining 47.3 percent to distributors/aftermarket customers.

Parties supporting continuation of the antidumping orders on TRBs from China, Hungary, Japan, and Romania indicate that both U.S. and foreign-produced TRBs compete to a significant degree in both the OEM and aftermarket channels of distribution.<sup>23</sup> For example, Timken described \*\*\*<sup>24</sup> and provided customer-specific examples concerning Japanese and Chinese competition for TRB sales in both the OEM sector and the aftermarket.<sup>25</sup> Timken further points out that as most global producers are certified to design and sell bearings to the majority of key OEMs in the United States, both the OEM and aftermarket channels of distribution are equally accessible to U.S. and foreign bearings producers.<sup>26</sup> Timken further notes that \*\*\*.<sup>27</sup>

The JBIA companies, which support revocation of the orders, indicate that imported TRBs from Japan are, in fact, sold in both the OEM and aftermarket channels of distribution, with the majority of sales to OEMs.<sup>28</sup> In contrast, however, other supporters of revocation indicate that the majority of the subject producers have not been able to qualify for, and therefore do not compete in, the OEM segment. Daewoo-MGM stated that none of its Hungarian plants producing TRBs have been qualified for sales to individual U.S. OEMs.<sup>29</sup> Likewise, Tehnoimportexport stated that no U.S. imports of bearings from Romania are certified by OEMs.<sup>30</sup> The Chinese respondents note that no *subject* producer in China competes in the large U.S. automotive OEM sector,<sup>31</sup> and that \*\*\*.<sup>32</sup> An additional purchaser of the subject product indicated that Chinese TRBs are effectively barred from competition in the material handling OEM sector because of the lengthy process required for qualification.<sup>33</sup> In consideration of Chinese, Hungarian, and Romanian TRB imports that register as sales to OEMs, the JBIA companies note that such sales are in low-end markets (for example, sales to boat and utility trailer, garden transaxle, and roller conveyor manufacturers) to producers that do not require certification.<sup>34</sup>

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<sup>22</sup> The producer and importer questionnaires requested data on shipments to end users and distributors; however, industry representatives appear to view the terms “end users” and “OEMs” and the terms “distributors” and “aftermarket customers” as essentially interchangeable.

<sup>23</sup> Hearing transcript, pp. 49-50, Timken prehearing brief at exhibit 2, p. 8, and posthearing brief, responses to Chairman Bragg, pp. 2-3.

<sup>24</sup> Questionnaire responses of Timken; and Timken posthearing brief, responses to Chairman Bragg, p. 2.

<sup>25</sup> Timken posthearing brief, responses to Chairman Bragg, pp. 4-5, and 9.

<sup>26</sup> *Ibid.*, p. 35.

<sup>27</sup> Timken prehearing brief, p. 102.

<sup>28</sup> JBIA posthearing brief, pp. A-6 and A-18.

<sup>29</sup> Daewoo posthearing brief, p. 3.

<sup>30</sup> Tehnoimportexport posthearing brief, p. 2.

<sup>31</sup> Chinese respondents posthearing brief, p. 7 and \*\*\*.

<sup>32</sup> Chinese respondents posthearing brief, p. 7.

<sup>33</sup> Hearing transcript, pp. 234-235.

<sup>34</sup> JBIA posthearing brief, p. A-23.

## Price

The global market for antifriction bearings is characterized as highly price-competitive. The technology for producing commodity-type bearings is widely available, and price is a significant determinant in sales of such items.<sup>35</sup> Supporters of revocation stress the prominence of customized TRBs in the market and indicate that price is not the primary consideration for purchases, but only becomes an important factor when quality, performance, design specification, reliability, and service requirements are met.<sup>36</sup> Those supporting continuation of the orders emphasize the price-sensitivity of the TRB industry by pointing out that most global suppliers easily meet the qualitative requirements of OEMs, in which case price becomes the remaining decisive factor.<sup>37</sup> Moreover, they point to testimony stating that TRBs are one of the more commodity-like types of bearings and reiterate their position that the majority of sales in the U.S. market are of standardized part numbers.<sup>38</sup>

## U.S. MARKET PARTICIPANTS

### U.S. Producers

The number of TRB producers has not changed dramatically since the original investigations. Twelve firms reported producing TRBs in the United States over the period of these reviews compared to nine in the first TRB investigation and ten during the second series of investigations. In 1998, Timken Co., the world's largest producer of TRBs, accounted for \*\*\* percent of the value of U.S. producers' U.S. shipments of TRBs (table TRB-I-9). NTN, the second largest producer of TRBs in the United States, accounted for \*\*\* percent of TRB shipments in 1998. SKF, a smaller producer of TRBs, sold one of its two TRB plants to RBC in 1999. RBC has traditionally produced BBs, CRBs, and SPBs.

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<sup>35</sup> The McGraw-Hill Companies and the U.S. Department of Commerce, International Trade Administration, *U.S. Industry & Trade Outlook '99* (Ohio: McGraw Hill, 1999), p. 15-8.

<sup>36</sup> Chinese respondents posthearing brief, p. 5; Delphi posthearing brief, pp. 2-3; Caterpillar posthearing brief, p. 1; and JBIA posthearing brief, pp. 1 and 10.

<sup>37</sup> Hearing transcript, pp. 33 and 46; and Timken posthearing brief, pp. 6-7.

<sup>38</sup> Timken posthearing brief, pp. 6-7; and hearing transcript, pp. 47 and 346.

Table TRB-I-9

Tapered roller bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
American Roller Bearing Industries, Inc.	***	***	Pittsburgh, PA	None	None
General Bearing Corp.	***	***	Nyack, NY	World Machinery Co.	Shanghai General Bearing Co., China
Kaydon Corp.	***	***	Muskegon, MI	None	None
Koyo Corp. of USA	Supports revocation	***	Westlake, OH	Koyo Seiko, Co.	Koyo Seiko, Japan
Nakanishi Mfg. Corp.	***	***	Winterville, GA	Nakanishi Metal Works Co., Ltd. (Japan)	Nakanishi Metal Works, Japan; NKC Mfg. Philippines Corp.
NTN Bearing Corp. of America	Supports revocation	***	Mount Prospect, IL; Elgin, IL; Macomb, IL; Lititz, PA	NTN USA (Mount Prospect, IL)	NTN Corp., Japan; NTN Bearing Mfg., Canada; NTN Kugellagerfabrik, Germany; Tung Pei Industrial Co., Taiwan
Nucor Bearing Products	***	***	Wilson, NC	Nucor Corp. (Charlotte, NC)	None
Ovako Ajax, Inc.	***	***	York, SC	Ovako Steel (Sweden)	SKF, Sweden
SKF	***	***	Norristown, PA Glasgow, KY Aiken, SC Gainesville, GA Altoona, PA Hanover, PA Jamestown, NY Falconer, NY Colebrook, CT	AB SKF (Sweden)	Ampep, England; SKF Argentina; SKF Osterreich, Austria; SKF do Brasil Limitada, Brazil; SKF China; SKF, Germany; SKF Espanola, Spain; SKF France; SARMA, France; PT. SKF Indonesia; SKF Bearings India; SKF Industrie, Italy; SKF HANWHA, Korea; SKF de Mexico; SKF Bearings Industries, Malaysia; SKF Poznan, Poland; SKF Steyr, Austria SKF Sverige, Sweden; SKF South Africa; SKF Ukraine

Table continued on next page.

TRB-I-24

**Table TRB-I-9--Continued**

**Tapered roller bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers**

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
Timken Co.	Supports continuation	***	Altavista, VA Ashland, OH Canton, OH (3 locations) Columbus, OH Bucyrus, OH Randleman, NC Gaffney, SC Iron Station, NC New Philadelphia, OH South Bend, IN Columbus, NC Winchester, KY	None	Australian Timken; <sup>1</sup> Timken do Brasil; British Timken; Canadian Timken; Timken France; Timken India; Timken Italia; Timken Polska; Timken Romania; <sup>2</sup> Timken South Africa; Yantai Timken <sup>2</sup>
Torrington	Supports continuation	***	Cairo, GA Calhoun, GA Clinton, SC Dahlonega, GA Canton, GA Pulaski, TN Rockford, IL Rutherfordton, NC Torrington, CT Sylvania, GA Union, SC Walhalla, SC Duncan, SC Honca Path, SC	Ingersoll-Rand (Woodcliff Lake, NJ)	Torrington, United Kingdom; Torrington European Distribution Ctr, <sup>3</sup> France; Nadella, France; Torrington Nadallager, Germany; NSK Torrington, Japan; Torrington, Canada; Torrington Wuxi Brgs, China; Industrias del Rodamientos, Spain
<p><sup>1</sup> Timken closed its Australian Timken manufacturing facility in May 1999.  <sup>2</sup> ***  <sup>3</sup> ***</p> <p>Note.—Because of rounding, figures may not add to the totals shown. Shares of shipments are based on complete bearings and parts. Related foreign producers' locations include facilities that produce certain subject bearings.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

The following tabulation summarizes U.S. producers' positions regarding revocation of the TRB antidumping finding and antidumping duty orders and the shares of the value of U.S. shipments held by U.S.-domiciled and foreign-domiciled U.S. TRB producers in 1998 (in percent):

Item	Share of value of U.S. shipments
Producers supporting continuation	78.4
Producers supporting revocation	18.7
Producers taking no position	2.8
U.S.-domiciled producers	79.7
Foreign-domiciled producers	20.2

#### U.S. Importers

Japanese automobile manufacturers account for the majority of reported imports of TRBs from Japan. \*\*\* are the largest importers of TRBs from Japan, followed by \*\*\*. \*\*\* reportedly account for the majority of the TRB imports from China. Only three companies reported imports from Romania, with \*\*\* being the largest importer, by far. No companies reported imports from Hungary.

Three U.S. producers of TRBs, \*\*\*, imported TRBs from Japan during the period of review. Imports by these producers accounted for 57.4 percent of the total value of imports of TRBs from subject countries in 1998. Data on U.S. producers' imports of TRBs are presented in part III.

#### U.S. Purchasers

The largest reporting purchaser of TRBs in 1997 and 1998, by value, was \*\*\*. Other major purchasers of TRBs in 1997 and 1998 include: \*\*\*.

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

Table TRB-I-10 presents data on U.S. shipments and apparent U.S. consumption of TRBs and table TRB-I-11 presents data on U.S. market shares of TRB suppliers. The value of apparent consumption of TRBs increased by 7.3 percent from 1997 to 1998 and by 1.6 percent between January-September 1998 and January-September 1999. The market share held by U.S. producers remained relatively constant during the period of review at about 80-82 percent on the basis of value, compared with a subject import share of about 6-7 percent and a nonsubject import share of about 11-14 percent.

**Table TRB-I-10**

**Tapered roller bearings and parts thereof: U.S. shipments of domestic product, 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
<i>Value (1,000 dollars)</i>				
U.S. producers' shipments	1,088,422	1,137,894	849,150	888,159
U.S. imports from –				
China <sup>1</sup>	27,242	23,837	18,431	19,158
Hungary	3	8	4	148
Japan <sup>1</sup>	57,639	66,483	50,059	45,520
Romania	2,695	1,909	1,139	3,627
Subtotal	87,579	92,237	69,634	68,453
Canada	51,089	54,323	41,688	40,459
Germany	19,934	28,935	22,122	18,486
United Kingdom	21,392	29,664	23,524	13,360
All others	53,865	75,738	58,528	52,698
Total imports	233,859	280,896	215,496	193,456
Apparent consumption	1,322,281	1,418,791	1,064,646	1,081,615
1 ***				
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.				

**Table TRB-I-11**

**Tapered roller bearings and parts thereof: U.S. market shares, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<i>Value (1,000 dollars)</i>				
Apparent consumption	1,322,281	1,418,791	1,064,646	1,081,615
<i>Share of value (percent)</i>				
U.S. producers' U.S. shipments	82.3	80.2	79.8	82.1
U.S. imports from –				
China <sup>1</sup>	2.1	1.7	1.7	1.8
Hungary	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Japan <sup>1</sup>	4.4	4.7	4.7	4.2
Romania	0.2	0.1	0.1	0.3
Subtotal	6.6	6.5	6.5	6.3
Canada	3.9	3.8	3.9	3.7
Germany	1.5	2.0	2.1	1.7
United Kingdom	1.6	2.1	2.2	1.2
All others	4.1	5.3	5.5	4.9
Total imports	17.7	19.8	20.2	17.9
<sup>1</sup> *** <sup>2</sup> Less than 0.05 percent.				
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

### SUPPLY AND DEMAND CONSIDERATIONS

#### U.S. Supply

##### Domestic Production

Purchasers were asked to identify any supply factors that affected the availability of certain bearings since the antidumping orders went into effect. The majority of purchasers reported that they were unaware of any significant effects and that the bearings they purchase continued to be available. One purchaser noted that the domestic capacity to produce TRBs had increased. Four purchasers stated that lead times had increased. At various times since the imposition of the antidumping orders, one or two purchasers experienced periodic supply shortages, unavailability of specific products, or being placed on allocation. Two purchasers stated that \*\*\* was unable to meet their demand for TRBs during 1995-97; one of these switched to \*\*\* during this period. \*\*\* stated that it has increased capacity since the antidumping orders. It added that demand had on occasion exceeded capacity and had resulted in extended deliveries. Although it has rationalized production and remains \*\*\*,<sup>1</sup>

U.S. production of TRBs ranged from \*\*\* to \*\*\* million bearings from 1983 to 1986. From 1983 to 1986, domestic capacity utilization ranged from \*\*\* to \*\*\* percent. U.S. producers' market share ranged from \*\*\* to \*\*\* percent during 1970-73, from \*\*\* to \*\*\* percent during 1983-86, and from 80 to 82 percent from 1997 to 1999. Capacity in 1998 was approximately 155 million bearings per year, and capacity utilization was 90.3 percent. Timken was the dominant domestic producer with approximately \*\*\* percent of domestic capacity. Three Japanese firms (NTN, Koyo, and Nakanishi) have established or expanded production facilities in the United States to manufacture TRBs or TRB parts. NTN is the second largest U.S. producer with approximately a \*\*\*-percent market share.

Although plants can make different types of bearings, retooling is required, which adds to costs. Timken stated that TRB facilities cannot generally be used to make other bearings. Thus, firms cannot easily switch from one type of production to another.

U.S. producers were asked how easily they could shift sales of certain bearings between the U.S. market and alternative country markets. Most producers stated that shifting to alternative markets would be very difficult. Several producers stated, however, that there are no constraints and that they already export a significant portion of their product. Export markets are important for U.S. TRB producers and represented from \*\*\* percent to \*\*\* percent of the value of producers' total shipments between 1997 and September 1999.

In summary, domestic producers can access other markets but with difficulty. The TRB industry is capital intensive, which limits how quickly it can respond to price changes. Also, switching to other types of production cannot be easily accomplished. Thus, a likely response of the U.S. industry to a price decrease is a somewhat reduced supply and delays on any plans for expansion.

##### Subject Imports

From 1997 to January-September 1999, countries subject to the TRB orders accounted for approximately 6.3 to 6.6 percent of the apparent consumption of TRBs on a value basis, but a higher share on a quantity basis. Imports are thus for lower valued items.

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

Imports of TRBs from China represented from \*\*\* percent to \*\*\* percent of U.S. consumption of TRBs from 1983 to 1986 based on value. China's value share ranged from 1.7 to 2.1 percent of the U.S. market from 1997 through September 1999. Its imports consisted of low-valued items as its market share based on quantity was substantially higher than its value share between January 1997 and September 1999. Information on capacity and shipment destination was not available for the 1983-86 period. China's capacity was approximately 39.6 to 39.9 million bearings from 1997 to 1999 on an annual basis, and capacity utilization ranged from 85 to 88 percent during this time. During 1997 to September 1999, Chinese production was approximately 35 million bearings on an annual basis. From 50 to 54 percent of this production was consumed in the home market from 1997 to 1999. From 27.7 percent to 34.1 percent of total Chinese shipments of TRBs were destined for the U.S. market from 1997 to 1999.

Timken stated that substantial excess capacity exists globally.<sup>2</sup> It asserts that Chinese producers have over \$100 million in available capacity. Based on data from the China Bearings Association, the Chinese respondents place unused capacity in China at approximately \*\*\*.<sup>3</sup> The Chinese respondents add that many Chinese producers are small and incapable of producing export-quality TRBs. They also state that China cannot meet its domestic demand and must import TRBs. Also, Timken, SKF, and FAG have established production facilities in China to produce for Chinese and Asian markets. If duties were lifted, a likely response of the Chinese producers would be to increase shipments somewhat to the U.S. market. Increases in imports of Chinese TRBs would be restrained somewhat by home market and third-country demand and by China's capacity to produce export-quality bearings.

Hungarian imports supplied from \*\*\* percent to \*\*\* percent of U.S. consumption of TRBs from 1983 to 1986. During this time, Hungary shipped from \*\*\* to \*\*\* percent of its production to the United States, and it was operating at full capacity. In 1997 and 1998, Hungarian capacity was rated at \*\*\* million TRBs per year. Capacity utilization ranged from \*\*\* percent in interim 1999 to \*\*\* percent in 1997. From \*\*\* percent to \*\*\* percent of total shipments were to the home country market. Exports to third country markets ranged from \*\*\* percent to \*\*\* percent of total shipments. There were apparently no direct shipments to the United States, although third parties exported small amounts of Hungarian TRBs to the United States. Daewoo-MGM, the sole Hungarian producer, stated that in its experience the low-end bearings that it sells are priced higher in the European Union than in the United States. If the duties were lifted, Hungary has the capability to increase shipments slightly to the United States.

Japanese importers supplied from \*\*\* to \*\*\* percent of U.S. consumption during 1970-73 and from \*\*\* percent to \*\*\* percent of U.S. consumption during 1983-86 based on value. Japan's value share ranged from 4.2 to 4.7 percent during 1997-September 1999, while its market shares based on quantity were larger. Shipments of Japanese TRBs to the United States ranged from \*\*\* to \*\*\* percent of all Japanese shipments of TRBs from 1983 to 1986.<sup>4</sup> Japanese capacity to produce TRBs has been about 150 million on an annual basis from 1997 to interim 1999. Capacity utilization is high and ranged from 92.3 percent to 104.0 percent. The Japanese home market consumed from 62 to 65 percent of its total shipments from 1997 to interim 1999. Japanese exports to the United States ranged from 3.1 to 4.6 percent of total shipments. Third-country markets consumed from 30 to 32 percent of Japan's total shipments of TRBs. If the duties were lifted, Japan has the capability to increase shipments to the United States.

From 1983 to 1986, Romania's value share of U.S. consumption ranged from \*\*\* percent to \*\*\* percent. In 1986, Romanian shipments to the United States accounted for \*\*\* percent of its total shipments. Romania's capacity was \*\*\* million TRBs in 1997, \*\*\* million in 1998, but grew on an

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<sup>2</sup> Timken's posthearing brief, p. 6.

<sup>3</sup> Chinese respondents' posthearing brief, pp. 9-14.

<sup>4</sup> Staff Report, inv. No. 731-TA-343 (Final), September 8, 1987, p. A-5.

annualized basis in interim 1999 to \*\*\* million. Capacity utilization ranged from \*\*\* percent in interim 1999 to \*\*\* percent in interim 1998. Home market consumption ranged from \*\*\* percent to \*\*\* percent of total shipments. Most shipments, from \*\*\* percent to \*\*\* percent of total shipments, were to third country markets. Exports to the United States ranged from \*\*\* percent of shipments in interim 1998 to \*\*\* percent in interim 1999. The Romanian respondent stated that its administrative reviews at Commerce resulted in low or *de minimis* margins since 1988;<sup>5</sup> therefore, it has had continual access to the U.S. market. It concludes that Romania's low level of imports of TRBs into the United States despite access to the market implies that Romanian TRBs are unlikely to increase significantly if the dumping order is revoked. Based on this evidence, it appears likely that Romania would modestly increase shipments to the United States.

Timken stated in its questionnaire response that prices in third-country markets are less than U.S. prices. Timken's conclusion is based on a graph of average unit values ("AUVs") of Japanese TRBs exported to different countries and affidavits comparing prices of similar products in different countries. The graph, constructed from Japanese government data, shows that AUVs of Japanese exports of TRBs to the United States increased relative to AUVs of exports to Europe, Mexico, and Canada since 1990, with AUVs to the United States 30 percent to 52 percent greater than those to these other countries in 1999. The affidavits compare Timken's prices, Japanese prices, and, to a limited extent, Chinese and German prices. The comparisons are based on prices in customer accounts that have operations in different countries and on price lists issued by Timken and its competitors. U.S. prices were found to be higher than those in Argentina, Australia, Brazil, Canada, France, Germany, Mexico, Spain, Thailand, and Venezuela, sometimes by fairly substantial margins. Prices were shown in U.S. dollars, and exchange-rate variation could explain part of the price differences. Comparisons based on price lists depend upon assumptions regarding discounts because list prices are not transaction prices. Other than Timken, \*\*\* stated that prices were higher in U.S. markets than elsewhere, while \*\*\* stated that U.S. market prices were comparable or higher than those in other countries. If U.S. prices adjusted for transportation costs are, in fact, higher than those in other markets, removal of the orders would be expected to result in increased imports and price equalization across markets, net of transportation costs.

### U.S. Demand

The demand for TRBs is derived from the end uses in which the bearings are employed. In response to the question about how demand for their firms' products incorporating certain bearings had changed since the issuance of the antidumping orders, 19 purchasers stated that no changes had occurred, and 10 reported changes. Those reporting changes usually stated that demand had increased. One purchaser stated that its demand for TRBs had increased. \*\*\* in its questionnaire response stated that demand for TRBs was tied to overall performance of the economy. It added that although long-term demand had increased, the agricultural, mining, and construction sectors had experienced downturns in the past year and a half, with the result that overall demand was somewhat stagnant. A market research study forecasts annual revenue growth of 3.5 percent for the U.S. industry from 1999 to 2003.<sup>6</sup>

The U.S. consumption quantity was approximately 233 million TRBs in 1997. This figure increased by 2.8 percent between 1997 and 1998 and by 5.3 percent between January-September 1998 and the same period in 1999.

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<sup>5</sup> See table TRB-I-7.

<sup>6</sup> Frost and Sullivan report, cited in Economic Consulting Services report, March 10, 2000, p. III-11.

## **Substitutes**

Bearings are generally manufactured for highly specialized uses, and few substitutes exist. Purchasers were asked if other products could substitute for certain bearings in their end uses, and 30 purchasers responded in the negative and 8 in the affirmative. In some uses, there may not be any substitutes. In selected uses, air and hydraulic products may be substituted. In other cases, sleeve bearings can be substituted for the subject bearings. Also, different motion devices or oil-impregnated bushings may be substitutes in some uses, but this would generally require re-engineering the product in which the bearing is used. Virtually all purchasers reported that the number and type of products that could be substituted for certain bearings had not changed since the antidumping orders became effective.

## **Cost Share**

Certain bearings are employed in a large range of uses in manufacturing. Major uses of TRBs are in the automotive industry and in machinery for the agricultural, construction, and mining industries. Most purchasers reported that certain bearings represent only a small share of the cost of the item that they produce. Bearings usually represent less than 1 percent of the cost of agricultural equipment. For most auto parts where bearings are used they represent 1 to 25 percent of the cost of the part and a much smaller percentage of the cost of the entire vehicle. Service part resellers reported that bearings represent from 50 to 100 percent of their cost, although these uses are not final products.

Virtually all purchasers reported that there had not been any changes in end uses since the antidumping orders became effective. One purchaser reported that machine designs had changed, which altered the design of certain bearings. Given the generally low cost share and lack of substitutes, quantity demanded would not be expected to respond greatly to changes in the price of certain bearings.

## **SUBSTITUTABILITY**

This section is based primarily on the responses to the Commission's purchaser questionnaires. Forty-one purchasers provided usable data, of which 23 were end users and 15 were distributors. The other three were a combination end user/reseller, a manufacturer complementing its own production, and an assembler. Much of the information in the purchaser questionnaires applies to certain bearings as a whole and cannot be disaggregated.

### **Factors Affecting the Purchase Decision**

Purchasers were asked to list in order of importance the three major factors that they consider when selecting a supplier. Quality was identified by 21 firms as the most important factor (see table TRB-II-1). Overall, price was named most often: 6 times in first place, 10 times in second place, and 17 times in third place. Also, more than three firms named availability, having a pre-arranged contract, and service as one of the three most important factors.

Purchasers were asked to report the characteristics they consider when assessing the quality of a supplier. Several purchasers stated that reputation, company stability, and its proven history were important. Others said that the ability to meet specifications, either standard specifications such as ABEC tolerances or specific engineering designs, was important. Some purchasers qualify suppliers on the basis of testing and other factors, such as the source of steel used. Testing is used to determine time to failure, load rating, resistance to wear, noise level, etc. For purchasers that qualify suppliers, the ability to gain approval or certification was the most important characteristic.

**Table TRB-II-1****Most important factors considered when selecting a bearing supplier<sup>1</sup>**

Factor	First	Second	Third
Price	6	10	17
Quality	21	9	1
Availability	2	9	7
Pre-arranged contract	3	3	0
Service	0	0	4
Delivery	0	0	3
Product line	1	1	0
Lead time	0	1	1
Other	6	5	4
Total	39	38	37
<sup>1</sup> Figures indicate the number of purchaser responses in each category. Note: This table applies to all subject bearings, not just TRBs. Source: Compiled from data submitted in response to Commission questionnaires.			

Purchasers were asked if they varied their purchases from a given supplier based on quarterly price changes. There were 4 affirmative responses, 23 negative responses, and 11 other responses. Many of the other responses were that price does not vary quarterly. Annual contracts are common, and prices are often constant for a year or more.

Purchasers were asked to report the frequency with which they and their customers made purchasing decisions based on the country of origin of certain bearings (see table TRB-II-2). Most purchasers reported that they sometimes or never make decisions on this basis. Purchasers may prefer a specific country because of quality differences, availability, or price. A couple of purchasers stated that Chinese quality was below standard. Responses concerning customers' preferences were similar, although not identical. Several purchasers stated that individual suppliers were more important than the country of origin. Purchasers tended to base purchase decisions on the specific producer, but perceived that their customers did not base purchase decisions on the specific producer to the same degree that they did.

U.S. producers were asked to report average lead times between a customer's order and the delivery of their firms' bearings. Responses were highly variable and ranged from the same day to 1 to 2 years. Commonly reported lead times were 2 to 4 months. One producer stated that new designs require 6 months. Another producer stated that the average lead time for bearings from stock is 3 days, and if the product has to be manufactured, 42-56 days are required. Importer lead times varied between 1 day and 6 to 8 months. One importer reported that sales to distributors are from stock and that OEM delivery takes 12 to 16 weeks. Commonly reported times for overseas delivery were 3 to 4 months.

**Table TRB- II-2****Frequency that purchasers and their customers base purchase decisions on country of origin and specific producers<sup>1</sup>**

Frequency	Country of origin		Specific producer	
	Purchaser	Customer	Purchaser	Customer
Always	4	1	10	0
Usually	5	4	15	6
Sometimes	17	16	14	16
Never	14	14	2	12

<sup>1</sup> Figures indicate the number of purchaser responses in each category.

Note: This table applies to all subject bearings, not just TRBs.

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

**Comparison of Domestic Products and Imports**

Purchasers indicated that TRBs from the subject countries were used interchangeably with U.S.-produced bearings. Several purchasers qualified their affirmative responses by stating that they only responded in regard to countries where they have qualified suppliers. Several purchasers stated that interchangeability and qualification are more company-level issues than country-level. Some speciality parts may only be available from one country. One purchaser stated that bearings for car clutches are made specifically for each car. Given the uniqueness and low volume of potential sales compared to tooling costs, it is unlikely that any other manufacturer would tool to make the part. Warranty issues sometimes affect interchangeability. Despite some specialty products and the need to qualify suppliers, broad interchangeability across countries was reported for TRBs (see table TRB-II-3).

**Table TRB-II-3****Interchangeability of U.S.-produced TRBs with TRBs from subject countries**

Country	Interchangeable	Not interchangeable
China	12	2
Hungary	6	0
Japan	16	0
Romania	12	0
Total	46	2

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

Purchasers were asked to compare the subject products from different sources on the basis of 17 purchase factors. For TRBs, purchasers generally rated the United States and China as comparable; however, the United States was rated superior on technical support and delivery time, and China was

rated superior on lowest price (see figure TRB-II-1). Purchasers rated TRBs from the United States and Japan as comparable on most factors, although the United States was rated superior on delivery time and U.S. transport cost. Only two purchasers responded in regard to TRBs from Romania, and they rated the U.S.-produced TRBs as superior or comparable in all categories except price, in which Romania was rated higher. There were no responses concerning Hungary.

Most purchasers reported that some type of qualification or pre-qualification was required before they would purchase from a supplier. Qualification procedures vary. In some cases, a firm is first qualified and then specific products produced by the firm are approved. The auto industry has the ISO-9000 and QS-9000 certification procedures in which the purchaser performs quality system surveys, and at least six months are required to qualify a new supplier. Most OEMs have some certification process. Romanian respondents have stated that none of the Romanian bearings exported to the United States are pre-certified by OEMs.<sup>7</sup> Chinese respondents similarly assert that they have been unable to qualify with many OEMs due to inferior quality.<sup>8</sup> For example, no Chinese supplier has ever qualified at Caterpillar. Non-certification tends to limit competition to the aftermarket and non-warranty parts of original equipment.

## SIMULATION MODELING

### Inputs Into the Model

The COMPAS model, as formulated here, addresses the question of what would happen in the U.S. market if the orders were revoked. The model examines the effects of removing the duties on China, Japan, and Romania. Base period (1998) imports from Hungary were too small to estimate an effect of removing the duties on Hungary. The elasticity estimates and other inputs into the model are discussed first, and the model results follow.

The domestic supply elasticity for TRBs measures the quantity response of the U.S. industry to a change in the U.S. market price of these products. Based on cost structure, capacity utilization, and the importance of export markets, it is likely that the elasticity of domestic supply ranges from 3 to 6 for TRBs.

The import supply elasticity for TRBs measures the quantity response of the importing countries to a change in the U.S. market price of these products. Based on foreign capacity and shipments to the home market and to third countries, import supply elasticities are estimated to range from 5 to 10 for China and Japan and from 3 to 6 for Romania.

The U.S. demand elasticity for certain bearings measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. Staff reported in the prehearing report that the demand elasticity was likely to range from -0.5 to -1.0. Based on information about substitute products and cost shares that suggest that demand is clearly inelastic, staff now considers this elasticity to range from -0.5 to -0.75 for TRBs.

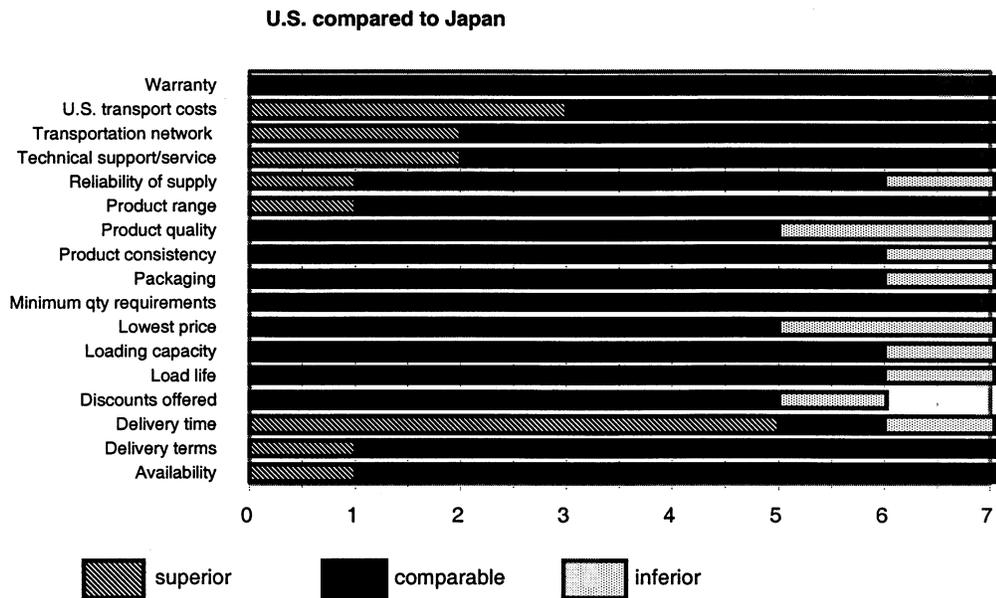
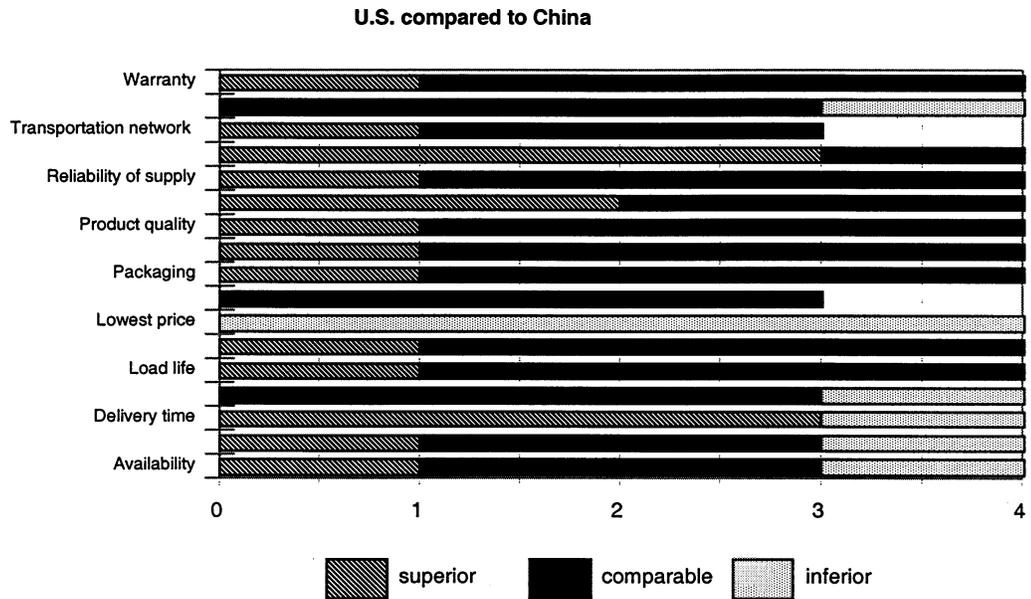
The substitution elasticity is a measure of the degree to which domestically produced TRBs and those from the subject countries are substitutable across a range of possible uses. Based on information concerning product range, quality, availability, and degree of interchangeability, staff stated in the prehearing report that the elasticity of substitution was in the 3 to 5 range for all products and for all countries.

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<sup>7</sup> Tehnoimportexport's posthearing brief, p. 2.

<sup>8</sup> Chinese posthearing brief, pp. 5-7.

**Figure TRB-II-1**  
**Tapered roller bearings: Comparison of U.S. and subject products by listed factors, in number of firms reporting**



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

Japanese respondents have stated that the elasticity of substitution is too high.<sup>9</sup> They state that the Japanese firms now produce the major TRB products demanded in the U.S. market in their plants in the United States and thus have no need to import in large quantities. They state that incentives and requirements of the North American Free Trade Agreement (“NAFTA”), the American Automotive Labeling Act (“AALA”), Corporate Average Fuel Economy (“CAFE”) standards, and the Defense Federal Acquisition Regulation (“DFAR”) and “just-in-time” inventory practices limit the amount of imports.<sup>10</sup> They also state that Japanese-owned domestic producers import most TRBs from Japan and that these are usually models not produced in the United States. They add that these factors suggest an elasticity of substitution in the range of 1 to 2.

Since the original orders, Japanese firms have increased their U.S. production capacity, but these factors are taken into account in the supply elasticities. NAFTA, AALA, and CAFE standards appear to have only small effects on bearings imports because of the small cost share of bearings in the final products in which they are used. Although the Department of Defense requires some parts to be of U.S. origin, this is a small part of the overall market. Domestic suppliers can more easily participate in just-in-time inventory practices, but foreign producers are usually not precluded from participating in them as well. Staff considers the 3 to 5 range to remain valid. To the extent that Romania and China are not certified with OEMs, they may fall in the lower part of this range.

The margin used for China is the unweighted average of the margins for Shanghai Bearing (0 percent) and for the separately identified Chinese exporters as well as those included in the “all others” category, as shown in table TRB-I-2.<sup>11</sup> The margin used for Japan is an unweighted average of the separately identified Japanese exporters and those included in the “all others” category, as shown in table TRB-I-3.<sup>12</sup> Romania has only one country-wide rate for TRBs.

Three demand scenarios were used: no growth, 2.0 percent growth (low-option), and 3.5 percent growth (high option). Supply potential was assumed to be constant for all countries. 1998 c.i.f. values in thousands of dollars and quantities of TRBs in thousands are from table TRB-IV-1. Transportation costs are those reported in table TRB-V-1.

## Model Results

Detailed results are shown in appendix E.<sup>13</sup> Revenue effects on the domestic industry of removing these orders under the zero-demand growth assumption varied from a decrease of 3.5 percent to a decrease of 1.5 percent. Under the 2-percent demand growth assumption, the change in domestic revenue ranged from a negative 1.5 percent to a positive 0.6 percent. Under the 3.5-percent growth assumption, domestic revenue ranged from no change to an increase of 2.1 percent.

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<sup>9</sup> Economic Consulting Services’ Report, March 10, 2000, pp. III-13-III-15.

<sup>10</sup> *Ibid.*, pp. III-12-III-13.

<sup>11</sup> \*\*\*.

<sup>12</sup> The unweighted-average margins were 7.7 percent for China and 16.7 percent for Japan. Margins were also calculated by taking the company-specific margins and weighting them by exports to the United States in 1998 as reported in the foreign producer questionnaire responses. Using this approach, China’s margin was 0.9 percent, and Japan’s margin was 29.5 percent.

<sup>13</sup> Results are shown only for the run with the unweighted-average margins. Using the relatively lower weighted-average Chinese margin and the relatively higher weighted-average Japanese margin, as reported in footnote 12, resulted in larger negative effects on the domestic industry when the orders were removed. Under the zero-demand growth assumption, domestic revenue decreased from 5.8 percent to 2.3 percent. Under the 2-percent demand growth assumption, domestic revenue decreased from 3.8 percent to 0.3 percent. Under the 3.5 percent demand growth assumption, changes in domestic revenue ranged from a negative 2.3 percent to a positive 1.3 percent.



### PART III: U.S. PRODUCERS' TRADE AND FINANCIAL DATA

Information in this part of the report is based upon the questionnaire responses of 12 firms that are believed to account for the vast majority of TRB production in the United States. The respondent TRB producers represented in this section are: American Roller Bearing, General Bearing, Kaydon,<sup>1</sup> Koyo, Nakanishi, NTN, Nucor, Ovako Ajax, RBC, SKF, Timken, and Torrington. \*\*\*.

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

Data on capacity, production, and capacity utilization for TRBs are presented in table TRB-III-1. During the period from 1997 to 1998 capacity to produce TRBs increased by 5.7 percent while production increased by 1.1 percent and capacity utilization decreased by 4.2 percentage points. For the period between January-September 1998 and January-September 1999, capacity increased by 3.2 percent, while production decreased by 1.6 percent and capacity utilization declined by 3.2 percentage points.

**Table TRB-III-1**

**Tapered roller bearings: U.S. producers' capacity, production, and capacity utilization, 1997-98, January-September 1998, and January-September 1999<sup>1</sup>**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Capacity (1,000 bearings)	146,503	154,931	115,865	119,627
Production (1,000 bearings)	145,267	146,863	114,105	112,283
Capacity utilization (percent)	94.5	90.3	93.7	90.5

<sup>1</sup> These data are for complete bearings, and exclude parts other than cups, cone assemblies, and sets of TRBs, which are treated as complete bearings. \*\*\* did not provide capacity data; capacity utilization is based on data from firms providing both capacity and production data.

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

#### U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

The value of U.S. producers' U.S. shipments of TRBs and parts thereof increased by 4.6 percent from 1997 to 1998 while the value of exports increased by \*\*\* percent (table TRB-III-2). From January-September 1998 to January-September 1999, U.S. producers' U.S. shipments of TRBs increased by 4.6 percent in value and exports decreased by \*\*\* percent.

<sup>1</sup> Kaydon did not provide data for the January-September periods of 1998 and 1999.

**Table TRB-III-2**

**Tapered roller bearings and parts thereof: U.S. producers' shipments, by types, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	1,088,422	1,137,894	849,150	888,159
Export shipments	***	***	***	***
Total	***	***	***	***
<b>Quantity (1,000 bearings)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	123,380	124,534	94,867	95,272
Export shipments	***	***	***	***
Total	***	***	***	***
<b>Unit value (per bearing)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	\$8.54	\$8.86	\$8.67	\$9.03
Export shipments	***	***	***	***
Total	***	***	***	***
<p>Note.--Values include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

### U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of TRBs increased by 1.0 percent from 1997 to 1998, then decreased by 7.8 percent between January-September 1998 and January-September 1999 (table TRB-III-3).

**Table TRB-III-3**

**Tapered roller bearings: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999<sup>1</sup>**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Inventories (1,000 bearings)	16,864	17,033	19,817	18,262
Ratio to production (percent)	11.6	11.6	13.0	12.2
Ratio to U.S. shipments (percent)	13.7	13.7	15.7	14.4
Ratio to total shipments (percent)	***	***	***	***

<sup>1</sup> These data are for complete bearings, and exclude parts other than cups, cone assemblies, and sets of TRBs, which are treated as complete bearings.

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

**U.S. PRODUCERS' IMPORTS**

Three U.S. producers, \*\*\*, reported imports of TRBs over the period of these reviews. Data on U.S. producers' imports are presented in table TRB-III-4. \*\*\*'s imports of TRBs represented almost \*\*\* of its total shipments in each of the periods.

**Table TRB-III-4**

**Tapered roller bearings and parts thereof: U.S. producers' shipments of imports, shipments of U.S. production, and ratio of import shipments to total shipments, by value, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**U.S. PRODUCERS' PURCHASES**

Four U.S. producers--\*\*\*--reported purchases of TRBs over the period of these reviews. Table TRB-III-5 presents data on the value of their purchases. \*\*\* noted that it purchased TRBs for the convenience of its customers. \*\*\* responded that, for volume purposes, it is more economical to purchase the TRBs than to manufacture them. \*\*\* reported that it purchases TRBs in response to customer demand.

**Table TRB-III-5**

**Tapered roller bearings: U.S. producers' purchases, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

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

The average number of production and related workers ("PRWs") producing TRBs and parts thereof increased by \*\*\* percent from 1997 to 1998 and then decreased by \*\*\* percent from January-September 1998 to January-September 1999. The number of hours worked increased by \*\*\* percent from 1997 to 1998 and wages paid rose by \*\*\* percent over the same period. For the periods January-September 1998 through January-September 1999, the number of hours worked decreased by \*\*\* percent and wages paid declined by \*\*\* percent. Data on employment, wages, and productivity are presented in table TRB-III-6.

### Table TRB-III-6

**Average number of production and related workers producing tapered roller bearings and parts thereof, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

## FINANCIAL EXPERIENCE OF THE U.S. INDUSTRY

### Background on Tapered Roller Bearings

Eight companies, accounting for more than 98 percent of reported U.S. shipments, provided usable financial data on their operations producing TRBs and parts thereof.<sup>2</sup> Six reporting companies provided financial data using fiscal years which were on a calendar-year basis, while the remaining two companies reported on the basis of a fiscal year that ended March 31.<sup>3</sup> The eight firms differ considerably in terms of their sales values and profitability. \*\*\*. Overall, the ratio of company transfers to total sales is negligible (only \*\*\*). Several companies reported producing such items as rolled rings, other types of bearings, and automotive components in the same facilities where they produced TRBs. These companies used raw materials of U.S. origin predominantly (overall, domestically sourced raw materials accounted for \*\*\* percent of total raw materials, according to company questionnaire responses).

### Tapered Roller Bearing Operations

Income-and-loss data for the eight U.S. producers on their operations producing TRBs and parts thereof are presented in table TRB-III-7. Table TRB-III-8 presents financial information on a company-by-company basis for net sales value, cost of goods sold ("COGS"), operating income or (loss), and the ratios of COGS and operating income or (loss) to net sales.<sup>4</sup>

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<sup>2</sup> Additionally, four companies provided trade data only. These companies are \*\*\*. These four companies accounted for about \$\*\*\* of the difference of \$\*\*\* (73 percent) between the data reported in the trade and financial sections of the Commission's questionnaire in 1998. Overall, the difference between the data reported in the trade and financial sections of the Commission's questionnaire was less than 2 percent of total trade sales reported in 1998.

<sup>3</sup> \*\*\*. Some of the remaining differences between the data reported in the financial and trade sections of the Commission's questionnaire may be attributable to these timing differences.

<sup>4</sup> Because of variations in product mix, producers were not requested to provide quantity-based data for their sales; therefore, the unit value data and variance analyses (which are based on unit values) are not presented.

(continued)  
TRB-III-4

**Table TRB-III-7**

**Results of operations of U.S. producers in the production of tapered roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Table TRB-III-8**

**Net sales, cost of goods sold, operating income, and ratios of COGS and operating income to net sales of U.S. producers, by firms, in the production of tapered roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

The total value of sales increased by \*\*\* between 1997 and 1998, and by \*\*\* between January-September 1998 and the same period in 1999.<sup>5</sup> However, because of increased costs in the categories of COGS and selling, general and administrative (“SG&A”) expenses, operating income fell between 1997 and 1998 by \*\*\*; it then increased by \*\*\* between January-September 1998 and the same period in 1999. The ratios of these cost categories to net sales fluctuated in a similar manner. The decrease in operating income accounted for the decreased cash flow between the two full years while the increase in operating income had a similar effect on cash flow between the two interim periods.

Because one company dominates this segment, changes in Timken’s results tend to influence the results for the segment as a whole. \*\*\*. Other companies were \*\*\*; with the exceptions of \*\*\*, each of the other companies reported \*\*\* during one or more of the periods investigated. In the cases of \*\*\*, these \*\*\* ranged from \*\*\* of net sales.

**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 TRBs and parts thereof are shown in table TRB-III-9. Data on capital expenditures for TRBs and parts thereof, by firms, are shown in table TRB-III-10.

\*\*\* accounted for the bulk of the reported value of property, plant, and equipment, capital expenditures, and R&D expenses as well as a significant share of the increases in those categories during 1997-98 and January-September 1998-99. Four of the eight reporting producers reported R&D expenses; \*\*\* did not report expenses in this category. Capital expenditures increased by \*\*\* percent between 1997 and 1998, but fell sharply (by \*\*\* percent) between January-September 1998 and January-September 1999. The original cost and book value of fixed assets increased slightly during the periods investigated.

**Table TRB-III-9**

**Value of assets, capital expenditures, and R&D expenses of U.S. producers of tapered roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

<sup>4</sup> (...continued)

Results of the verification of \*\*\*’s producers’ questionnaire response have been incorporated into this report.

<sup>5</sup> \*\*\*.

**Table TRB-III-10**

**Capital expenditures of U.S. producers, by firms, in the production of tapered roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Effects of Orders**

Comments by domestic producers regarding the significance of the existing antidumping orders on imports of TRBs from China, Hungary, Japan, and Romania, in terms of their effect on the firms' revenues, costs, profits, cash flow, capital expenditures, R&D expenses, and asset values are presented in appendix D. In that same appendix are comments by domestic producers regarding any anticipated changes in their revenues, costs, profits, cash flow, capital expenditures, R&D expenses, or asset values relating to the production of TRBs in the future if the orders on imports from these countries were revoked.

## **PART IV: U.S. IMPORTS AND THE INDUSTRIES IN CHINA, HUNGARY, JAPAN, AND ROMANIA**

### **U.S. IMPORTS**

According to official Commerce statistics, the value of U.S. imports of TRBs from all sources increased by 20.1 percent from 1997 to 1998 while the value of subject imports increased by 5.3 percent. The value of all imports of TRBs declined by 10.2 percent between January-September 1998 and January-September 1999, while the value of subject imports decreased by 1.7 percent during the same period. Imports from nonsubject countries accounted for over 60 percent of the total value of imports during each period. Data on U.S. imports of TRBs are presented in table TRB-IV-1.

Imports from Japan represented 23.7 percent of the value of all TRB imports in 1998. China and Romania's shares of subject imports in 1998 were 8.5 percent and 0.7 percent, respectively. Hungary's import share was negligible. Canada, Germany, and the United Kingdom accounted for the largest share of imports from nonsubject countries, representing 40.2 percent of all TRB imports by value in 1998.

### **U.S. IMPORTERS' INVENTORIES**

U.S. importers' inventories of TRBs are presented in table TRB-IV-2. Reported inventories of imports of TRBs remained relatively constant for China and Japan, but rose dramatically for Romania from 1997 to 1998. Meanwhile, inventories of TRBs from nonsubject countries increased 96.5 percent.<sup>1</sup> Inventories from all sources increased by 4.7 percent over the same period.

## **THE INDUSTRIES IN CHINA, HUNGARY, JAPAN, AND ROMANIA**

### **China**

Seven producers in China--CMC, Luoyang, Wanxiang, Xiangyang, Xibiei, Yantai Timken, and ZCCBC--submitted completed foreign producer questionnaires.<sup>2</sup> Liaoning and Zhejiang, two exporters, also provided questionnaire responses. Questionnaires were sent to 11 firms believed to be producers of TRBs in China.<sup>3</sup> CMC accounts for almost \*\*\* percent of reported production of TRBs in China. As shown in table TRB-IV-3, China's reported capacity to produce TRBs, and its production, were relatively constant over the period of review. Capacity utilization ranged from about 84 to 88 percent.<sup>4</sup> China's home market and the United States were by far its largest markets. Most Chinese producers note that changes in the development of the Chinese economy and demand for automobiles in their home market

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<sup>1</sup> As noted in table TRB-IV-2, there were no reported inventories of TRBs from Hungary.

<sup>2</sup> These firms are believed to account for substantially less than half of TRB production in China.

<sup>3</sup> Timken has reported that there are approximately \*\*\* major bearing producers in China, as well as an undetermined number of smaller producers. \*\*\*. Information based on affidavit provided by \*\*\*. It was reported that \*\*\* provided this information while visiting Timken \*\*\*. \*\*\*. The affidavit indicated that the Chinese officials also stated that Chinese producers have \*\*\* percent excess capacity based on \*\*\*. Counsel to the Chinese respondents and the China TRB Sunset Coalition provided documentation stating that \*\*\*.

<sup>4</sup> Timken claims, however, that there is \*\*\*. Yantai Timken questionnaire response.

Table TRB-IV-1

Tapered roller bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
China <sup>1</sup>	27,242	23,837	18,431	19,158
Hungary	3	8	4	148
Japan <sup>2</sup>	57,639	66,483	50,059	45,520
Romania	2,695	1,909	1,139	3,627
Subtotal	87,579	92,237	69,634	68,453
Canada	51,089	54,323	41,688	40,459
Germany	19,934	28,935	22,122	18,486
United Kingdom	21,392	29,664	23,524	13,360
All others	53,865	75,738	58,528	52,698
Total	233,859	280,896	215,496	193,456
<b>Quantity (1,000 bearings)</b>				
China <sup>1</sup>	36,480	34,493	27,263	31,163
Hungary	( <sup>3</sup> )	1	1	12
Japan <sup>2</sup>	23,953	29,858	21,524	19,625
Romania	2,703	2,349	1,296	5,747
Subtotal	63,136	66,701	50,083	56,547
Canada	25,332	23,198	17,500	16,908
Germany	755	1,889	1,436	1,630
United Kingdom	2,308	2,501	1,934	1,445
All others	18,572	21,230	14,922	18,464
Total	110,103	115,518	85,876	94,994
<b>Unit value (per bearing)</b>				
China <sup>1</sup>	\$0.71	\$0.61	\$0.59	\$0.56
Hungary	11.39	8.44	4.61	12.25
Japan <sup>2</sup>	2.24	2.10	2.17	2.28
Romania	1.00	0.81	0.88	0.63
Subtotal	1.36	1.42	1.41	1.32

Table continued on next page.

TRB-IV-2

Table TRB-IV-1--Continued

Tapered roller bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Unit value (per bearing)</b>				
Canada	\$2.00	\$2.33	\$2.37	\$2.36
Germany	25.36	14.76	14.94	10.22
United Kingdom	8.93	11.44	11.64	9.03
All others	2.79	3.39	3.73	2.67
Average	2.04	2.32	2.39	1.95
<b>Share of value (percent)</b>				
China	11.6	8.5	8.6	9.9
Hungary	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	0.1
Japan	24.6	23.7	23.2	23.5
Romania	1.2	0.7	0.5	1.9
Subtotal	37.4	32.8	32.3	35.4
Canada	21.8	19.3	19.3	20.9
Germany	8.5	10.3	10.3	9.6
United Kingdom	9.1	10.6	10.9	6.9
All others	23.0	27.0	27.2	27.2
Total	100.0	100.0	100.0	100.0
<b>Share of quantity (percent)</b>				
China	33.1	29.9	31.7	32.8
Hungary	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Japan	21.8	25.8	25.1	20.7
Romania	2.5	2.0	1.5	6.1
Subtotal	57.3	57.7	58.3	59.5

Table continued on next page.

**Table TRB-IV-1--Continued**

**Tapered roller bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Share of quantity (percent)</b>				
Canada	23.0	20.1	20.4	17.8
Germany	0.7	1.6	1.7	1.7
United Kingdom	2.1	2.2	2.3	1.5
All others	16.9	18.4	17.4	19.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<p>1 ***                  2 ***  <sup>3</sup> Less than 500 bearings.  <sup>4</sup> Less than 0.05 percent.</p> <p>Note.—Values are landed, duty-paid, and include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only. Data are based on imports entered under HTS items 8482.20.0020, 8482.20.0030, 8482.20.0040, 8482.20.0060, 8482.20.00.70, 8482.20.0080, 8482.91.0050, 8482.99.4500, 8482.99.1540, 8482.99.1580, 8483.20.4080, and 8483.20.8080.</p> <p>Source: Compiled from official Commerce statistics.</p>				

**Table TRB-IV-2**

**Tapered roller bearings: U.S. importers' end-of-period inventories of imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
* * * * *				
<b>Imports from subject sources:</b>				
Inventories (1,000 bearings)	13,093	13,265	11,718	12,146
Ratio to imports (percent)	22.7	19.0	15.4	14.6
Ratio to U.S. shipments of imports (percent)	21.1	19.4	15.3	14.7
<b>Imports from all other sources:</b>				
Inventories (1,000 bearings)	487	957	848	724
Ratio to imports (percent)	1.6	2.8	2.4	2.2
Ratio to U.S. shipments of imports (percent)	1.7	3.2	2.6	2.3
<b>Imports from all sources:</b>				
Inventories (1,000 bearings)	13,580	14,223	12,566	12,870
Ratio to imports (percent)	15.5	13.9	11.3	11.2
Ratio to U.S. shipments of imports (percent)	15.2	14.6	11.6	11.4
<sup>1</sup> Not applicable.				
Source: Compiled from data submitted in response to Commission questionnaires.				

have created an increased demand for bearings in China. However, Timken argues that demand has decreased since 1997 due to a slowdown in the economy. Questionnaire respondents reported that the tariff on bearings entering China is 12 percent. There are no known antidumping or countervailing duty orders covering imports of Chinese TRBs into third countries. Chinese producers reported shipping TRBs to Argentina, Australia, Austria, Denmark, Israel, Italy, Turkey, and the United Kingdom.

Yantai Timken formed a joint venture with Yantai Bearing Factory in 1996. In its questionnaire response, Timken states that \*\*\*.<sup>5</sup> Timken has invested in \*\*\* since the joint venture was established. Presently, all of Yantai Timken's shipments of TRBs are to the home market. If the orders are revoked, Timken will reconsider whether it will export TRBs to the United States depending on resultant changes in the U.S. market.<sup>6</sup>

<sup>5</sup> *Ibid.*

<sup>6</sup> Hearing transcript, p. 70.

**Table TRB-IV-3**

**Tapered roller bearings: Data for producers in China,<sup>1</sup> 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Quantity (1,000 bearings)</b>				
Capacity	39,750	39,940	29,805	29,725
Production	35,003	34,886	25,173	25,293
End-of-period inventories	6,980	5,356	6,237	5,572
Shipments:				
Internal consumption/transfers	4	5	2	9
Home market	17,843	18,411	13,154	13,647
Exports to:				
United States	10,274	12,440	8,590	7,003
All other markets	5,992	5,673	4,135	4,658
Total exports	16,266	18,113	12,725	11,661
Total shipments	34,113	36,529	25,881	25,317
<b>Ratios and shares (percent)</b>				
Capacity utilization	88.1	87.3	84.5	85.1
Inventories/production	19.9	15.4	18.6	16.5
Inventories/shipments	20.5	14.7	18.1	16.5
Share of total shipments:				
Internal consumption/transfers	0.0	0.0	0.0	0.0
Home market	52.3	50.4	50.8	53.9
Exports to:				
United States	30.1	34.1	33.2	27.7
All other markets	17.6	15.5	16.0	18.4
Total exports	47.7	49.6	49.2	46.1
<sup>1</sup> These firms are believed to account for substantially less than half of TRB production in China.				
Source: Compiled from data submitted in response to Commission questionnaires.				

## Hungary

Table TRB-IV-4 presents data on Daewoo-MGM's production of TRBs in Hungary. Daewoo-MGM is the only known producer of TRBs in Hungary. As reported previously, imports of TRBs from Hungary did not decline until 1993-94 when the company was reorganized and privatized. In its questionnaire response, Daewoo-MGM notes that it \*\*\*.<sup>7</sup> Reported production decreased by almost \*\*\* percent from 1997 to 1998 and fell further in the interim periods, while reported capacity remained constant. As a result, capacity utilization fell to relatively low levels in 1998 and interim 1999. In its questionnaire response, Daewoo-MGM claims that production \*\*\* since the mid-1990s and that the \*\*\*.<sup>8</sup> Third country markets accounted for the \*\*\* of shipments. Hungary's largest markets are \*\*\*.

As noted above, Daewoo-MGM has undergone extensive \*\*\*. The company was privatized in 1996, and Daewoo of Korea owns \*\*\* percent of the company; Hungarian Social Insurance Co., a private firm, owns \*\*\* percent; and company employees own the balance. There are two facilities, as there was at the time of the original investigation, that produce TRBs. \*\*\* was installed in 1992 and other machine modernizations have been incorporated since the order was imposed. The workforce was reduced from more than \*\*\* to fewer than \*\*\* employees. The company also notes that there is strong competition in the Hungarian market, especially from newly privatized eastern European manufacturers. The customs duty on TRB imports into Hungary is 1.9 percent, with a 25-percent VAT. There are no known antidumping or countervailing duty orders covering imports of Hungarian TRBs into third countries.

### Table TRB-IV-4

**Tapered roller bearings: Data for the only known producer in Hungary, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

## Japan

Koyo, NSK, and NTN provided questionnaire responses and reportedly account for the great majority of TRB production in Japan.<sup>9</sup> Maekawa, a smaller producer, also provided a questionnaire response, as did Fuji Heavy Industries, an exporter of subject bearings. Nachi did not provide a questionnaire response \*\*\*.<sup>10</sup> Questionnaires were sent to 29 firms believed to be producers of all subject bearings in Japan. NSK, the second largest world producer of bearings, produces over 70 percent of its bearings in Japan. NTN is Japan's second largest producer of bearings and the world's third largest producer. Koyo is a subsidiary of Toyota Motor Co. Table TRB-IV-5 presents data on production of TRBs in Japan. Production of TRBs decreased by 8.8 percent from 1997 to 1998 and by 3.3 percent in the interim periods. Capacity was fairly constant for the period of review and capacity utilization was above 90 percent. The Japanese market accounted over 60 percent of total shipments. Japanese TRB

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<sup>7</sup> Official Commerce statistics indicate that there were small amounts of TRBs imported from Hungary over the period of these reviews.

<sup>8</sup> Daewoo-MGM questionnaire response.

<sup>9</sup> Koyo and NSK provided two questionnaire responses, one for TRBs four inches and under and one for TRBs over four inches. The data in each company's responses were combined.

<sup>10</sup> Telephone conversation with Peggy Clarke, counsel for Nachi, April 19, 2000.

Table TRB-IV-5

Tapered roller bearings: Data for producers in Japan,<sup>1</sup> 1997-98, January-September 1998, and January-September 1999

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Quantity (1,000 bearings)</b>				
Capacity	149,718	149,073	111,652	112,890
Production	156,008	142,308	107,750	104,218
End-of-period inventories	8,528	8,272	5,674	5,750
Shipments:				
Internal consumption/transfers	2,603	2,317	1,620	1,998
Home market	104,040	91,021	69,018	65,886
Exports to:				
United States	4,874	6,655	5,053	4,268
All other markets	48,153	45,881	35,315	34,121
Total exports	53,027	52,536	40,368	38,389
Total shipments	159,670	145,874	111,006	106,273
<b>Ratios and shares (percent)</b>				
Capacity utilization	104.2	95.5	96.5	92.3
Inventories/production	5.5	5.8	3.9	4.1
Inventories/shipments	5.3	5.7	3.8	4.1
Share of total shipments:				
Internal consumption/transfers	1.6	1.6	1.5	1.9
Home market	65.2	62.4	62.2	62.0
Exports to:				
United States	3.1	4.6	4.6	4.0
All other markets	30.2	31.5	31.8	32.1
Total exports	33.2	36.0	36.4	36.1
<sup>1</sup> These firms are believed to account for nearly all TRB production in Japan.				
Source: Compiled from data submitted in response to Commission questionnaires.				

respondents claim that there are no tariffs or trade barriers on TRB imports into Japan.<sup>11</sup> There are no known antidumping or countervailing duty orders covering imports of Japanese TRBs into third countries.

Japanese TRB producers reported that there is stiff competition among the major TRB manufacturers that dominate the market for TRBs in Japan. The reported production and capacity data presented in table TRB-IV-5 represent almost all TRB production in Japan. All respondents, with the exception of \*\*\*, reported that demand for TRBs in Japan and the United States has increased since the imposition of the finding and order as new products that incorporate TRBs have been introduced into the marketplace. \*\*\* noted that the demand for TRBs has declined in recent years due to global price competition. Japanese TRB respondents also note that the antidumping finding and order have not significantly affected their production capacity, production, home market shipments, exports, or inventories and therefore do not anticipate changes if the finding and order are revoked. Most of the Japanese TRB respondents noted that they cannot easily shift sales to the United States from alternative markets because they sell primarily to OEM customers, and bearings sold to OEM customers must be certified or pre-qualified and thus are not readily interchangeable. Other reasons given for the difficulty in shifting sales from alternative markets to the U.S. market include: preference for U.S.-origin bearings in many applications, DFAR provisions, CAFE standards, NAFTA, just-in-time delivery requirements, and the inability to reduce sales in one market to increase sales in another.

NSK reported the following changes in its facilities in Japan since the imposition of the order:

\* \* \* \* \*

In October 1998, NSK announced a plan to adjust its operations to respond to changes in Japan's domestic market. NSK \*\*\*.

Koyo has \*\*\* plants in Japan that produce TRBs, although it has \*\*\*. On a global basis, Koyo has \*\*\* its production of TRBs pursuant to its corporate strategy to \*\*\*.

### Romania

Questionnaire responses were received from all the known producers of TRBs in Romania. Four companies reported production of TRBs in Romania for the period of these reviews: Timken Romania, S.C. Rulmenti Suceava, S.C. Rulmentul Brasov, and Koyo Romania. Koyo Romania reportedly is the largest producer of TRBs, accounting for almost \*\*\* percent of production in 1998. Reported production of TRBs increased from 1997 to 1998, then declined slightly in the interim periods, while capacity rose steadily. Capacity utilization fluctuated between \*\*\* and \*\*\* percent. Table TRB-IV-6 presents data on production of TRBs in Romania. Romanian producers reported that the tariff on TRBs into Romania is between 7.5 percent and 15 percent. There are no known antidumping or countervailing duty orders covering imports of Romanian TRBs into third countries.

**Table TRB-IV-6**  
**Tapered roller bearings: Data for producers in Romania, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

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<sup>11</sup> In its questionnaire responses and briefs, Timken notes that nontariff trade barriers exist in Japan. TRB-IV-9

There have been two ownership changes in the Romanian industry since the TRB orders. In July 1998, Koyo Seiko acquired \*\*\* percent of a Romanian manufacturing plant and took over its management. Timken purchased a majority ownership of Rulmenti Grei Ploiesti at the end of 1997. Prior to the purchase, the emphasis of the plant was on SRBs and SRs, not TRBs. Since the purchase, Timken has \*\*\*. As a result of the \*\*\*. All other Romanian producers stated that they are not able to \*\*\*.

All Romanian producers except Timken reported that they do not anticipate any changes in terms of their product range or marketing of TRBs. Timken expects to \*\*\*. \*\*\*.<sup>12</sup>

Third country markets accounted for the predominant share of total TRB shipments. Timken reported that it \*\*\*. Timken also noted that it continues to have \*\*\*.<sup>13</sup> All the producers also reported that global demand has been lower than in previous years as a result of a downturn in global industrial markets.

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<sup>12</sup> Timken Romania questionnaire response.

<sup>13</sup> *Ibid.*

## **PART V: PRICING AND RELATED DATA**

### **CHARACTERISTICS OF LIKELY DUMPING**

Company-level detail on dumping margins is presented in part I. The original and sunset dumping duties for TRBs are generally the same for Japan and Romania. For Japan, these range from 0.71 percent to 36.53 percent. For Hungary and Romania, the country-wide margin rates are, respectively, 7.42 and 8.70 percent. Generally, sunset dumping margins for China range from 0.00 percent to 29.4 percent. For more specific details, see part I. Also, as discussed in part I, TRBs and parts thereof imported from countries with normal trade relations ranged from 4.4 percent to 5.8 percent.

### **EXCHANGE RATES**

Nominal and, where possible, real exchange rate indexes of currency from China, Hungary, Japan, and Romania are shown in appendix F. The dollar value of the Chinese renminbi had declined between 1989 and 1994, and has remained relatively fixed since 1994. Since 1988, the Hungarian florint depreciated steadily in real terms. In nominal terms, however, the florint appreciated between 1989 and 1992, depreciated from 1992 to 1994, remained stable from 1994 to 1997, and depreciated again in 1997. In both nominal and real terms, the Japanese yen appreciated between 1990 and 1995 and depreciated between 1995 and 1998. Following real and nominal depreciations in 1995, the Romania lei continued to depreciate in nominal terms while the real value of the currency has appreciated.

### **OTHER FACTORS AFFECTING PRICING**

Most U.S. producers reported that there were no significant changes in the costs of raw materials during the period of review. A couple of producers reported that market demand affects the price of bearings but that changes in raw material prices do not. Several other producers reported that, if raw material costs increased, they would pass them on to the customer. One producer reported that all costs had increased by approximately 4 percent. Most importers reported that raw materials had not affected their selling price, but a large number also reported that they purchase finished bearings and are unaware of the raw material costs.

The difference between the c.i.f. value and customs value of subject U.S. imports provides an indication of the cost to transport TRBs to the U.S. market. As shown in table TRB-V-1, these costs were usually 2 to 3 percent of the total cost at port and ranged from a low of 3.0 percent to a high of 4.3 percent.

U.S. producers reported that their U.S. inland transportation costs were on average 2.5 percent of total delivered costs. U.S. importers reported that their U.S. inland transportation costs averaged approximately 6 percent of total delivered costs. Both U.S. producers and importers tended to make the transportation arrangements themselves, although it was fairly common for the purchaser to make the arrangement, especially in the case of subject imported bearings.

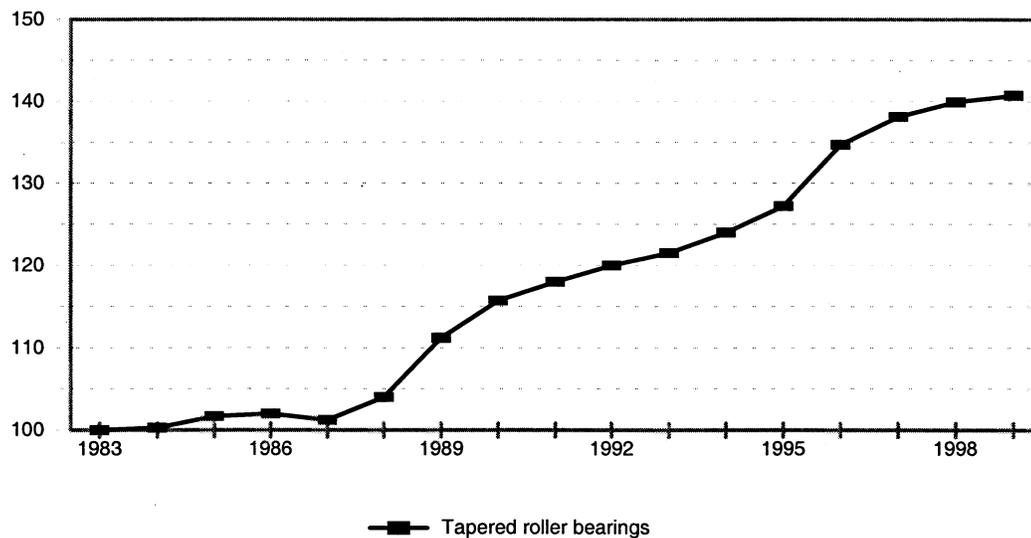
**Table TRB-V-1**  
**Ocean transport costs to the United States in 1998 as a percentage of total cost at port, by subject countries**

Country	Ocean transport cost (percent)
China	3.5
Hungary	( <sup>1</sup> )
Japan	3.0
Romania	4.3
<sup>1</sup> Imports in 1998 were insufficient to compute a percentage for this cell.	
Source: Calculated from official Commerce statistics.	

### PRICING TRENDS

Since 1983, prices of TRBs have increased steadily according to the Bureau of Labor Statistics (“BLS”) producer price index (see figure TRB-V-1). Although the general trend was upward, prices were relatively flat from 1985 to 1987, from 1991 to 1993, and from 1998 to 1999.

**Figure TRB-V-1**  
**Producer price index: Tapered roller bearings, 1983-99**



Source: Bureau of Labor Statistics.

## PRICING PRACTICES

U.S. producers reported various means of establishing prices; however, they tend to negotiate contracts with OEM customers. These contracts often take the form of requirements contracts that last 3 to 5 years, and establish an initial price but allow for annual variation. OEM sales are priced at market levels, whereas price lists are more typically used, at least as a starting point, for sales to distributors. Prices of most custom-made bearings appear to be established on a transaction-by-transaction basis.

Seven out of 23 responding U.S. producers of certain bearings reported granting some types of discounts based on volume of purchase, although several of these did not have a fixed discount policy. Four of the 23 producers reported negotiating discounts on a customer basis, giving special consideration to large customers, and awarding loyalty. Two of the 23 producers reported offering discounts only when forced to by competitive market conditions. Seven of the 23 producers reported that they did not offer discounts.

## PRICE DATA

The Commission requested in its producer and importer questionnaires quarterly quantity and value information from January 1997 to September 1999. Separate pricing data were requested for shipments to distributors and to end users. The 10 TRB products for which pricing information was requested are listed below.

Product 1	LM 11949/10—Sets (TS single row, straight 0.75 inch bore cone and TS single row cup, 1.7810 inches in outside diameter (“OD”)).
Product 2	LM 11949—Cone assemblies (TS single row, straight 0.75 inch bore).
Product 3	25580—Cone assemblies (TS single row, straight 1.75 inch bore).
Product 4	LM 67010—Cups (TS single row cup, 2.328 inches in OD).
Product 5	LM 48548—Cone assemblies (TS single row, 34.925 mm bore, OD 65.088 mm, width 18.034 mm).
Product 6	LM 501349—Cone assemblies (TS single row, 41.275 mm bore, OD 73.431 mm, width 19.558 mm).
Product 7	HM 212049—Cone assemblies (TS single row, straight 2.625 inch bore).
Product 8	HM 212010—Cups (TS single row cup, OD 4.8125 inches).
Product 9	JLM 714110—Cups (TS single row cup, OD 4.53 inches, width 0.98 inches).
Product 10	JLM 104910—Cups (TS single row cup, OD 3.23 inches, width 0.85 inches).

Pricing data were reported for U.S. producers’ shipments and imports from China, Japan, and Romania. The price data cover 8,569,478 TRBs from China (8.39 percent of Chinese imports), 1,993,271 TRBs from Japan (2.78 percent of Japanese imports), \*\*\* TRBs from Romania (\*\*\*) percent of Romanian imports), and 75,228,225 domestically produced TRBs (21.92 percent of U.S. shipments). There were 905 individual reports of quarterly sales.

TRB-V-3

Individual firms reported highly variable quantities of quarterly sales. For example, the minimum, 25th percentile, median, 75th percentile, and maximum number of TRBs reported in the quarterly sales were, respectively, 1; 585; 8,472; 63,502; and 1,801,674. The unit values of the high-volume sales were systematically lower than those of the low-volume sales. This is because the unit costs of setting up the production line are less for large batches than for small ones. Also, large purchasers may have some market power and are able to command a lower price. A regression analysis on the firm-level data indicates that for each one-percent increase in sales volume, unit value decreases by approximately 0.05 percent.<sup>1</sup>

Sales to end users accounted for 84.2 percent of reported sales. The unit values of sales to end users were lower than those to distributors, as indicated by the negative coefficient for sales to end users in the regression equation. Sales to end users were often to large OEMs, which tended to be for greater volumes. Sales to distributors were for smaller quantities and were often destined for the aftermarket.

Price comparisons are reported in tables TRB-V-2 to TRB-V-18. For product 2, sufficient price data were reported only for Chinese imports and the domestic product in the distributor market. For product 6, sufficient price data were reported in the end user market only for Japanese imports and the domestic product. Also, for products 7, 9, and 10, sufficient price data reported in both the distributor and end user markets were only for Japanese imports and the domestic product. There were no price data reported for any countries other than the United States in either the distributor or end-user market for product 8. Thus, no price tables are shown for product 2 in the end user market, nor for product 8.<sup>2</sup>

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<sup>1</sup> The log of unit value was regressed on the log of quantity plus indicator variables to distinguish each product, country, and market type. The coefficients, their values, and t-statistics are shown below. All coefficients were significant, as was the model as a whole. A linear time trend was tested but proved insignificant and is not reported.

Coefficients	Value	Std. Error	t-value	Pr(> t )
log(quantity)	-0.0511	0.0040	-12.6297	0.0000
product1	1.5333	0.0444	34.5717	0.0000
product2	0.9644	0.0521	18.4993	0.0000
product3	2.0497	0.0438	46.7444	0.0000
product4	0.6216	0.0480	12.9462	0.0000
product5	1.4228	0.0462	30.8211	0.0000
product6	1.7001	0.0475	35.8046	0.0000
product7	2.6710	0.0408	65.5147	0.0000
product8	2.4270	0.0449	54.0704	0.0000
product9	2.0612	0.0483	42.6836	0.0000
product10	1.1500	0.0584	19.6858	0.0000
China	-0.9763	0.0352	-27.7728	0.0000
Japan	0.1561	0.0295	5.2852	0.0000
Romania	-0.9702	0.0845	-11.4802	0.0000
end users	-0.2626	0.0221	-11.8718	0.0000

Residual standard error: 0.2921 on 890 degrees of freedom

Multiple R-Squared: 0.954

F-statistic: 1231 on 15 and 890 degrees of freedom, the p-value is 0

<sup>2</sup> Domestic price data for product 8 are as follows (value in dollars, unit values in dollars per bearing, and quantity in number of bearings):

\* \* \* \* \*

**Table TRB-V-2**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-3**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-4**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-5**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-6**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-7**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-8**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-9**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-10**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-11**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-12**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-13**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 7 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-14**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 7 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-15**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 9 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-16**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 9 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-17**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 10 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-18**

**Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 10 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

Pricing comparisons are summarized in table TRB-V-19. Japan had more periods of overselling than underselling. Further, only Japan had periods of overselling, while China and Romania had none. Thus, China and Romania had more periods of underselling than overselling. Likewise, margins of overselling were significantly greater than margins of underselling for Japan, while margins of underselling were greater than margins of overselling for China and Romania. Compared to domestic shipments of TRBs, quantities of bearings undersold (especially Japan) and oversold are relatively small (especially for China and Romania with no bearings oversold). Average margins of underselling per bearing ranged from 62.8 to 74.2 percent for China and Romania. Japan's overselling margins per bearing were greater than its underselling margins per bearing.

The Commission also requested pricing data in its purchaser questionnaires. Sufficient pricing data were reported to produce tables for TRB products 1, 2, 3, 4, 5, and 6 (see tables TRB-V-20 to TRB-V-25). For product 1, imports from China undersold domestic products in each period for which data were reported. For products 2, 3, 4, 5, and 6, imports from China also undersold domestic products in each period for which data were reported, with the exception of overselling in the second quarter of 1999 for product 5. Data were unavailable for the last two quarters of 1998 and first two quarters of 1999 for product 6. Thus, imports from China oversold domestic products in only one instance -- product 5 in the second quarter of 1999.

**Table TRB-V-19**  
**Tapered roller bearings: Summary of underselling and overselling**

Country	1997	1998	January-September 1999
Number of quarters in which underselling occurred			
China	17	26	23
Japan	7	13	14
Romania	0	4	7
Number of quarters in which overselling occurred			
China	0	0	0
Japan	40	42	27
Romania	0	0	0
Average underselling margin per period of underselling			
China	65.4	57.4	64.7
Japan	27.8	10.4	16.8
Romania	(')	67.9	56.6
Average overselling margin per period of overselling			
China	(')	(')	(')
Japan	65.5	27.0	122.3
Romania	(')	(')	(')
U.S. producers' domestic shipments of TRBs reported in pricing data			
U.S. shipments ( <i>number of bearings</i> )	***	***	***
Bearings undersold ( <i>number of bearings</i> )			
China	2,146,149	3,341,233	3,082,086
Japan	2,758	52,497	69,747
Romania	0	***	***
Bearings oversold ( <i>number of bearings</i> )			
China	0	0	0
Japan	1,161,150	369,035	338,084
Romania	0	0	0

Table continued on next page.

**Table TRB-V-19-Continued**  
**Tapered roller bearings: Summary of underselling and overselling**

Country	1997	1998	January-September 1999
<i>Average margin of underselling per bearing undersold (percent)</i>			
China	66.2	68.3	74.2
Japan	8.1	10.4	23.0
Romania	(1)	67.9	62.8
<i>Average margin of overselling per bearing oversold (percent)</i>			
China	(1)	(1)	(1)
Japan	20.3	21.3	24.9
Romania	(1)	(1)	(1)
<sup>1</sup> Not applicable.  Note: The entire database was used for these calculations, and totals could vary slightly from those obtained from the price comparison tables, which may not include instances when only one or two sales were reported.  Source: Calculated from data submitted in response to Commission questionnaires.			

**Table TRB-V-20**  
**Tapered roller bearings: Weighted-average purchaser prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-21**  
**Tapered roller bearings: Weighted-average purchaser prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table TRB-V-22**

**Tapered roller bearings: Weighted-average purchaser prices and quantities of domestic and imported product 3<sup>1</sup> and margins of underselling/(overselling), by quarters, January 1997-September 1999**

Period	United States		China		
	Price (per bearing)	Quantity (bearings)	Price (per bearing)	Quantity (bearings)	Margin (percent)
1997: Jan.-Mar.	\$4.23	846	\$1.37	27,395	67.5
Apr.-June	4.23	640	1.22	87,481	71.2
July-Sept.	4.22	458	1.28	40,183	69.6
Oct.-Dec.	3.17	25,284	1.37	80,121	56.7
1998: Jan.-Mar.	2.18	460	0.69	15,154	68.5
Apr.-June	4.77	538	1.45	15,205	69.6
July-Sept.	3.21	29,209	1.51	99	53.2
Oct.-Dec.	4.14	754	1.53	2,156	62.9
1999: Jan.-Mar.	3.88	433	1.26	5,536	67.6
Apr.-June	3.98	403	1.34	10,025	66.3
July-Sept.	3.24	25,213	1.54	6,344	52.5
<sup>1</sup> Product 3 – 25580--Cone assemblies (TS single row, straight 1.75 inch bore).					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table TRB-V-23**

**Tapered roller bearings: Weighted-average purchaser prices and quantities of domestic and imported product 4<sup>1</sup> and margins of underselling/(overselling), by quarters, January 1997-September 1999**

Period	United States		China		
	Price (per bearing)	Quantity (bearings)	Price (per bearing)	Quantity (bearings)	Margin (percent)
1997:					
Jan.-Mar.	\$0.65	262,364	\$0.48	180,330	26.2
Apr.-June	0.65	261,770	0.45	105,432	31.1
July-Sept.	0.65	263,675	0.48	30,369	26.3
Oct.-Dec.	0.61	548,364	0.47	248,858	22.8
1998:					
Jan.-Mar.	0.65	194,102	0.41	190,643	36.5
Apr.-June	0.65	194,420	0.43	75,867	33.7
July-Sept.	0.65	194,025	0.43	137,563	33.8
Oct.-Dec.	0.61	605,824	0.43	121,354	29.2
1999:					
Jan.-Mar.	0.90	183,026	0.43	194,516	52.6
Apr.-June	0.91	183,748	0.41	108,176	54.4
July-Sept.	0.70	518,055	0.39	5,239	44.1
<sup>1</sup> Product 4 – LM67010–Cups (TS single row cup, 2.328 inches in OD).					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table TRB-V-24**

**Tapered roller bearings: Weighted-average purchaser prices and quantities of domestic and imported product 5<sup>1</sup> and margins of underselling/(overselling), by quarters, January 1997-September 1999**

Period	United States		China		
	Price (per bearing)	Quantity (bearings)	Price (per bearing)	Quantity (bearings)	Margin (percent)
1997: Jan.-Mar.	\$2.20	405,970	\$0.96	4,541	56.4
Apr.-June	2.24	393,762	0.93	22,362	58.5
July-Sept.	2.24	392,137	1.08	181	51.9
Oct.-Dec.	2.17	444,833	1.07	29	50.7
1998: Jan.-Mar.	1.43	218,966	1.08	183	24.6
Apr.-June	1.44	219,330	1.08	112	24.8
July-Sept.	1.43	219,521	1.08	112	24.5
Oct.-Dec.	1.47	273,493	1.07	54	26.9
1999: Jan.-Mar.	1.44	61,651	1.06	4,014	26.6
Apr.-June	1.44	61,246	4.01	9,752	(179.0)
July-Sept.	1.53	112,030	0.71	8,148	53.8

<sup>1</sup> Product 5 – LM 48548–Cone assemblies (TS single row, 34.925mm bore, OD 65.088mm, width 18.034mm).

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

**Table TRB-V-25**

**Tapered roller bearings: Weighted-average purchaser prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**CHAPTER TWO**  
**BALL BEARINGS**



## **PART I: OVERVIEW**

This chapter presents information pertaining to the Commission's reviews involving the antidumping duty orders on BBs from France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom. A summary of the data collected in these reviews is presented in appendix table C-2. U.S. industry data are based on questionnaire responses of 36 firms that are believed to account for the great majority of U.S. production of BBs in 1998. U.S. import data are based on official Commerce statistics. Available comparative data from the original investigations and the current sunset reviews are presented in table BB-I-1. Figure BB-I-1 presents the trends of BB imports from the subject countries and all other sources for the period 1985 to 1999 based on official Commerce statistics.

The value of all imports of BBs increased significantly following imposition of the orders, from \$421.8 million in 1987 to \$979.6 million in 1998. The increase in total BB imports is largely attributable to a sharp rise in nonsubject imports following imposition of the orders. The market share of nonsubject imports increased from 2.8 percent in 1987 to 14.5 percent in 1998. The market share of subject BB imports decreased by 8.2 percentage points over the same period, even though imports of subject BBs, by value, increased by 34.1 percent from 1987 to 1998. Despite continued expansion of BB facilities by Japanese companies in the United States following imposition of the orders, Japanese BB imports increased by 79.4 percent from 1987 to 1998. The value of subject imports from Germany, Italy, Romania, and Sweden decreased from 1987 to 1998. With the exception of Romania, the decrease is most likely attributable to foreign firms switching production to the United States after the orders went into effect.

### **NATURE AND EXTENT OF SALES AT LTFV**

#### **Commerce's Final Results of Its Expedited Sunset Reviews on France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom**

On November 4, 1999, Commerce found that revocation of the antidumping duty orders on BBs from France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom would likely lead to continuation or recurrence of dumping. The antidumping duty orders on BBs were published on May 15, 1989. All orders remain in effect for all producers and/or exporters of subject products, except as noted. The original and sunset margins by country and company are presented in tabulations in the following sections.

**Table BB-I-1**

**Ball bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1985	1986	1987	1997	1998	Jan.- Sept. 1998	Jan.- Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>							
<b>U.S. consumption:</b>							
Value	1,684,652	1,592,722	1,590,606	3,206,879	3,252,975	2,348,532	2,273,429
U.S. producers' share	77.3	74.5	73.4	70.5	69.9	68.1	70.4
<b>Importers' share:</b>							
France	0.6	0.9	1.0	0.7	0.8	0.8	0.6
Germany	2.8	3.6	4.3	1.5	1.5	1.5	1.4
Italy	1.3	2.2	1.4	0.6	0.6	0.7	0.5
Japan <sup>1</sup>	11.9	12.1	12.4	10.8	10.8	11.6	9.2
Romania	0.6	0.6	0.7	0.1	0.1	0.1	0.1
Singapore	1.3	1.3	1.4	1.4	1.3	1.4	1.2
Sweden	0.4	0.6	0.7	0.1	0.1	0.1	0.1
United Kingdom	0.7	0.9	0.9	0.5	0.5	0.5	0.4
Subtotal <sup>2</sup>	20.2	23.0	23.8	15.8	15.6	16.8	13.5
All others	2.6	2.5	2.8	13.8	14.5	15.1	16.1
Total imports	22.7	25.5	26.6	29.5	30.1	31.9	29.6
<b>Value of U.S. imports from:</b>							
France	10,666	14,481	16,343	23,900	24,832	18,830	13,147
Germany	47,811	57,755	68,340	48,999	47,482	36,060	31,768
Italy	22,643	34,448	22,719	18,323	19,435	16,446	11,274
Japan <sup>1</sup>	200,002	192,200	196,051	347,409	351,652	273,290	209,765
Romania	9,742	8,970	10,812	3,360	2,671	2,110	1,555
Singapore	21,576	20,811	22,073	45,548	42,690	33,275	28,366
Sweden	7,191	9,011	11,278	3,017	2,751	2,026	2,436
United Kingdom	11,920	13,595	13,601	17,231	14,862	11,520	8,701
Subtotal <sup>2</sup>	339,761	365,580	377,553	507,787	506,374	393,557	307,011
All others	43,206	40,371	44,292	439,475	473,187	355,398	366,125
Total imports	382,967	405,951	421,845	947,262	979,561	748,955	673,136

Table continued on next page.

BB-I-2

**Table BB-I-1--Continued**

**Ball bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1985	1986	1987	1997	1998	Jan.- Sept. 1998	Jan.- Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>							
<b>U.S. producers':</b>							
Capacity	295,556	265,295	258,907	609,982	640,673	492,518	470,064
Production	215,097	194,834	198,630	464,295	449,413	360,631	338,359
Capacity utilization	72.8	73.4	76.7	76.1	70.1	73.2	72.0
U.S. shipments	1,301,685	1,186,771	1,168,827	2,259,617	2,273,414	1,599,577	1,600,293
Export shipments	105,380	117,486	117,128	228,341	247,102	172,131	175,199
Production workers	12,937	12,029	11,681	12,278	12,284	12,178	11,301
Hours worked	27,661	26,050	25,339	27,637	27,428	20,243	19,030
Net sales	1,455,208	1,332,555	1,327,502	2,258,695	2,250,458	1,672,679	1,687,010
COGS	1,158,409	1,081,317	1,101,005	1,862,058	1,860,427	1,396,182	1,392,015
Gross profit or (loss)	296,799	251,238	226,497	396,637	390,031	276,497	294,995
Operating income or (loss)	126,081	94,543	88,760	170,255	148,126	95,424	106,776
Operating income or (loss) margin	8.7	7.1	6.7	7.5	6.6	5.7	6.3

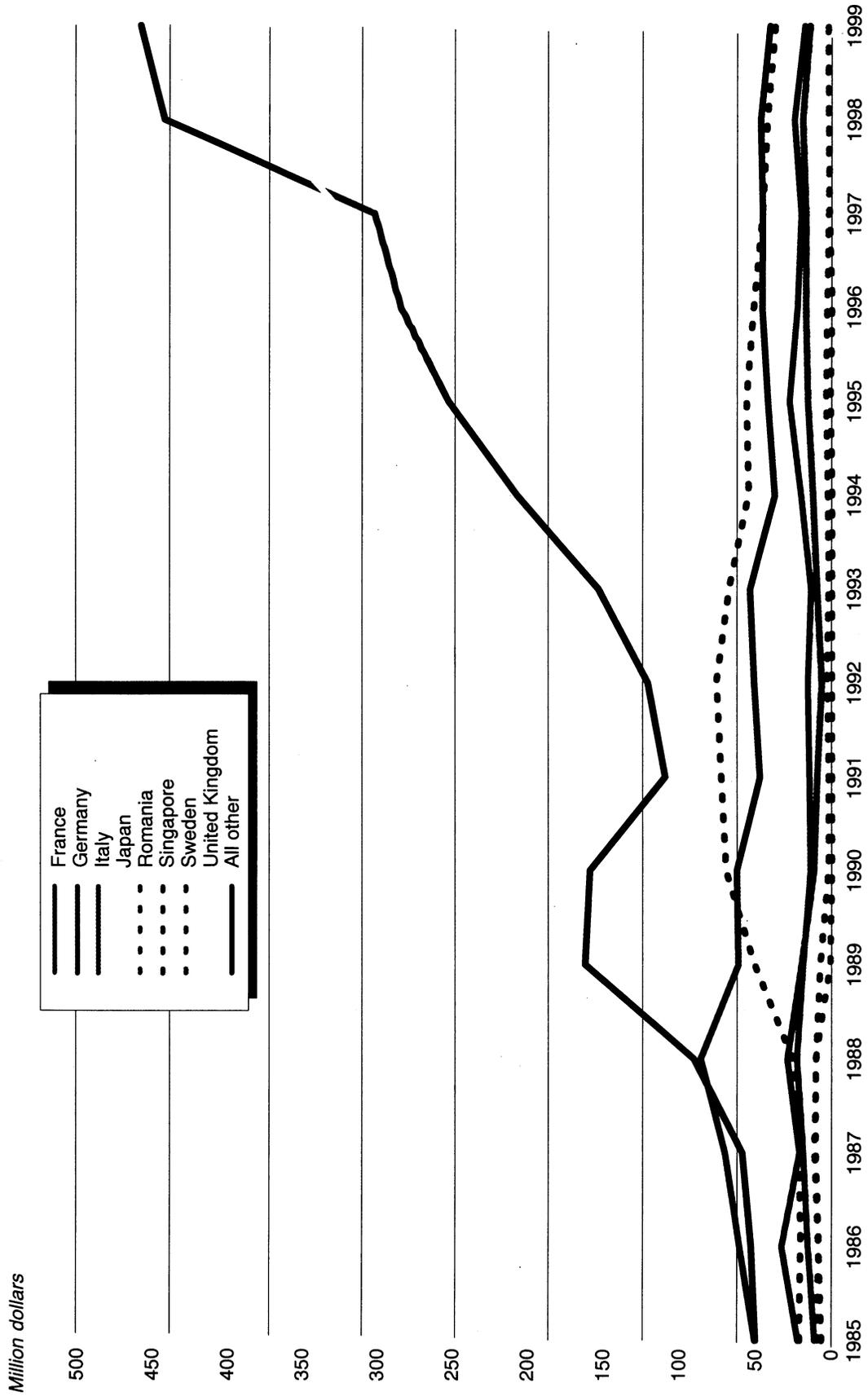
<sup>1</sup> \*\*\*

<sup>2</sup> Includes imports from Thailand, which was a subject country in the original investigations.

Note.--Because of rounding, figures may not add to the totals shown. Capacity and production data are in quantity; shipments and profit-and-loss data are in value.

Source: Data for 1985-87 compiled or derived from data in Staff Report to the Commission on Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391-399 (Final); all data for 1997-99 compiled from data submitted in response to Commission questionnaires and official Commerce statistics.

**Figure BB-I-1**  
**Ball bearings: U.S. imports from France, Germany, Italy, Japan, Romania, Singapore, Sweden, the United Kingdom, and all other sources, 1985-99**



Source: Data compiled from official Commerce statistics.

## France

In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed by French BB producers. The margins from the 1997-98 administrative review, adjusted for duty absorption, were lower than the rates from the original investigation; therefore, Commerce's final results of its expedited sunset review for France use the dumping margins calculated in the original investigation, as presented in the tabulation below. Commerce found that the margins calculated in the original investigation are probative of the behavior of the subject producers and/or exporters if the order were revoked as they are the only margins that reflect their behavior absent the discipline of the order.<sup>1</sup>

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	INA	66.18	66.18
Ball	SKF	66.42	66.42
Ball	SNR	56.50	56.50
Ball	All others	65.13	65.13

## Germany

In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed by German BB producers.<sup>2</sup> The margins found in the administrative reviews, adjusted for duty absorption, were lower than the rates from the original investigation. As a result, Commerce's final results of its expedited sunset review for Germany use the dumping margins calculated in the original investigation, as presented in the tabulation below. Commerce found that the margins calculated in the original investigation are probative of the behavior of the subject producers and/or exporters if the order were revoked as they are the only margins that reflect their behavior absent the discipline of the order.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	SKF	132.25	132.25
Ball	FAG	70.41	70.41
Ball	INA	31.29	31.29
Ball	GMN	35.43	35.43
Ball	All others	68.89	68.89

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<sup>1</sup> On April 6, 2000, Commerce preliminarily determined to revoke the order with respect to SNFA France. See 65 F.R. 18033.

<sup>2</sup> With respect to BBs from Germany, the CIT remanded to Commerce to annul all findings and conclusions made pursuant to its duty absorption inquiry conducted for the ninth administrative review (1997-98) on the basis that Commerce lacked statutory authority to conduct a duty absorption inquiry because the review was not "initiated two years or four years after the publication of the (original) antidumping order" as provided in the statute, 19 U.S.C. §1675(c)(6)(D). SKF USA, Inc., et al. v. United States, Slip Op. 00-32 (March 22, 2000). BB-I-5

## Italy

The BB order on Italy covers imports from all Italian producers and/or exporters of BBs. Commerce issued duty absorption findings for two producers and/or exporters of BBs from Italy in the 1995-96 and 1997-98 administrative reviews. The administrative review margins, adjusted for duty absorption, were lower than the margins found in the original order. Therefore, Commerce determined that the margins calculated in the original investigation are the only rates that reflect the behavior of exporters without the discipline of the order in effect. The tabulation below presents the original and sunset margins for BBs from Italy.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	SKF	69.99	69.99
Ball	FAG	68.29	68.29
Ball	All others	155.57	155.57

## Japan

Commerce made duty absorption findings in the 1995-96 and 1997-98 administrative reviews on BBs from Japan. The administrative review margins, adjusted to account for duty absorption, are lower than the margins from the original investigation or from the first administrative review of this order, with the exception of those for NPBS.<sup>3</sup> Commerce found that NPBS was absorbing duties on BBs in both of the above-cited administrative reviews. For purposes of considering duty absorption in the sunset review, Commerce relied on the level of duty absorption found in the 1997-98 administrative review. The adjusted rate was higher than the rate from the 1996-97 administrative review (the rate Commerce would have otherwise reported). Therefore, Commerce used the adjusted rate as NPBS's sunset margin. For all other companies Commerce found that the margins calculated in the original investigation or the first administrative review are probative of the behavior of Japanese producers and/or exporters absent the discipline of the order.<sup>4</sup> The original and sunset margins for BBs from Japan are presented in the tabulation below.

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<sup>3</sup> Commerce's *Sunset Policy Bulletin* provides that, where Commerce has found duty absorption, it will provide to the Commission the higher of the margin that Commerce otherwise would have reported (usually the results of the original determination) or the most recent margin for that company, adjusted to account for Commerce's findings on duty absorption.

<sup>4</sup> On February 28, 1995, Commerce revoked the order with respect to Honda. See 60 F.R. 10900.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	Nippon Pillow Block	2.55	2.55
Ball	Koyo	73.55	73.55
Ball	Minebea	106.61	106.61
Ball	Nachi	48.69	48.69
Ball	NSK	42.99	42.99
Ball	NTN	21.36	21.36
Ball	All others	45.83	45.83

### Romania

In its expedited sunset review, Commerce determined that the margins calculated in the original investigation covering BBs from Romania are probative of the behavior of Romanian producers and/or exporters if the order were revoked, as they are the only rates that reflect the behavior of these producers and exporters without the discipline of the order.<sup>5</sup> Commerce made no duty absorption findings with respect to this order. The original and sunset margins applicable to BBs from Romania are presented in the following tabulation.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	TIE	39.61	39.61
Ball	All others	39.61	39.61

### Singapore

The original margins from the order covering BBs from Singapore and the sunset margins are presented in the tabulation below. Commerce determined that NMB/Pelmec was absorbing duties in the 1995-96 administrative review. The margins adjusted to account for the duty absorption finding were lower than the margins from the original investigation. As a result, Commerce determined that the margins calculated in the original investigation were probative of the behavior of Singaporean producers and/or exporters if the order were revoked as they are the only rates that reflect the behavior of these producers and exporters without the discipline of the order.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	NMB/Pelmec	25.08	25.08
Ball	All others	25.08	25.08

<sup>5</sup> On April 6, 2000, Commerce preliminarily determined to revoke the order on BB imports from Romania as it pertains to TIE's sales of merchandise. See 65 F.R. 18033.

## Sweden

The original margins and the sunset margins for BBs from Sweden are presented in the tabulation below. Commerce issued duty absorption findings for SKF for BBs from Sweden in the 1995-96 and 1997-98 administrative reviews. In both the 1995-96 and 1997-98 administrative reviews, the margins adjusted to account for duty absorption are lower than the margins Commerce found in its original determination. As a result, Commerce found that the margins calculated in the original investigation are the only calculated rates that reflect the behavior of the exporters without the discipline of the order.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	SKF	105.92	105.92
Ball	All others	105.92	105.92

## United Kingdom

Commerce found that duty absorption existed on Barden's exports of BBs and NSK/RHP's exports of BBs in its 1995-96 and 1997-98 administrative reviews. With respect to Barden, the "all others" rate from the original investigation was higher than the margin Commerce adjusted to account for duty absorption; therefore, Barden's sunset margin is the "all others" margin from the original investigation. For NSK/RHP, the margin from the original investigation for BBs was higher than the rate adjusted for duty absorption, so the sunset margin is the same as the rate from the original investigation. The original and sunset margins for BBs from the United Kingdom are presented in the tabulation below.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Ball	Barden	( <sup>1</sup> )	54.27
Ball	NSK/RHP	44.02	44.02
Ball	SKF	61.14	54.27 <sup>2</sup>
Ball	All others	54.27	54.27

<sup>1</sup> Commerce provided a margin based on the "all others" rate from the original investigation because Barden was not involved in the original antidumping investigation.

<sup>2</sup> SKF was assigned an "all others" rate for its sunset margin.

## Administrative Reviews on France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom

### France

There have been nine administrative reviews on BBs from France since the order was imposed. The results of those reviews are presented in table BB-I-2. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table BB-I-2**  
**Results of administrative reviews relating to ball bearings from France**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31748)	7.79
SNECMA			0.21
Fiat Avio			0.00
ADH			2.64
Turbomeca			6.85
Pratt Whitney			4.33
SNR			2.03
INA			66.42
SNFA			66.42
Dowty			0.00
All others			7.79
ADH	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	7.17
Dassault			11.42
Fiat Avio			0.15
INA			66.42
MBB			0.19
Pratt & Whitney			9.37
SKF			8.56
SNFA			66.42
SNR			8.08
SNECMA			6.20
Turbomeca			6.76
All others			15.96
Dassault			5/1/91-4/30/92
SKF	1.97		
SNFA	66.42		
SNR	1.13		
SNECMA	0.05		
Turbomeca	0.00		
Valeo	66.42		
All others	65.13		

BB-I-9

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Franke & Heydrich	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	66.42
SKF			3.74
SNFA			66.42
SNR			1.89
AVIAC	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	0.47
Franke & Heydrich			66.42
INA			66.42
SKF			3.75
SNFA			66.42
SNR			0.73
Technofan			14.59
Franke GmbH <sup>5</sup>	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>6</sup>	66.42
Intertechnique			1.55
SKF			16.61
SNFA			66.42
SNR			3.05
SKF <sup>7</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	10.80
SNFA			66.42
SNR <sup>7</sup>			8.60
SKF	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	8.31
SNFA			0.45
SKF <sup>7</sup>	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	7.40
SNFA			0.41
SNR <sup>7</sup>			0.31

- <sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  
<sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  
<sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  
<sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  
<sup>5</sup> Formerly Franke & Heydrich.  
<sup>6</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997.  
<sup>7</sup> Commerce made a duty absorption finding in this instance.

Source: Final results of cited administrative reviews.

## Germany

There have been nine administrative reviews on BBs from Germany since the order was imposed. The results of those reviews are presented in table BB-I-3. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table BB-I-3**  
**Results of administrative reviews relating to ball bearings from Germany**

Producer/ exporter	Period of review	Date review results issued	Margin ( <i>percent</i> )
Dowty Rotal	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31692)	8.11
FAG			11.93
Fiat Avio			12.86
GRW			0.14
GMN			2.84
HDM			0.00
INA			10.56
MBB			0.00
NWG			51.56
NTN-FRG			5.36
Pratt & Whitney			5.25
SKF-FRG			5.25
ZF			42.72
All others			51.56
ADH	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	24.02
FAG			20.10
FiatAvio			4.14
GMN			0.29
INA			19.90
MBB			1.32
NWG			6.69
Pratt & Whitney			11.10
SKF			12.08
All others			24.02

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
FAG	5/1/91-4/30/92	July 26, 1993 58 F.R. (39729) <sup>2</sup>	11.81
Fichtel & Sachs			6.79
GMN			0.07
INA			22.74
NTN			0.22
SKF			14.81
All others			68.89
FAG	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	11.83
Fichtel & Sachs			14.83
Franke & Heydrich			132.25
GMN			35.43
INA			23.19
NTN			8.41
SKF			15.53
Cross-Trade	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	132.25
EXTA			68.89
FAG			13.06
Fichtel & Sachs			19.60
Franke & Heydrich			132.25
INA			31.29
NTN			12.50
SKF			2.67
SNR			3.69
FAG	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	13.43
Franke			132.25
INA			19.50
NTN			18.38
SKF			2.53
FAG <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	12.40
INA <sup>6</sup>			49.62
NTN <sup>6</sup>			9.44
SKF <sup>6</sup>			4.25

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Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	2.26
SKF <sup>6</sup>	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	1.23
FAG <sup>6</sup>			2.93
INA <sup>6</sup>			7.38
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on June 13, 1995 and September 26, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

## Italy

Commerce has conducted nine administrative reviews with respect to BBs from Italy. The results of those reviews are presented in table BB-I-4. The order covers all producers/exporters of BBs. Duty absorption findings are noted where relevant.

**Table BB-I-4**  
**Results of administrative reviews relating to ball bearings from Italy**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
FAG-Cuscineti	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31751)	4.40
Meter			11.67
FiatAvio			0.00
RIV-SKF			4.06
SNECMA			0.78
Somecat			155.99
Dowty Rotol			11.67
All others			11.67
ADH	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	0.24
FAG			6.14
FiatAvio			3.13
Meter			8.32
SKF			10.00
All others			10.00

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
FAG	5/1/91-4/30/92	July 26, 1993( 58 F.R. 39729) <sup>2</sup>	5.19
Meter			1.27
SKF			4.46
SNECMA			0.00
All others			155.57
FAG	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	2.74
Meter			2.62
SKF			3.79
FAG	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	1.79
Meter			3.75
SKF			3.26
FAG	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	5.15
SKF			2.97
FAG <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	1.76
SKF <sup>6</sup>			3.59
FAG	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	1.18
SKF			3.61
Somecat			0.00
FAG <sup>6</sup>	5/1/97-4/30/98	July 1, 1999 (64 F.R. 35590)	0.96
SKF <sup>6</sup>			3.42
Somecat			0.45
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

## Japan

Commerce has conducted nine administrative reviews on BBs from Japan since the order was imposed. The results of those reviews are presented in table BB-I-5. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table BB-I-5**  
**Results of administrative reviews relating to ball bearings from Japan**

<b>Producer/ exporter</b>	<b>Period of review</b>	<b>Date review results issued</b>	<b>Margin (percent)</b>
Asahi Seiko	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31754)	45.83
Fujino Iron Works			2.67
Honda Motor			2.19
IJK			17.58
Isuzu			0.90
Izumoto Seiko			8.50
Japanese Aero			106.61
Koyo			9.82
Minebea			106.61
Nachi			10.72
Nakai Bearing			12.62
Nankai Seiko			15.18
Nippon			45.83
NSK			6.33
NTN-Japan			14.23
Osaka			0.59
Showa			19.00
Takeshita			0.66
Tottori			5.70
Wada			23.88
Yamaha	0.08		
All others			23.88
Asahi	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	0.01
FiatAvio			2.33
Fujino			1.80
Honda			0.04
IJK			8.26
Izumoto			12.18
Koyo			8.89
Minebea			106.61

<b>Producer/ exporter</b>	<b>Period of review</b>	<b>Date review results issued</b>	<b>Margin (percent)</b>
Nachi	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	7.85
Nakai			6.36
Nankai			9.22
NPBS			45.83
NSK			7.22
NTN			2.24
Osaka Pump			0.89
Showa			7.31
Takeshita			0.84
Tottori			3.29
Uchiyama			45.83
Wada			16.71
Yamaha			45.83
All others			16.71
Asahi	5/1/91-4/30/92	July 26, 1993 58 F.R. (39729) <sup>2</sup>	0.50
Fujino			1.58
Honda			0.24
IJK			0.64
Izumoto			3.64
Koyo			7.55
Nachi			5.02
Nakai			6.17
Nankai			13.11
NPB			7.42
NTN			2.60
Osaka Pump			1.04
Showa			14.76
Takeshita			5.00
Torttori			0.80
All others			45.83

<b>Producer/ exporter</b>	<b>Period of review</b>	<b>Date review results issued</b>	<b>Margin (percent)</b>
Honda	5/1/92-4/30/93	February 28, 1995 60 F.R. (10900) <sup>3</sup>	0.37
IKS			8.72
Koyo			39.56
Nachi			12.46
Nankai			1.06
NPBS			18.00
NSK			10.47
NTN			13.90
Takeshita			14.58
Asahi			5/1/93-4/30/94
Izumoto	2.28		
Koyo	14.90		
Minamiguchi	106.61		
Nachi	13.79		
Naniwa	106.61		
Nankai	0.55		
Nichimen	106.61		
NPBS	45.83		
NSK	19.39		
Nippon Thompson	10.16		
Nissho	106.61		
NTN	14.34		
Origin Electric	106.61		
Sanken	106.61		
Taikoyo	106.61		
Takeshita	0.89		
THK	106.61		
TOK Bearing	106.61		
Tomen	106.61		
Tsubakimoto	7.77		

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Asahi	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	2.65
Koyo			18.90
NPB			45.83
NSK			12.81
NTN			4.01
Koyo <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	14.20
NPBS <sup>6</sup>			16.70
NSK <sup>6</sup>			9.88
NTN <sup>6</sup>			7.10
Nachi <sup>6</sup>			12.89
Koyo	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	6.17
Nachi			3.37
NPBS			2.30
NSK			2.35
NTN			7.10
Koyo <sup>6</sup>	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	7.23
Nachi <sup>6</sup>			4.33
NPBS <sup>6</sup>			1.20
NSK <sup>6</sup>			1.12
NTN <sup>6</sup>			6.13
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

## Romania

Commerce has conducted six administrative reviews on BBs from Romania since the order was imposed. The results are shown in table BB-I-6. The order on BBs from Romania covers imports from all known Romanian producers and/or exporters. Commerce has issued no duty absorption findings with respect to this order.

**Table BB-I-6**  
**Results of administrative reviews relating to ball bearings from Romania**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
TIE	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31757)	1.85
All others			1.85
TIE	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360)	0.00
All others			0.00
TIE	5/1/93-4/30/94	June 13, 1997 (62 F.R. 32292)	0.00
All others			39.61
TIE	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081)	( <sup>1</sup> )
All others			39.61
TIE	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043) <sup>2</sup>	0.20
All others			39.61
TIE	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320) <sup>3</sup>	0.02
All others			39.61
<sup>1</sup> Review terminated on July 8, 1996, 61 F.R. 35713. <sup>2</sup> Results of 1995-96 review were amended on November 20, 1997, 62 F.R. 61963. <sup>3</sup> Results of 1996-97 review were amended on July 31, 1998, 63 F.R. 40878. Source: Final results of cited administrative reviews.			

**Singapore**

Commerce has conducted eight administrative reviews on BBs from Singapore since the order was imposed. The results are shown in table BB-I-7. The order on BBs from Singapore covers imports from all known Singaporean producers and/or exporters. Commerce issued a duty absorption finding for NMB/Pelmec in the 1995-96 administrative review.

**Table BB-I-7**  
**Results of administrative reviews relating to ball bearings from Singapore**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
NMB/Pelmec	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31748)	4.85
All others			4.85
NMB/Pelmec	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	4.51
All others			4.51
NMB/Pelmec	5/1/91-4/30/92	July 26, 1993( 58 F.R. 39729) <sup>2</sup>	8.54
All others			25.08
NMB/Pelmec	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	4.84

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
NMB/Pelmec	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	12.47
NMB/Pelmec	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	2.43
NMB/Pelmec <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	2.10
NMB/Pelmec	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	5.33
<p><sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997.  <sup>6</sup> Commerce made a duty absorption finding in this instance.</p>			
Source: Final results of cited administrative reviews.			

## Sweden

Commerce has conducted eight administrative reviews on BBs from Sweden since the order was imposed. The results are shown in table BB-I-8. In the 1995-96 and 1997-98 administrative reviews, Commerce determined that duty absorption occurred. Duty absorption findings are noted where relevant.

**Table BB-I-8**  
**Results of administrative reviews relating to ball bearings from Sweden**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31762)	6.43
All others			6.43
SKF	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	8.27
All others			8.27
SKF	5/1/91-4/30/92	July 26, 1993( 58 F.R. 39729) <sup>2</sup>	7.79
All others			180.00
SKF	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	16.41
SKF	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	2.22
SKF <sup>5</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	12.62
SKF	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	11.61
SKF <sup>5</sup>	5/1/97-4/30/98	July 1, 1999 (64 F.R. 35590)	2.87
<p><sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  <sup>5</sup> Commerce made a duty absorption finding in this instance.</p>			
Source: Final results of cited administrative reviews.			

## United Kingdom

Commerce has conducted nine administrative reviews on BBs from the United Kingdom since the order was imposed. The results are shown in table BB-I-9. In the 1995-96 and 1997-98 administrative reviews, Commerce determined that duty absorption occurred. Duty absorption findings are noted where relevant.

**Table BB-I-9**  
**Results of administrative reviews relating to ball bearings from the United Kingdom**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Barden	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31762)	14.73
Dowty Rotol			10.71
FAG UK			20.89
Pratt & Whitney			6.03
RHP			15.96
Rolls-Royce			2.74
SKF-UK			4.92
All others			20.89
Barden	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	0.84
FAG UK			46.53
RHP			16.21
SKF			14.24
All others			46.53
Barden/FAG	5/1/91-4/30/92	July 26, 1993( 58 F.R. 39729) <sup>2</sup>	8.90
All others			54.27
Barden	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	4.86
RHP/NSK			14.57
Barden	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	1.49
FAG			3.32
NSK/RHP			10.21
NSK-RHP	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	20.25
Hoffman			61.14
Rose			61.14
NSK <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	16.49
Barden <sup>6</sup>			4.00

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Barden	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	6.63
NSK-RHP			17.14
SNFA			58.20
Barden <sup>6</sup>	5/1/97-4/30/98	July 1, 1999 (64 F.R. 35590)	2.89
NSK-RHP <sup>6</sup>			21.02
SNFA			0.00
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

### Antidumping Duties Collected

Table BB-I-10 presents the actual amount of customs duties collected under the BB antidumping duty orders from 1994 to 1998. Total duties collected pursuant to the BB orders ranged from \$41.1 million to \$54.9 million per year during this period, while the total value of imports ranged from \$375.7 million to \$449.7 million.

### THE SUBJECT PRODUCT

For purposes of these reviews, Commerce has generally defined BBs and parts thereof, whether mounted or unmounted, as antifriction bearings that employ balls as the rolling element. Included in the scope are antifriction balls; inner and outer races; BBs with integral shafts; other BBs (including thrust, angular contact, and radial BBs) and parts thereof; ball bearing type pillow blocks and parts thereof; ball bearing type flange, take-up, cartridge, and hanger units and parts thereof; and wheel hub units incorporating balls as the rolling element. All finished parts are included within the scope of the reviews; however, unfinished parts are included only if they have been heat treated, or if heat treatment is not required to be performed on the part. BBs and parts for BBs are classified under the following HTS subheadings: 8482.10.10, 8482.10.50, 8482.80.00, 8482.91.00, 8482.99.05, 8482.99.35, 8483.20.40, and 8483.20.80. Additional parts, products that contain BBs, and items that were included as a result of scope determinations following the original investigations<sup>6</sup> are classified under HTS subheadings 3926.90.45, 4016.93.10, 4016.93.50, 6909.19.50, 8431.20.00, 8431.39.00, 8482.99.25, 8482.99.65, 8483.50.90, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.60.80, 8708.93.30, 8708.99.80, 8803.10.00, 8803.20.00, 8803.30.00, 8803.90.30, and 8803.90.90.

<sup>6</sup> A description of scope rulings issued by Commerce, including a list of specific products covered and excluded under the orders on antifriction bearings other than TRBs, is presented in app. G.

Table BB-I-10

Ball bearings: Actual duties collected and imports from subject countries, fiscal years 1994-98<sup>1</sup>

Order date	Product/country	Duties collected				
		Imports				
		1994	1995	1996	1997	1998
5/15/89	Ball bearings/France	\$1,914,840	\$2,736,684	\$2,994,132	\$3,503,086	\$3,219,876
		24,180,329	33,150,461	31,836,650	24,581,420	25,792,697
5/15/89	Ball bearings/Germany	7,917,571	9,846,000	8,060,263	7,346,315	7,846,558
		36,897,822	36,001,238	33,662,216	35,369,579	35,266,876
5/15/89	Ball bearings/Italy	2,123,052	1,921,323	2,090,723	1,750,905	1,647,370
		20,059,181	20,466,500	24,128,356	24,416,371	21,609,112
5/15/89	Ball bearings/Japan	31,728,316	35,214,503	35,172,861	30,635,246	24,440,558
		251,881,799	286,311,264	241,906,164	226,813,556	239,931,517
5/15/89	Ball bearings/Romania	55,684	60,061	104,397	38,547	2,135
		264,766	1,324,204	1,387,385	2,254,022	3,035,749
5/15/89	Ball bearings/Singapore	16,956	39,233	38,602	34,719	7,435
		52,575,181	52,957,969	50,795,386	42,755,141	43,314,378
5/15/89	Ball bearings/Sweden	0	1,511,301	2,163,052	1,330,337	1,222,191
		4,013,069	5,120,736	6,004,984	4,998,835	4,705,220
5/15/89	Ball bearings/United Kingdom	3,343,230	3,576,141	2,580,030	2,877,169	2,737,373
		11,305,814	14,325,378	14,027,460	14,473,785	13,730,620
<b>Total duties collected</b>		47,099,649	54,905,246	53,204,060	47,516,324	41,123,496
<b>Total value of imports</b>		401,177,961	449,657,750	403,748,598	375,662,709	387,386,169
<sup>1</sup> The federal fiscal year is October 1-September 30. Source: U.S. Customs Service Annual Report, Part A.						

BBs are often preferred over roller bearings when speed is a more important factor than load-carrying capacity. They can withstand fairly high speeds because there is less contact between the rolling balls and the inner and outer rings than there would be with a roller bearing. BBs are designed to carry radial or thrust loads, or a combination of the two. BBs are classified by a number of geometric configurations including single row, double row, self-aligning, and angular contact.

### U.S. Tariff Treatment

The general rates of duty for assembled BBs with integral shafts and BBs without integral shafts are 2.4 percent and 9.0 percent *ad valorem*, respectively. Imports of combination bearings containing balls receive a general duty rate of 5.8 percent *ad valorem*, while such tariff rates for balls, inner and outer races, and other parts for ball bearings range from 4.4 percent to 9.9 percent *ad valorem*, as set

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forth in rates of duty column 1-general. Housed BBs are subject to a general duty rate of 4.5 percent *ad valorem*. The duty rates are not scheduled for further reductions. The current column 1-general rates of duty for additional parts, products containing BBs, and those items included as a result of scope determinations range from free to 5.5 percent *ad valorem*.

## DOMESTIC LIKE PRODUCTS

The Commission found six like products in its final determinations in the original investigations concerning antifriction bearings, other than TRBs, and parts thereof. Each product category was divided according to the type of rolling element employed, with BBs constituting one of the six separate like products.<sup>7</sup> As noted in the Commission's preliminary determinations in those investigations, each like product definition included "parts and components dedicated for use in the particular type of bearing, finished and unfinished bearings, and housed and mounted bearings containing the specified rolling element."<sup>8</sup>

In its notice of institution for these reviews, the Commission solicited comments regarding the appropriateness of its domestic like product definitions. In response, one party advocated the treatment of wheel hub units as a separate like product (but did not pursue the argument during the full reviews). The Commission addressed wheel hub units in its original determinations concerning antifriction bearings other than TRBs and ultimately determined that they should be included in the like product category corresponding to the type of rolling element employed (i.e., BBs).<sup>9</sup>

Several companies, in their responses to the notice of institution and in their prehearing and posthearing briefs, stated that aerospace drive path ("ADP") BBs and ADP CRBs, used in aircraft engines, should constitute separate like product categories. While ADP bearings as defined in the questionnaires in these reviews were not specifically addressed in the original investigations, the Commission did consider aerospace bearings, a larger product category incorporating all bearings for aerospace use, and found that limitations in end use were not sufficient for drawing like product distinctions in "investigations involving intermediate products such as bearings, in which there are literally thousands of separate products, none of which can be substituted for another in their specific applications."<sup>10</sup>

With respect to the narrower product category of ADP bearings introduced in these reviews,<sup>11</sup> parties in support of continuation of the orders on antifriction bearings other than TRBs do not advocate

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<sup>7</sup> Negative determinations were reached with respect to SRBs, NRBs, and SRs. See *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391 through 399 (Final), USITC Pub. 2185, May 1989, pp. 1-5 and 12-18, 33.

<sup>8</sup> *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Preliminary) and 731-TA-391 through 399 (Preliminary), USITC Pub. 2083, May 1988, p. 22.

<sup>9</sup> *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391 through 399 (Final), USITC Pub. 2185, May 1989, pp. 20-22.

<sup>10</sup> The Commission further noted that the high quality raw materials and technologically advanced production methods used in the manufacture of aerospace bearings did not distinguish such bearings from other superprecision bearings covered by the investigations. *Ibid.*, pp. 24-25.

<sup>11</sup> Available data on ADP bearings, compiled from U.S. producers' and importers' questionnaire responses, are presented in app. H.

separate like product treatment, while certain companies in support of revocation (GE Aircraft Engines and the “ADP Group”<sup>12</sup>) argue for two separate like products defined as “ADP ball bearings” and “ADP cylindrical bearings.” The parties’ arguments and other information in the record that relates to this issue are presented below, following information on BBs in general.

### **Physical Characteristics and Uses**

BBs consist of an outer race, an inner race, and a series of balls fitted into openings in a separator or cage. Such bearings are capable of handling relatively light loads, which may be either radial or thrust loads, and high speeds. The highest speeds are withstood by deep groove BBs carrying a radial load, or angular contact BBs carrying combined loads. Widely used in a number of industries and applications, major end markets for BBs include the agricultural, mining, construction, aerospace, automotive, consumer durables, and oil sectors. Growth markets include computer disc drives and peripheral equipment, in-line skates, and fractional motors.

Parties in favor of separate like product determinations for ADP bearings stress the specialized steels (primarily M50 or M50 NiL) and unique synthetic lubricating oil used in the manufacture of these items.<sup>13</sup> They note that while non-ADP bearings can function without the benefits of M50 NiL steel, ADP bearings cannot.<sup>14</sup> The parties in support of continuation of the orders counter by noting that ADP bearings are physically similar to non-ADP bearings, in that both types of bearings have races, cages, and either balls or cylindrical rollers.<sup>15</sup> They further argue that some ADP bearings are actually made from standard bearing grade steel \*\*\*, while numerous non-ADP bearings, including those for space, missile, machine tool, and medical applications, are fabricated from the same \*\*\* steels identified as inputs in the ADP sector. Finally, parties opposing separate like product treatment note that a number of non-ADP bearings employ specialty materials and are engineered for a distinct end use; therefore, the fact that specialized steels are used for bearings directed toward a particular end use in the ADP sector is not sufficient to justify separate like product treatment.<sup>16</sup>

### **Manufacturing Process and Facilities**

BBs are fabricated using essentially the same processes used in the manufacture of other antifriction bearings, described in the section entitled *The Product* in the *Introduction and General Overview* to this report. However, in the green-machining process for BBs, coiled alloy wire is fed into a cold-heading machine, cut into blanks, and pressed into balls between hemispherical dies. These balls, which are then heat treated, ground, and finished to the correct dimensions, shape, and outside surface, constitute the rolling elements in all types of ball bearings. After inspection, the balls are packed for shipment or incorporation in the assembly process.

BBs are generally produced on dedicated machinery, and a producer cannot switch production of BBs to other types of bearings without reconfiguration of production lines, which adds to costs. Thus,

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<sup>12</sup> The “ADP Group” is composed of United Technologies Corp. on behalf of its subsidiaries, Pratt & Whitney and Sikorsky Aircraft Corp.; NSK-RHP Europe, Ltd., RHP Bearings, Ltd., and NSK Bearings Europe, Ltd.; FAG Kugelfischer Georg Schafer AG; and NTN Corp.

<sup>13</sup> Hearing transcript, pp. 330 and 333-334.

<sup>14</sup> GE posthearing brief, p. 3; and ADP Group posthearing brief, p. 5. GE further notes that the prevalent use of M50 NiL steel today to make ADP bearings is a major development since the original orders were imposed. GE posthearing brief, p. 3.

<sup>15</sup> Torrington posthearing brief, responses to Commissioner Hillman, p. 13.

<sup>16</sup> *Ibid.*, pp. 13-15.

firms cannot easily switch from producing one type of bearing to another. The Commission noted in its 1989 determination that many producers make only one type of bearing while those larger producers that produce several types of bearings routinely rationalize their production of antifriction bearings by the type of rolling element employed. The Commission found, "For each rolling element, a separate manufacturing facility is generally utilized."<sup>17</sup> In the current reviews, \*\*\* commented that it cannot easily switch production between BBs and other types of products because it generally produces its products, including BBs, on dedicated machinery. \*\*\* further stated that in the early phases of production, the machines are process-specific (i.e., some of the equipment used in the early phases of the production process can be used to perform the same process on different types of bearings). However, after a certain point in the process (generally after the initial grinding of the rings), the production equipment becomes product-specific, as well as process-specific, at which point a machine can be used for only a particular type of bearing or model group.<sup>18</sup>

Parties opposing separate like product treatment for ADP bearings state that despite the fact that certain foreign producers may manufacture ADP bearings in dedicated facilities, MPB \*\*\* produce ADP and non-ADP bearings using the same facilities, equipment, and employees.<sup>19</sup> Machinery may be retooled and recalibrated when switching to production of a non-ADP product, as is the case with \*\*\*, but the parties note that certain production processes, such as honing, assembly, and inspection, are very similar with respect to all products produced at the facilities.<sup>20</sup> By comparison, proponents of separate like product treatment for ADP bearings emphasize the unique equipment, such as special furnaces, grinding tools, and inspection and testing equipment, and more extensive manufacturing processes required to manufacture ADP bearings.<sup>21</sup> They further challenge the existence of dual ADP and non-ADP bearing facilities by noting that all ADP manufacturers with which they are closely familiar<sup>22</sup> manufacture ADP bearings in facilities or flow lines that are entirely separate from non-ADP operations.<sup>23</sup> They do state, however, that it is theoretically possible to set up common machinery in a facility to perform certain steps for both ADP and non-ADP bearings.<sup>24</sup>

### **Interchangeability and Customer and Producer Perceptions**

Data submitted in response to Commission questionnaires indicate that the majority of purchasers consider BBs produced in the subject countries as fully substitutable for U.S.-manufactured product. Noting that interchangeability between U.S. and foreign-produced BBs occurs on a part-by-part

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<sup>17</sup> *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391 through 399 (Final), USITC Pub. 2185, May 1989, p. 17.

<sup>18</sup> \*\*\* questionnaire response.

<sup>19</sup> Hearing transcript, p. 137; Torrington posthearing brief, responses to Commissioner Hillman, p. 17, and responses to Vice Chairman Miller, p. 3.

<sup>20</sup> Torrington posthearing brief, responses to Commissioner Hillman, pp. 17-18, and responses to Vice Chairman Miller, p. 3.

<sup>21</sup> Hearing transcript, pp. 334-335; ADP Group posthearing brief, exhibits 1 and 2; GE posthearing brief, p. 5.

<sup>22</sup> One of these operations is MPB's Lebanon, NH facility. MPB has stated that the facility is not solely dedicated to ADP bearing production and that both ADP and non-ADP bearings are produced at this location. At the same time, the ADP Group's supporting affidavit, submitted in their posthearing brief, estimates that \*\*\* percent of production at the Lebanon facility is of ADP bearings. The affidavit thus identifies the Lebanon facility as an "ADP bearing-dedicated plant." Torrington posthearing brief, responses to Commissioner Hillman, p. 17; and ADP Group posthearing brief, exhibit 1.

<sup>23</sup> ADP Group posthearing brief, exhibit 1.

<sup>24</sup> *Ibid.*

basis among the various producers,<sup>25</sup> parties in support of continuation of the orders on BBs indicate that the subject products have actually become more interchangeable as manufacturers widely adhere to common production specifications and similar manufacturing standards.<sup>26</sup> Opponents of continuation of the orders argue that customized bearings, which cannot be considered identical or interchangeable, have become increasingly prominent in the BB industry.<sup>27</sup> They indicate that products similar in physical appearance, including the widely available bearing number 6203, are in fact “customized” by way of product alterations or other manufacturer-specific qualities.<sup>28</sup> Parties supporting continuation counter this assertion by noting that such customizations may simply refer to slight modifications to a commodity item or the simple addition of a special grease.<sup>29</sup> Finally, certain proponents of revocation challenge the interchangeability of U.S.-produced BBs and the subject product by suggesting that BBs from the United Kingdom, Romania, Japan, and Singapore are fundamentally different and therefore do not essentially compete with U.S.-manufactured product.<sup>30</sup>

Those advocating separate like product treatment state that not only are ADP and non-ADP bearings completely incompatible, but each ADP bearing is specially designed for a position in an aerospace engine, such that ADP bearings are not interchangeable across engine models, nor are they interchangeable across positions in the same engine.<sup>31</sup> They further note that, unlike any other type of bearing, the purchaser OEM, rather than the bearings manufacturer, designs and owns the rights to the design of ADP bearings.<sup>32</sup> Opposing parties argue that the concept of interchangeability should not be taken too literally when considering separate like product treatment, since bearings of *any* type are only interchangeable with other bearings on an identical part number basis.<sup>33</sup>

Parties in support of separate like product treatment for ADP ball and ADP cylindrical bearings argue that purchasers perceive ADP bearings as distinct from non-ADP bearings.<sup>34</sup> Moreover, producer perceptions are reportedly different for ADP and non-ADP bearings, given the technical capabilities required for production and the fact that companies often separate ADP operations on an organizational

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<sup>25</sup> Hearing transcript, p. 123.

<sup>26</sup> *Ibid.*, pp. 158-159.

<sup>27</sup> Koyo posthearing brief (BBs), pp. 1-2.

<sup>28</sup> SKF posthearing brief, p. ix; Delphi posthearing brief, p. 2; and hearing transcript, p. 348.

<sup>29</sup> Hearing transcript, p. 164.

<sup>30</sup> For example, imports of subject bearings from the United Kingdom are characterized as non-interchangeable with U.S.-produced product, as the items are reportedly ADP bearings, bearings not produced in the United States, or bearings chosen by U.S. purchasers on the basis of non-substitution factors or brand identification. Reportedly, no Romanian producer is certified to sell to U.S. OEMs; therefore, Tehnoimportexport indicates that little competition exists among the bulk of U.S. production and Romanian BBs. Additional parties in support of revocation note that the subject imports from Japan consist largely of products not domestically produced or characteristically different from U.S.-manufactured product, such that substitutability among the two products is limited. Finally, subject BBs from Singapore are characterized as non-substitutable with U.S.-manufactured BBs, as imports consist of mass-produced small or miniature bearings (OD equal to \*\*\* mm or less) of \*\*\* ABEC tolerances (primarily \*\*\*). NSK-RHP posthearing brief, pp. 4-5; Tehnoimportexport posthearing brief, p. 2; Koyo posthearing brief, app. 2, pp. 2 and 4; and NMB Singapore/Pelmec posthearing brief, pp. 4, 8, 12, and Q-12.

<sup>31</sup> Hearing transcript, p. 331; and GE posthearing brief, p. 4.

<sup>32</sup> GE posthearing brief, p. 4.

<sup>33</sup> Torrington posthearing brief, responses to Commissioner Hillman, p. 16.

<sup>34</sup> GE posthearing brief, p. 5.

as well as physical basis.<sup>35</sup> Those opposing separate like product treatment note that all customers purchase bearings according to a specific part number and are familiar with bearings intended for a particular end use, whether aerospace, automotive, machine tool or other; therefore, customer perception is not useful in distinguishing ADP bearings as a separate product category.<sup>36</sup>

### Channels of Distribution

Both U.S. and foreign-produced BBs are sold in the OEM and aftermarket channels of distribution. According to questionnaire data, U.S. producers shipped 79.1 percent of their U.S. shipments of BBs to end users/OEMs in 1998, and the remaining 20.9 percent to distributors/aftermarket customers.<sup>37</sup> By comparison, importers shipped 96.2 percent of their U.S. shipments of BBs to end users/OEMs in 1998, and the remaining 3.8 percent to distributors/aftermarket customers.

Concerning the difference in channels of distribution for ADP versus non-ADP bearings, parties in support of distinct like product treatment indicate that only one channel of distribution exists for all ADP bearings. That is, ADP bearings, whether for use in original equipment or as replacement parts, are directed exclusively to or through OEMs.<sup>38</sup> Parties opposed to separate like product treatment contend that all bearings are sold through OEM and distributor channels of distribution.<sup>39</sup> They further note that federal regulations are loosening OEM-controlled distribution of ADP bearings.<sup>40</sup>

### Price

As noted in chapter one on TRBs, price competition in the global bearing industry is intense, particularly with respect to commodity-type bearings.<sup>41</sup> Parties in support of continuation of the orders on BBs emphasize the price-sensitive nature of the industry by pointing to testimony indicating that BBs are the most commodity-like among the various types of bearings under consideration.<sup>42</sup> They further explain that bearings are highly standardized products, identified by specific part numbers and their corresponding characteristics,<sup>43</sup> and note that pricing pressure in markets such as aerospace and the automotive sector has increased.<sup>44</sup> Additionally, parties supporting continuation refer to published information suggesting that customers refuse to pay higher prices even for specialty items or customized bearings.<sup>45</sup> Parties advocating revocation reiterate that antifriction bearings, including those that appear similar in form or have identical part numbers, are often customized products; thus, competition does not

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<sup>35</sup> *Ibid.*; ADP Group posthearing brief, p. 6.

<sup>36</sup> Torrington posthearing brief, responses to Commissioner Hillman, p. 16.

<sup>37</sup> The producer and importer questionnaires requested data on shipments to end users and distributors; however, industry representatives appear to view the terms "end users" and "OEMs" and the terms "distributors" and "aftermarket customers" as essentially interchangeable.

<sup>38</sup> GE posthearing brief, p. 4

<sup>39</sup> Torrington posthearing brief, responses to Commissioner Hillman, p. 16.

<sup>40</sup> *Ibid.*, p. 17.

<sup>41</sup> The McGraw-Hill Companies and the U.S. Department of Commerce, International Trade Administration, *U.S. Industry & Trade Outlook '99* (Ohio: McGraw Hill, 1999), p. 15-8.

<sup>42</sup> Torrington posthearing brief, responses to Chairman Bragg, p. 18, and hearing transcript, pp. 345-346.

<sup>43</sup> Torrington posthearing brief, responses to Chairman Bragg, p. 4.

<sup>44</sup> Hearing transcript, p. 148.

<sup>45</sup> Frost & Sullivan, *U.S. Bearing Markets 1997*, Report No. 5742-17 (1997) at 2-2 through 2-3, as cited in the response of Torrington and MPB to the Commission's Notice of Institution, p. 17.

occur solely on price, as would be the case with pure commodity goods.<sup>46</sup> Parties in support of revocation further stress that price is only one factor of consideration with respect to sales of bearings, with quality, reliability, and support foremost in importance to many purchasers.<sup>47</sup> They refer to questionnaire responses, which indicate that several firms list quality as the primary concern in purchasing decisions.<sup>48</sup> In response, parties supporting continuation emphasize that the majority of subject competitors produce to similar standards and are capable of delivering quality products in a timely manner; thus, price remains the differentiating factor in determining sales.<sup>49</sup> However, parties supporting revocation counter this argument by citing customer testimony regarding the inability of certain major producers to meet demand and delivery requirements for BB orders.<sup>50</sup>

All parties concerned with the issue of separate like treatment for ADP bearings agree that such bearings command substantially higher prices. However, parties opposed to distinct like product treatment for ADP ball and ADP cylindrical bearings note that several other high-value bearings, such as those used in steel mills and drilling applications, are also sold at premium prices.<sup>51</sup>

## U.S. MARKET PARTICIPANTS

### U.S. Producers

Thirty-six firms reported producing BBs and parts of BBs in the United States over the period of these reviews. NTN, Delphi Automotive Systems, SKF, Torrington, and NSK accounted for nearly 60 percent of U.S. shipments of BBs and parts in 1998. All of the above producers, with the exception of Delphi, are affiliated with bearing production facilities outside the United States. Table I-11 presents data on BB producers, their positions on revocation, shares of the value of U.S. shipments, locations of production facilities, parent firms, and related foreign producers.

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<sup>46</sup> SKF posthearing brief, p. ix.

<sup>47</sup> Hearing transcript, pp. 308 and 380-381; and SKF posthearing brief, p. viii.

<sup>48</sup> Hearing transcript, p. 309.

<sup>49</sup> *Ibid.*, pp. 123, 159, 186-187, and 390-391.

<sup>50</sup> Koyo posthearing brief (SPBs), p. 11.

<sup>51</sup> Torrington posthearing brief, responses to Commissioner Hillman, p. 18.

**Table BB-I-11**

**Ball bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers**

<b>Firm</b>	<b>Position on revocation</b>	<b>Shares of the value of U.S. shipments (percent)</b>	<b>Location(s) of production facilities</b>	<b>Parent firm</b>	<b>Related foreign producers of certain bearings</b>
American Roller Bearing Industries, Inc.	***	***	Pittsburgh, PA	None	None
ART Technologies, Inc.	***	***	Hamilton, OH	None	None
Atlantic Bearing Co., Inc.	***	***	Wilson, NC	None	None
Barden Corp.	***	***	Danbury, CT	FAG Holding Corp. (Danbury, CT)	FAG Germany; FAG Austria; FAG Hungary; FAG Italy; ROL Rolamentos Portugueses; The Barden Corp., United Kingdom; FAG Bearings, Canada; Rolamentos FAG, Brazil; FAG Automotive Bearings (Shanghai), China; FAG Bearings India; FAG Hanwha Bearing Co., Korea
Delphi Automotive Systems Corp.	Supports revocation	***	Sandusky, OH	None	None
Dodge Rockwell	***	***	Rogersville, TN	Rockwell (Milwaukee, WI)	None
Emerson Power Transmission	***	***	Aurora, IL and Morehead, KY	Emerson Electric (St. Louis, MO)	Transmisiones de Potencia, Emerson, Mexico

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Table BB-I-11--Continued

Ball bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
FAG Bearings Corp.	Supports revocation	***	Joplin, MO	FAG Holding Corp. (Danbury, CT)	FAG Germany; FAG Austria; FAG Hungary; FAG Italy; ROL Rolamentos Portugueses; The Barden Corp., United Kingdom; FAG Bearings, Canada; Rolamentos FAG, Brazil; FAG Automotive Bearings (Shanghai), China; FAG Bearings India; FAG Hanwha Bearing Co., Korea
Frantz Mfg. Co.	***	***	Sterling, IL (2 locations)	None	None
Frost, Inc.	***	***	Grand Rapids, MI	None	None
Gear Products	***	***	Tulsa, OK	Blount, Inc.	None
Hoover Precision Products, Inc.	***	***	Cumming, GA	Tsubaki Nakashima	Hoover Hungary
INA USA Corp.	***	***	Fort Mill, SC	Industriearufbaugesellschaft, (Germany)	INA Rolamentos, Brazil; INA Loziska, Czech Republic; INA Roulements, France; INA Walzlager Schaeffler, Germany; INA Nadellager Schaeffler, Germany; Helmut Elges, Germany; INA Bearing, Great Britain; INA Rullini, Italy; INA Loziska, Slovak Republic; INA Rodisa, Spain
Kaydon Corp.	***	***	Muskegon, Mi	None	None
Kendale Industries, Inc.	***	***	Valley View, OH	None	None

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Table BB-I-11--Continued

Ball bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
Koyo Corp. of USA	Supports revocation	***	Westlake, OH	Koyo Seiko, Co.	Koyo Seiko, Japan
Kubar Bearings	***	***	Troy, NY	None	Miniature Bearing Factory, Russia
Link-Belt Bearing-Rexnord	***	***	Indianapolis, IN Clinton, TN	Rexnord Corp.	None
McGill Mfg. Co.	***	***	Valaraiso, IN (2 locations) Monticello, IN	Emerson Electric Co. (St. Louis, MO)	Transmisiones de Potencia, Emerson, Mexico
MPB Corp.-Timken Aerospace	Supports continuation	***	Keene, NH Lebanon, NH	Timken Co. (Canton, OH)	Timken Aerospace UK; Timken Singapore
Nachi Technology, Inc.	Supports revocation	***	Indianapolis, IN	Nachi America (Indianapolis, IN)	None
Nakanishi Mfg. Corp.	***	***	Winterville, GA	Nakanishi Metal Works Co., Ltd. (Japan)	Nakanishi Metal Works, Japan; NKC Mfg. Philippines Corp.
National Bearings Co.	***	***	Lancaster, PA	None	None
New Hampshire Ball Bearings, Inc.	***	***	Chatsworth, CA Peterborough, NH Laconia, NH	NMB (USA), Inc.	Minebea Co., Thailand; Singapore; China; United Kingdom
NN Ball & Roller, Inc.	***	***	Erwin, TN Mountain City, TN Walterboro, SC	None	None

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Table BB-I-11--Continued

Ball bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
NSK Corp.	Supports revocation	***	Ann Arbor, MI	NSK Americas, Inc. (Ann Arbor, MI)--*** Holding Co. NSK Ltd., (Japan) -- owns *** NSK Americas	NSK Ltd., Japan; Shinnippon Kokyu Co., Japan; Chitose Sangyo Co., Japan; Asahi Seiki Co., Japan; Shinwa Seiko Co., Japan; RHP Bearings, United Kingdom; RHP Aerospace Div., United Kingdom; NSK Bearings Europe, United Kingdom; NSK-AKS Precision Ball, United Kingdom; Neuweg Fertigung, Germany; Waelzlager Industriewerke Bulle, Switzerland; NSK Iskra, Poland; NSK do Brasil Industria e Comercio de olamentos, Brazil; Delco Chassis NSK do Brasil, Brazil; P.T. NSK Bearings Mfg. Indonesia; Kunshan NSK, China; NSK Korea; NSK Micro Precision, Malaysia
NSK-AKS Precision Ball Co.	***	***	Clarinda, IA	Amatsuji Steel Ball Mfg. Co. (Japan)--*** NSK Ltd. (Japan)--***	NSK Ltd., Japan; Shinnippon Kokyu Co., Japan; Chitose Sangyo Co., Japan; Shinwa Seiko Co., Japan; RHP Bearings, United Kingdom; NSK Bearings Europe, United Kingdom; Neuweg Fertigung, Germany; Waelzlager Industriewerke Bulle, Switzerland; NSK Iskra, Poland; NSK do Brasil Industria e Comercio de Rolamentos, Brazil; Delco Chassis NSK do Brasil, Brazil; P.T. NSK Bearings Mfg. Indonesia; Kunshan NSK, China; NSK Korea; NSK Micro Precision, Malaysia

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Table BB-I-11--Continued

Ball bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
NTN Bearing Corp. of America	Supports revocation	***	Mount Prospect, IL Elgin, IL Macomb, IL Lititz, PA	NTN USA (Mount Prospect, IL)	NTN Corp., Japan; NTN Bearing Mfg., Canada; NTN Kugellagerfabrik, Germany; Tung Pei Industrial Co., Taiwan
Nucor Bearing Products	***	***	Wilson, NC	Nucor Corp. (Charlotte, NC)	None
Phillips-Moldex Co.	***	***	Putnam, CT	None	None
Roller Bearing Co. of America	Supports continuation	***	Fairfield, CT Santa Ana, CA Hartsville, SC West Trenton, NJ Bremen, IN Kulpville, PA Rancho Dominguez, CA Waterbury, CT Glasgow, KY	None	None
Saint Gobain Industrial Ceramics	***	***	East Granby, CT	Saint Gobain (Paris, France)	None
SKF	Supports revocation	***	Norristown, PA Glasgow, KY Aiken, SC Gainesville, GA Altoona, PA Hanover, PA Jamestown, NY Falconer, NY Colebrook, CT	AB SKF (Sweden)	Ampep, England; SKF Argentina; SKF Osterreich, Austria; SKF do Brasil Limitada, Brazil; SKF China; SKF, Germany; SKF Espanola, Spain; SKF France; SARMA, France; PT. SKF Indonesia; SKF Bearings India; SKF Industrie, Italy; SKF HANWHA, Korea; SKF de Mexico; SKF Bearings Industries, Malaysia; SKF Poznan, Poland; SKF Steyr, Austria SKF Sverige, Sweden; SKF South Africa; SKF Ukraine

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**Table BB-I-11--Continued**

**Ball bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers**

<b>Firm</b>	<b>Position on revocation</b>	<b>Shares of the value of U.S. shipments (percent)</b>	<b>Location(s) of production facilities</b>	<b>Parent firm</b>	<b>Related foreign producers of certain bearings</b>
Torrington	Supports continuation	***	Cairo, GA Calhoun, GA Clinton, SC Dahlonega, GA Canton, GA Pulaski, TN Rockford, IL Rutherfordton, NC Torrington, CT Sylvania, GA Union, SC Walhalla, SC Duncan, SC Honca Path, SC	Ingersoll-Rand (Woodcliff Lake, NJ)	Torrington, United Kingdom; Torrington European Distribution Ctr, <sup>2</sup> France; Nadella, France; Torrington Nadallager, Germany; NSK Torrington, Japan; Torrington, Canada; Torrington Wuxi Brgs, China; Industrias del Rodamientos, Spain
Triangle Mfg. Co.	***	***	Oshkosh, WI	None	None
<p><sup>1</sup> Less than 0.05 percent. <sup>2</sup> ***.</p> <p>Note.—Because of rounding, figures may not add to the totals shown. Shares of shipments are based on complete bearings and parts.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

The following tabulation summarizes U.S. producers' positions regarding revocation of the BB orders and the shares of the value of U.S. shipments held by U.S.-domiciled and foreign-domiciled U.S. BB producers in 1998 (in percent):

<b>Item</b>	<b>Share of the value of U.S. shipments</b>
Producers supporting continuation	31.0
Producers supporting revocation	57.5
Producers taking no position	11.6
U.S.-domiciled producers	48.5
Foreign-domiciled producers	49.0

### **U.S. Importers**

Importers of BBs are located throughout the United States. Virtually all of the largest importers of BBs responded to the questionnaire. Several U.S. producers or their related firms imported BBs from various subject countries. Imports by these U.S. producers accounted for 42.8 percent of the total value of imports of BBs from subject countries in 1998. Data on U.S. producers' imports of BBs are presented in part III.

### **U.S. Purchasers**

The largest purchaser of BBs in 1997 and 1998, by value, was \*\*\*. Other major purchasers of BBs in 1997 and 1998 were \*\*\*.

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

Table BB-I-12 presents data on U.S. shipments and apparent U.S. consumption of BBs, and table BB-I-13 presents data on U.S. market shares. The value of apparent consumption of BBs increased by 1.4 percent from 1997 to 1998, then decreased by 3.2 percent between January-September 1998 and January-September 1999. The market share by value of U.S. producers' shipments remained relatively constant during the review period at about 68-71 percent, compared with a subject import share of about 13-17 percent and a nonsubject import share of about 14-16 percent.

**Table BB-I-12**

**Ball bearings and parts thereof: U.S. shipments of domestic product, 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
<i>Value (1,000 dollars)</i>				
U.S. producers' shipments	2,259,617	2,273,414	1,599,577	1,600,293
U.S. imports from –				
France	23,900	24,832	18,830	13,147
Germany	48,999	47,482	36,060	31,768
Italy	18,323	19,435	16,446	11,274
Japan <sup>1</sup>	347,409	351,652	273,290	209,765
Romania	3,360	2,671	2,110	1,555
Singapore	45,548	42,690	33,275	28,366
Sweden	3,017	2,751	2,026	2,436
United Kingdom	17,231	14,862	11,520	8,701
Subtotal	507,787	506,374	393,557	307,011
Canada	102,761	119,108	87,681	94,338
China	112,992	118,883	89,933	92,760
All others	206,861	207,201	156,671	154,452
Total imports	947,262	979,561	748,955	673,136
Apparent consumption	3,206,879	3,252,975	2,348,532	2,273,429
1 ***.				
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.				

**Table BB-I-13**

**Ball bearings and parts thereof: U.S. market shares, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<i>Value (1,000 dollars)</i>				
Apparent consumption	3,206,879	3,252,975	2,348,532	2,273,429
<i>Share of value (percent)</i>				
U.S. producers' U.S. shipments	70.5	69.9	68.1	70.4
U.S. imports from –				
France	0.7	0.8	0.8	0.6
Germany	1.5	1.5	1.5	1.4
Italy	0.6	0.6	0.7	0.5
Japan <sup>1</sup>	10.8	10.8	11.6	9.2
Romania	0.1	0.1	0.1	0.1
Singapore	1.4	1.3	1.4	1.2
Sweden	0.1	0.1	0.1	0.1
United Kingdom	0.5	0.5	0.5	0.4
Subtotal	15.8	15.6	16.8	13.5
Canada	3.2	3.7	3.7	4.1
China	3.5	3.7	3.8	4.1
All others	7.0	7.2	7.6	7.9
Total imports	29.5	30.1	31.9	29.6
1 ***				
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**

### **SUPPLY AND DEMAND CONSIDERATIONS**

#### **U.S. Supply**

##### **Domestic Production**

During 1985 to 1987, U.S. production ranged from 195 million to 215 million BBs, and capacity utilization ranged from 73 to 77 percent. Production grew to 464 million bearings in 1997, but decreased to 449 million in 1998 and decreased again in interim 1999. Capacity utilization ranged from 70 to 76 percent during 1997 to September 1999. U.S. producers' market value share ranged from 73.4 to 77.3 percent during 1985-87 and from 68.1 to 70.5 percent from 1997 to September 1999. \*\*\* reported that it had increased its capacity since the original orders. Other Japanese-owned firms have increased their U.S. capacity, and foreign-owned firms now produce more than half of all U.S.-produced BBs.

The domestic BB market is not as concentrated as some other bearings markets. Delphi Automotive Systems, SKF-USA, Torrington, and NSK Corp. are the largest domestic producers and have individual domestic market shares in the \*\*\*-percent range.

\*\*\*, a purchaser, stated that costs of producing bearings are at least 30 percent greater in the United States than offshore. Companies with plants in different countries did not, however, compare production costs at different sites. \*\*\* reported that it had concentrated on reducing operating costs by reducing prices from vendors, reducing wastes, increasing productivity, and increasing capabilities in some parts of its plant. Its efforts resulted in its being able to reduce its price by 5 percent each year since fiscal year 1997.

When asked how easily they could shift sales to foreign markets, most producers reported that such a shift would be difficult. Some producers do, however, export a significant share of their production. As a whole, the domestic BB industry exported from 10.1 percent to 10.9 percent of its total shipments during 1997 to September 1999.

Parties also appear to agree that production cannot easily be shifted between BBs and other bearing products. The final processing equipment appears to be specific to each type of bearing. More automated processes are also reported to be more difficult to switch.

U.S. producers appear to have difficulty switching to other markets and to the production of other products. Production of bearings is capital intensive, and capacity cannot be quickly changed. The likely response of the domestic industry to a price reduction is a somewhat reduced supply and perhaps further consolidation.

##### **Subject Imports**

France's share of U.S. consumption ranged from 0.6 percent to 1.0 percent during 1985 to 1987. France's market share varied from 0.6 percent to 0.8 percent during 1997 to September 1999. The only responding French producer reported a capacity of \*\*\* million BBs in 1998, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* percent to \*\*\* percent of all shipments, and shipments to third-country markets were \*\*\* percent of total production during 1997 to September 1999. If the order were lifted, a likely response is that French exporters would increase shipments to the U.S. market.

Germany's share of U.S. consumption ranged from 2.8 percent to 3.6 percent during 1985 to 1987. Germany's market share varied from 1.4 percent to 1.5 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million BBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* to \*\*\* percent of

BB-II-1

total shipments, and shipments to third-country markets ranged from \*\*\* percent to \*\*\* percent of total shipments during 1997 to September 1999. If the order were lifted, a likely response is that German exporters would increase shipments somewhat to the U.S. market.

Italy's share of U.S. consumption ranged from 1.3 percent to 2.2 percent during 1985 to 1987. Italy's market share varied from 0.5 percent to 0.7 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million BBs, and its capacity utilization ranged from \*\*\* to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* to \*\*\* percent of total shipments, and shipments to third-country markets ranged from \*\*\* to \*\*\* percent of total production during 1997 to September 1999. If the order were lifted, a likely response is that Italian exporters would increase shipments to the U.S. market.

Japan's share of U.S. consumption ranged from 11.9 percent to 12.4 percent during 1985 to 1987. Japan's market share varied from 9.2 percent to 11.6 percent during 1997 to September 1999. Its capacity in 1998 was 1.745 billion BBs, and its capacity utilization ranged from 93 percent to 108 percent during 1997 to interim 1999. Shipments to its home market ranged from 59 to 67 percent of total shipments, and shipments to third-country markets ranged from 24 to 32 percent of total shipments during 1997 to September 1999.

Japanese respondents have stated that the increased Japanese-owned capacity in the United States makes a large quantity response by Japanese importers unlikely if the order were revoked. They purport that most imports of Japanese-produced BBs are to complement U.S. producers' lines. They claim that this type of importation would continue, but that imports that compete with U.S. production would not increase. If the order were lifted, a likely response is that Japanese exporters would increase shipments somewhat to the U.S. market.

Romania's share of U.S. consumption ranged from 0.6 percent to 0.7 percent during 1985 to 1987. Romania's market share was 0.1 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million BBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* to \*\*\* percent of total shipments, and shipments to third-country markets ranged from \*\*\* to \*\*\* percent of total shipments during 1997 to September 1999. If the order were lifted, a likely response is that Romanian exporters would increase shipments slightly to the U.S. market.

Singapore's share of U.S. consumption ranged from 1.3 percent to 1.4 percent during 1985 to 1987. Singapore's market share varied from 1.2 percent to 1.4 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million BBs, and its capacity utilization ranged from \*\*\* to \*\*\* percent of total shipments during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* to \*\*\* percent of total shipments, and shipments to third-country markets ranged from \*\*\* to \*\*\* percent of total shipments during 1997 to September 1999. Singapore only produces commodity-grade miniature and small bearings \*\*\*.<sup>1</sup> Because it serves only this segment of the market, its supply response, if the order were revoked, would also be limited to this segment. If the order were lifted, a likely response is that Singaporean exporters would increase shipments slightly to the U.S. market.

Sweden's share of U.S. consumption ranged from 0.4 percent to 0.7 percent during 1985 to 1987. Sweden's market share was 0.1 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million BBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market were \*\*\* to \*\*\* percent of total shipments, and shipments to third-country markets were \*\*\* to \*\*\* percent of total shipments during 1997 to September 1999. If the order were lifted, a likely response is that Swedish exporters would increase shipments slightly to the U.S. market.

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<sup>1</sup> Singapore's posthearing brief.

The United Kingdom's share of U.S. consumption ranged from 0.7 percent to 0.9 percent during 1985 to 1987. The United Kingdom's market share varied from 0.4 percent to 0.5 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million BBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* to \*\*\* percent of total shipments, and shipments to third-country markets ranged from \*\*\* to \*\*\* percent during 1997 to September 1999. If the order were lifted, a likely response is that U.K. exporters would increase shipments to the U.S. market.

Torrington, MPB, and RBC have stated that prices in non-U.S. markets, particularly Canada and Mexico, are lower than in the United States.<sup>2</sup> If prices are in fact higher in the United States and if the dumping orders are responsible for this price premium, removal of the orders would be expected to result in increased shipments to the United States. SKF stated that the evidence regarding whether prices in the United States are higher than elsewhere is controvertible and, in the absence of clear evidence, the Commission should not take this factor into account.<sup>3</sup>

### U.S. Demand

The demand for certain bearings is derived from the end uses in which the bearings are employed. In response to the question about how demand for their firms' products incorporating certain bearings had changed since the issuance of the antidumping orders, 19 purchasers stated that no changes had occurred, and 10 reported changes. Those reporting changes usually stated that demand had increased. The automotive industry is a large user of BBs, and many of the increases were tied to the growth in the number of new and used automobiles. Other purchasers reported that sales of machines employing bearings had increased and that new bearing-using machines had been developed, which boosted the demand for bearings. One purchaser reported negative effects on demand due to foreign competition from manufacturers of electrical motors. Two purchasers reported that a gradual long-term increase in the demand for air travel along with the periodic need for replacement aircraft had raised the demand for BBs in the aircraft industry. Demand fluctuates, however, from year to year with the financial condition of the airline industry. The current engine and spare-part levels in the aircraft industry are high, and new orders have flattened out in the last year. Apparent consumption of BBs grew by 1.4 percent between 1997 and 1998, but fell by 3.2 percent between January-September 1998 and the same period in 1999.

### Substitutes

Bearings are generally manufactured for highly specialized uses, and few substitutes exist. Purchasers were asked if other products could substitute for certain bearings in their end uses, and 30 purchasers responded in the negative and 8 in the affirmative. In some uses, there may not be any substitutes. In selected uses, air and hydraulic products may be substituted. In other cases, sleeve bearings can be substituted for the subject bearings. Also, different motion devices or oil-impregnated bushings may be substitutes in some uses, but this would generally require re-engineering the product in which the bearing is used. Virtually all purchasers reported that the number and type of products that could be substituted for certain bearings had not changed since the antidumping orders became effective.

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<sup>2</sup> Torrington *et al*, posthearing brief, pp. 2-3. In some cases prices in Europe are higher. NSK reported that in some cases aftermarket prices in the United States are 30 percent higher than in other countries.

<sup>3</sup> SKF's posthearing brief, p. 4.

Purchasers were asked to report separately the degree of substitution between ADP and non-ADP bearings.<sup>4</sup> Aircraft designs require that certain ADP bearings be used, and FAA regulations stipulate the exact part number to be used in replacement. Because ADP bearings cost up to several thousand dollars per unit, they are not used for other purposes. Thus, ADP bearings appear to have no substitutes.

### **Cost Share**

Certain bearings are employed in a large range of uses in manufacturing. For example, they are used in the steel, paper, food processing, chemical, automotive, truck and tractor, and aerospace industries. Most purchasers reported that certain bearings represent only a small share of the cost of the item that they produce. Purchasers reported that bearings account for 2 to 3 percent of the cost of an electrical motor. Bearings represent 1 to 3 percent of the cost of portable power tools and less than 1 percent of the cost of stationary power tools. Bearings usually represent less than 1 percent of the cost of agricultural equipment. For most auto parts where bearings are used they represent 1 to 25 percent of the cost of the part and a much smaller percentage of the cost of the entire vehicle. Purchasers reported that certain bearings represent less than 1 percent of the cost in aerospace applications. Service part resellers reported that bearings represent from 50 to 100 percent of their cost, although these uses are not final products.

Virtually all purchasers reported that there had not been any changes in end uses since the antidumping orders became effective. One purchaser reported that machine designs had changed, which altered the design of certain bearings. Given the generally low cost share and lack of substitutes, quantity demanded would not be expected to respond greatly to changes in the price of certain bearings.

## **SUBSTITUTABILITY**

This section is based primarily on the responses to the Commission's purchaser questionnaires. Forty-one purchasers provided usable data, of which 23 were end users and 15 were distributors. The other three were a combination end user/reseller, a manufacturer complementing its own production, and an assembler. Some of the purchasers' responses are not specific to a category of bearings.

### **Factors Affecting the Purchase Decision**

Purchasers were asked to list in order of importance the three major factors that they consider when selecting a supplier. Quality was identified by 21 firms as the most important factor (see table BB-II-1). Overall, price was named most often: 6 times in first place, 10 times in second place, and 17 times in third place. Also, more than three firms named availability, having a pre-arranged contract, and service as one of the three most important factors.

Purchasers were asked to report the characteristics they consider when assessing the quality of a supplier. Several purchasers stated that reputation, company stability, and its proven history were important. Others said that the ability to meet specifications, either standard specifications such as ABEC tolerances or specific engineering designs, was important. Some purchasers qualify suppliers on the basis of testing and other factors, such as the source of steel used. The testing is used to determine time to failure, load rating, resistance to wear, noise level, etc. For purchasers that qualify suppliers, the ability to gain approval or certification was the most important characteristic.

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<sup>4</sup> ADP bearings may be either BBs or CRBs.

**Table BB-II-1**  
**Most important factors considered when selecting a bearing supplier<sup>1</sup>**

Factor	First	Second	Third
Price	6	10	17
Quality	21	9	1
Availability	2	9	7
Pre-arranged contract	3	3	0
Service	0	0	4
Delivery	0	0	3
Product line	1	1	0
Lead time	0	1	1
Other	6	5	4
Total	39	38	37

<sup>1</sup> Figures indicate the number of purchaser responses in each category.

Note: This table applies to all subject bearings, not just to BBs.

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

Purchasers were asked if they varied their purchases from a given supplier based on quarterly price changes. There were 4 affirmative responses, 23 negative responses, and 11 other responses. Many of the other responses were that price does not vary quarterly. Annual contracts are common, and prices are often constant for a year or more.

Purchasers were asked to report the frequency that they and their customers made purchasing decisions based on the country of origin of certain bearings (see table BB-II-2). Most purchasers reported that they sometimes or never make decisions on this basis. Purchasers may prefer a specific country because of quality differences, availability, or price. Responses concerning customers' preferences were similar, although not identical. Several purchasers stated that individual suppliers were more important than the country of origin. Purchasers tended to base purchase decisions on the specific producer, but perceived that their customers did not base purchase decisions on the specific producer to the same degree that they did.

U.S. producers were asked to report average lead times between a customer's order and the delivery of their firms' bearings. Responses were highly variable and ranged from the same day to 1 to 2 years. Commonly reported lead times were 2 to 4 months. One producer stated that new designs require 6 months. Another producer stated that the average lead time for bearings from stock is 3 days, and if the product has to be manufactured, 42-56 days are required. Importer lead times varied between 1 day and 6 to 8 months. One importer reported that sales to distributors are from stock and that OEM delivery takes 12 to 16 weeks. Commonly reported times for overseas delivery were 3 to 4 months.

Almost all purchasers reported that their purchasing pattern had not changed significantly since the antidumping orders became effective. \*\*\* and \*\*\* reported that since the mid-1990s, they have dual-sourced critical parts in order to avoid production problems and to supply customers with spare parts in a timely manner. This policy resulted in increased imports due to the limited number of U.S. suppliers.

BB-II-5

**Table BB-II-2****Frequency that purchasers and their customers base purchase decisions on country of origin and specific producers<sup>1</sup>**

Frequency	Country of origin		Specific producer	
	Purchaser	Customer	Purchaser	Customer
Always	4	1	10	0
Usually	5	4	15	6
Sometimes	17	16	14	16
Never	14	14	2	12

<sup>1</sup> Figures indicate the number of purchaser responses in each category.

Note: This table applies to all subject bearings, not just to BBs.

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

### Comparison of Domestic Products and Imports

Purchasers indicated that bearings from the subject countries were used interchangeably with U.S.-produced bearings. Several purchasers qualified their affirmative responses by stating that they only responded in regard to countries where they have qualified suppliers. Several purchasers stated that interchangeability and qualification are more company-level issues than country-level. Some speciality parts may only be available from one country. One purchaser stated that bearings for car clutches are made specifically for each car. Given the uniqueness and low volume of potential sales compared to tooling costs, it is unlikely that any other manufacturer would tool to make the part. Warranty issues sometimes affect interchangeability. Despite some specialty products and the need to qualify suppliers, broad interchangeability across countries was reported for BBs (see table BB-II-3).

**Table BB-II-3****Interchangeability of U.S.-produced ball bearings with ball bearings from subject countries**

Country	Interchangeable	Not interchangeable
France	14	1
Germany	18	1
Italy	14	1
Japan	23	2
Romania	8	2
Singapore	9	0
Sweden	14	1
United Kingdom	13	1
Total	113	9

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

BB-II-6

Purchasers were asked to compare the subject products from different sources on the basis of 17 purchase factors (see figure BB-II-1). Purchasers generally considered German-produced and U.S.-produced BBs as comparable, although the United States was rated higher on transport network, delivery time, and lowest price. U.S. BBs overall were rated comparable to Japanese BBs, although purchasers rated the U.S. product superior on delivery time. Purchasers rated U.S. BBs superior in reliability of supply and product range compared to the Romanian product, which was rated superior on lowest price. Compared to BBs from the United Kingdom, purchasers rated U.S.-produced bearings superior on U.S. transport cost, delivery time, and lowest price, and comparable on most other factors. In addition to the countries shown in figure BB-II-1, two purchasers each compared the U.S.-produced BBs to those produced in Italy, Singapore, and Sweden, and one purchaser compared the U.S. product to the French product. In each of these cases, the U.S. product was rated comparable or superior on all factors.

Most purchasers reported that some type of qualification or pre-qualification was required before they would purchase from a supplier. Qualification procedures vary. In some cases, a firm is first qualified and then specific products produced by the firm are approved. The auto industry has the ISO-9000 and QS-9000 certification procedures in which the purchaser performs quality system surveys, and at least six months are required to qualify a new supplier. Most OEMs have some certification process. Romanian respondents have stated that none of the Romanian bearings exported to the United States are pre-certified by OEMs.<sup>5</sup>

Singapore stated that its bearings are “low-value, mass-produced miniature and instrument bearings or small bearings, which are \*\*\*, and more specifically are \*\*\*.”<sup>6</sup> It adds that these products are used in mass-produced consumer products and certain low-value automotive applications, in contrast to domestic miniature bearings which are primarily used in aerospace, medical, and specialty applications.

Japanese respondents stated that certain megatrends differentiate the Japanese BBs from domestic BBs. These include just-in-time delivery, and DFAR, NAFTA, and CAFE standards. Torrington replied that just-in-time delivery is accomplished through production scheduling and delivering a continual supply of a variety of parts instead of producing and delivering large batches.<sup>7</sup> It stated that production scheduling rather than changes in the location of suppliers is the key factor that enables implementation of just-in-time delivery. Nevertheless, KCU, NTN, and Nachi stated that some purchasers want a short supply chain, so that last minute modifications can be made.<sup>8</sup> In this regard, Ford and some other large customers require that U.S. products be used.<sup>9</sup>

Japanese respondents have stated that a significant number of large-volume purchasers have requested NAFTA certifications.<sup>10</sup> Torrington stated: “NAFTA and CAFE are irrelevant, as bearings constitute too small a portion of the end product and, in the case of CAFE, because the regime may also encourage foreign content.”<sup>11</sup>

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<sup>5</sup> Tehnoimportexport’s posthearing brief, p. 2.

<sup>6</sup> NMB/Pelmec’s posthearing brief, p. 1.

<sup>7</sup> Torrington *et al*, posthearing brief, p. 5.

<sup>8</sup> Joint posthearing brief in support of revocation of the BB order on Japan, p. 5.

<sup>9</sup> *Ibid.*, p. 6.

<sup>10</sup> *Ibid.*

<sup>11</sup> Torrington *et al*, posthearing brief, p. 5.

**Figure BB-II-1**  
**Ball bearings: Comparison of U.S. and subject products by listed factors, in number of firms reporting**

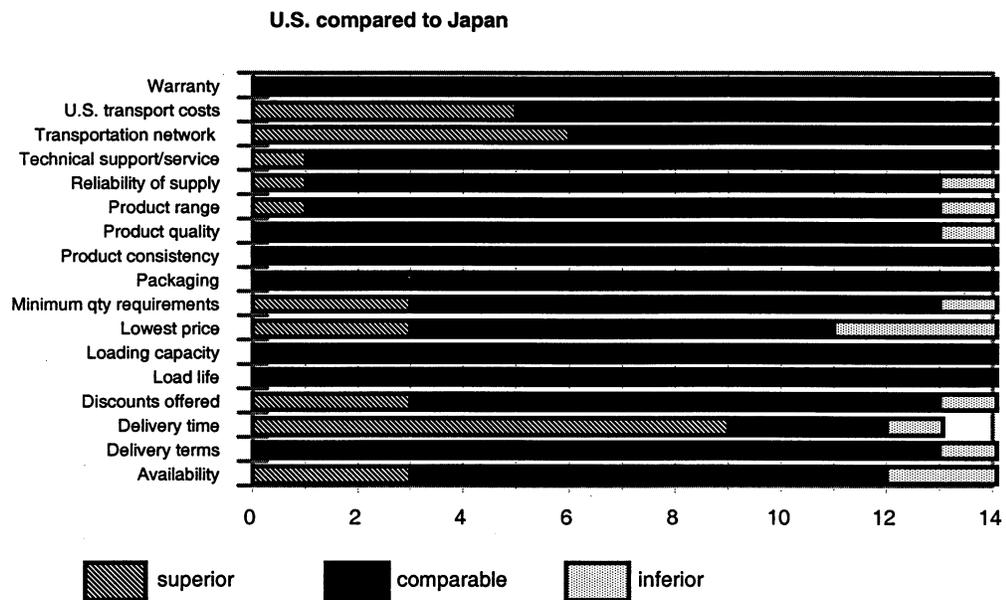
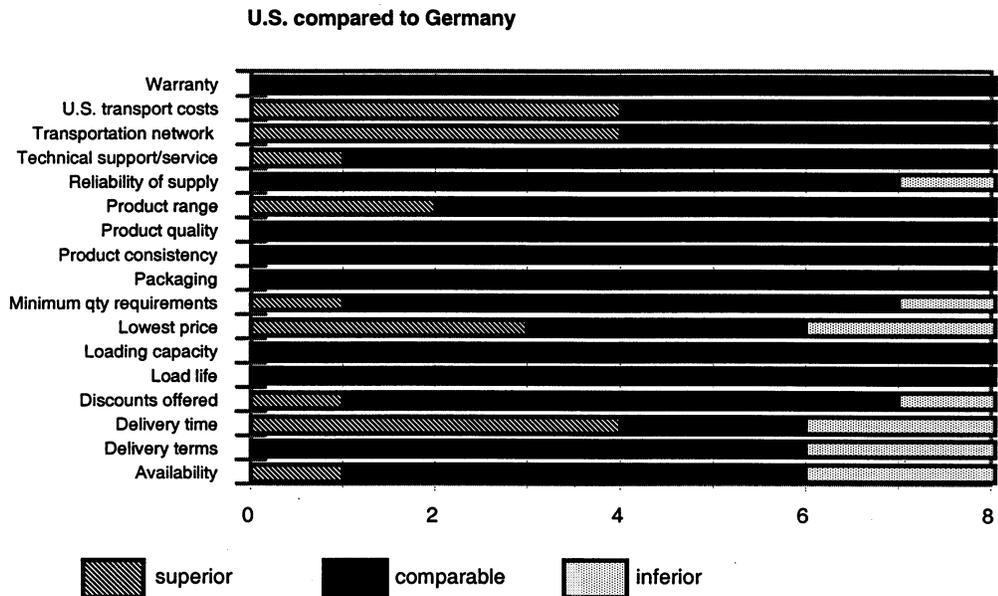
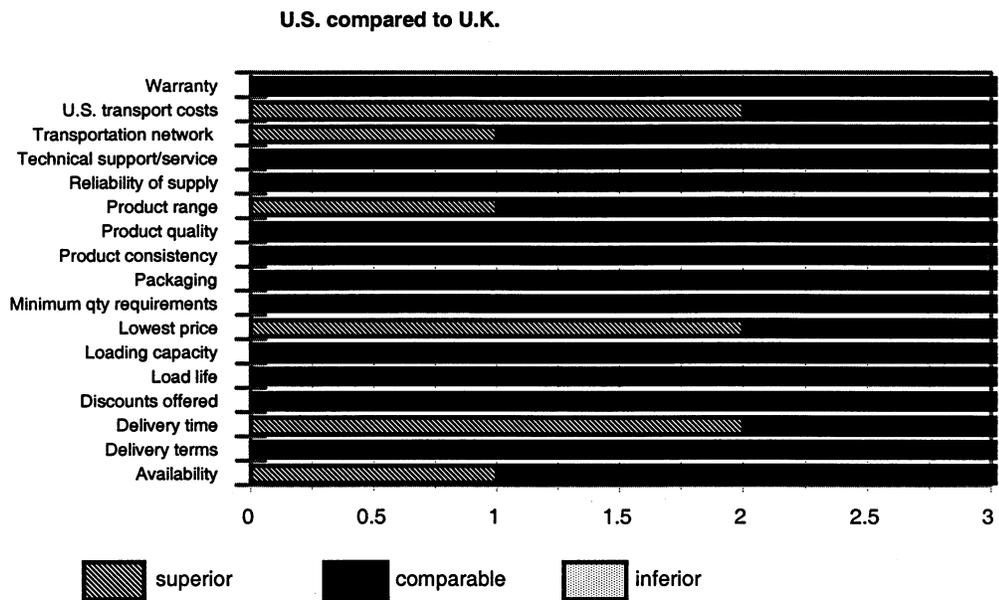
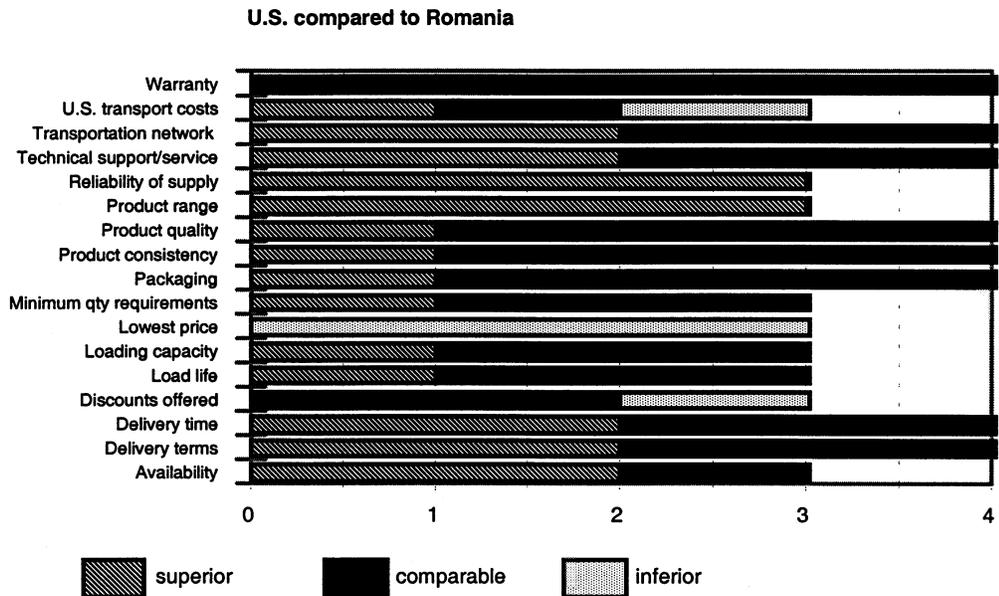


Figure continued on next page.

**Figure BB-II-1–Continued**  
**Ball bearings: Comparison of U.S. and subject products by listed factors, in number of firms reporting**



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

The DFAR restricts the Department of Defense's purchases of certain bearings to U.S. and Canadian sources or in some cases to either a U.S. firm or a NATO-headquartered firm with a U.S. subsidiary.<sup>12</sup> Direct and indirect defense requirements account for about 5 to 10 percent of the value of bearings produced in the United States, according to a 1992 Commerce study.<sup>13</sup> This figure was down from about 15 percent in the mid-1980s. Firms selling regular precision bearings are less affected by DFAR, and those selling superprecision bearings are more affected. Torrington estimates the value of defense-related purchases of bearings to be 5.2 percent of the total bearings market.<sup>14</sup>

## SIMULATION MODELING

### Inputs Into the Model

The COMPAS model, as formulated here, addresses the question of what would happen in the U.S. market if the orders were revoked. The model examines the effects of removing the duties on France, Germany, Italy, Japan, Romania, Singapore, and the United Kingdom. Base period (1998) imports from Sweden were too small to estimate an effect of removing the duties on Sweden. The elasticity estimates and other inputs into the model are discussed first, and the model results follow.

The domestic supply elasticity for BBs measures the quantity response of the U.S. industry to a change in the U.S. market price of these products. Based on cost structure, capacity utilization, and the importance of export markets, it is likely that the elasticity of domestic supply ranges from 3 to 6 for BBs.

The import supply elasticity for BBs measures the quantity response of the importing countries to a change in the U.S. market price of these products. It is based on foreign capacity and shipments to the home market and to third countries, costs, and price differences across markets. The Japanese supply response is difficult to assess. Japan possesses a large capacity and has substantial home market and third-country shipments, a portion of which could be diverted to the United States. On the other hand, capacity utilization is high. The existence of capital intensive production facilities in the United States also makes them less likely to import to the extent they already produce the items in question in the United States and wish to avoid within-firm competition. Weighing these factors, the import supply elasticities are estimated to range from 5 to 10 for France, Germany, Italy, Japan, and the United Kingdom. Because Romania competes mainly at the low end of the market and because Singapore competes mainly in commodity miniature and small bearings, their supply elasticities are estimated at 3 to 6.

The U.S. demand elasticity for BBs measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. Staff reported in the prehearing report that the demand elasticity was likely to range from -0.5 to -1.0. Based on information about substitute products and cost shares that suggest that demand is clearly inelastic, staff now considers this elasticity to range from -0.5 to -0.75 for BBs.

The substitution elasticity is a measure of the degree to which domestically produced BBs and those from the subject countries are substitutable across a range of possible uses. Based on information concerning product range, quality, availability, and degree of interchangeability, staff stated in the prehearing report that the elasticity of substitution was in the 3 to 5 range for all products and for all countries.

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<sup>12</sup> John A. Tucker, *Post World War II Development of the Ball and Roller Bearing Industry*, U.S. Department of Commerce, 1992, p. 20.

<sup>13</sup> *Ibid.*, p. 23.

<sup>14</sup> Torrington *et al.*, posthearing brief, p. 5.

Japanese respondents have stated that the elasticity of substitution is too high.<sup>15</sup> They state that incentives and requirements of NAFTA, AALA, and DFAR and “just-in-time” inventory practices limit the amount of imports. They also state that Japanese-owned domestic producers import most BBs from Japan and that these are usually models not produced in the United States. They add that these factors suggest an elasticity of substitution in the range of 1 to 2.

NAFTA and AALA appear to have only small effects on bearings imports because of the small cost share of bearings in the final products in which they are used. Although the Department of Defense requires some parts to be of U.S. origin, this is a small part of the overall market. Domestic suppliers can more easily participate in just-in-time inventory practices, but foreign producers are usually not precluded from participating in them as well. Staff considers the 3 to 5 range to remain valid, as purchasers reported broad interchangeability and comparability across most countries. To the extent that Romania is not certified with OEMs, it may fall in the lower part of this range. Singapore’s imports of miniature and small bearings may also fall within the lower part of this range. To the extent that large purchasers may require local production for just-in-time delivery, Japan may also fall into the lower end of this range.

The margins used for all countries are unweighted averages of each country’s sunset margins and the “all others” margin. 1998 c.i.f. values in thousands of dollars and quantities in thousands of BBs are from table BB-IV-1. No-growth, low-growth (2 percent), and high-growth (3.5 percent) demand scenarios were used. Transportation costs are those reported in table BB-V-1.

### **Model Results**

Detailed results are shown in appendix E. Revenue effects on the domestic industry of removing these orders under the zero-demand growth assumption varied from a decrease of 29 percent to a decrease of 12 percent. Under the 2-percent demand growth assumption, the change in domestic revenue ranged from a 28-percent decline to a 12-percent decline. Under the 3.5-percent growth assumption, domestic revenue changed from a 28-percent decline to a 9-percent decline.

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<sup>15</sup> Economic Consulting Services’ Report, March 10, 2000, pp. II-8-II-9.



### PART III: U.S. PRODUCERS' TRADE AND FINANCIAL DATA

Information in this part of the report is based upon the questionnaire responses of 36 firms that are believed to account for the vast majority of BB production in the United States. BB producers who responded affirmatively to the questionnaire are: American Roller Bearing, Atlantic Bearing, ART Technologies, Barden, Delphi Automotive Systems, Dodge/Rockwell Automation, Emerson Power Transmission, FAG Bearings, Frantz Manufacturing, Frost, Gear Products, Hoover Precision Products, INA USA, Kaydon,<sup>1</sup> Kendale Industries, Koyo Corp., Kubar Bearings, Link-Belt Bearings, McGill Manufacturing, MPB-Timken Aerospace, Nachi Technology, Nakanishi Manufacturing, National Bearings, New Hampshire Ball Bearings, NN Ball & Roller, NSK, NSK-AKS Precision Ball, NTN Bearing, Nucor Bearing Products, Phillips-Moldex, RBC, Saint Gobain Ceramics, SKF USA, Timken, Torrington, and Triangle Manufacturing.

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

Data on capacity, production, and capacity utilization for BBs are presented in table BB-III-1. Capacity to produce BBs increased by 5.0 percent from 1997 to 1998 and production decreased by 3.2 percent during the same period, resulting in a decrease in capacity utilization of 6.0 percentage points. Between January-September 1998 and January-September 1999, production capacity for BBs decreased by 4.6 percent, production declined by 6.2 percent, and capacity utilization decreased by 1.2 percentage points.

**Table BB-III-1**

**Ball bearings: U.S. producers' capacity, production, and capacity utilization, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Capacity (1,000 bearings)	609,982	640,673	492,518	470,064
Production (1,000 bearings)	464,295	449,412	360,631	338,359
Capacity utilization (percent)	76.1	70.1	73.2	72.0

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

#### U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Data on U.S. producers' shipments of BBs and parts thereof are presented in table BB-III-2. The value of U.S. producers' U.S. shipments of BBs and parts thereof increased by 0.6 percent from 1997 to 1998 while the value of exports increased by 8.2 percent. The value of U.S. shipments remained flat between January-September 1998 and January-September 1999 while the value of exports increased by 1.8 percent.

<sup>1</sup> Kaydon did not provide data for the January-September periods of 1998 and 1999.

**Table BB-III-2**

**Ball bearings and parts thereof: U.S. producers' shipments, by types, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	2,259,617	2,273,414	1,599,577	1,600,293
Export shipments	228,341	247,102	172,131	175,199
Total	2,487,958	2,520,516	1,771,708	1,775,492
<b>Quantity (1,000 bearings)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	436,808	417,000	314,108	308,499
Export shipments	34,554	38,553	28,916	26,017
Total	471,362	455,553	343,024	334,515
<b>Unit value (per bearing)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	\$4.70	\$4.96	\$4.60	\$4.72
Export shipments	6.29	6.06	5.58	6.38
Total	4.82	5.05	4.68	4.85
<p>Note.--Values include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

### U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of BBs decreased by 20.3 percent from 1997 to 1998, as shown in table BB-III-3. Inventories of BBs further decreased by 34.5 percent between January-September 1998 and January-September 1999.

**Table BB-III-3**

**Ball bearings: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Inventories (1,000 bearings)	53,779	42,836	68,476	44,822
Ratio to production (percent)	11.6	9.5	14.2	9.9
Ratio to U.S. shipments (percent)	12.3	10.3	16.4	10.9
Ratio to total shipments (percent)	11.4	9.4	15.0	10.0

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

**U.S. PRODUCERS' IMPORTS**

Thirteen U.S. producers reported imports of BBs over the period of these reviews. Subject imports accounted for about \*\*\* percent of \*\*\*'s total shipments during the period, and for about \*\*\* percent of total shipments by \*\*\*. Data on U.S. producers' imports are presented in table BB-III-4.

**Table BB-III-4**

**Ball bearings and parts thereof: U.S. producers' (and affiliated firms') shipments of imports, shipments of U.S. production, and ratio of import shipments to total shipments, by value, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**U.S. PRODUCERS' PURCHASES**

Seven U.S. producers--\*\*\*--reported purchases of BBs over the period of these reviews. Table BB-III-5 presents data on the value of their purchases. \*\*\* noted that it purchases BBs to fill in its existing product line. \*\*\* does not produce balls, but purchases them to manufacture BBs. \*\*\* reported that it purchases BBs in response to customer demand. \*\*\* responded that it purchases BBs as a convenience to its customers, and \*\*\* reported that it purchases to complement and extend its product line offering to its customers.

**Table BB-III-5**

**Ball bearings: U.S. producers' purchases, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

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

The average number of PRWs producing BBs and parts thereof was virtually unchanged between 1997 and 1998 and decreased by 7.2 percent between January-September 1998 and January-September 1999. The number of hours worked decreased by 0.8 percent and by 6.0 percent for the periods 1997 to 1998 and January-September 1998 to January-September 1999, respectively. The value of wages paid to BB workers increased by 1.7 percent from 1997 to 1998, then decreased by 2.2 percent from January-September 1998 to January-September 1999. Data on employment, wages, and productivity are presented in table BB-III-6.

**Table BB-III-6**

**Average number of production and related workers producing ball bearings and parts thereof, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999<sup>1</sup>**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Production and related workers	12,278	12,284	12,178	11,301
Hours worked (1,000)	27,637	27,428	20,243	19,030
Wages paid (\$1,000)	478,671	486,779	363,452	355,275
Hourly wages	\$17.17	\$17.60	\$17.81	\$18.52
Productivity (bearings per hour)	19.0	18.5	20.2	20.2
Unit labor costs (per bearing)	\$0.97	\$1.01	\$0.94	\$0.98

<sup>1</sup> \*\*\* did not provide employment data.

Note.--Number of PRWs, hours worked, wages paid, and hourly wages are related to the production of complete bearings and parts; productivity and unit labor costs are calculated on the basis of complete bearings only.

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

## FINANCIAL EXPERIENCE OF THE U.S. INDUSTRY

### Background on Ball Bearings

Twenty-six companies, accounting for over 90 percent of reported U.S. shipments, provided usable financial data on their operations producing BBs and parts thereof.<sup>2</sup> Four of the reporting companies provided financial data using fiscal years that ended on March 31 while another five companies have a fiscal year ending September 30.<sup>3</sup> The remaining 17 companies reported on a calendar-year basis. The 26 firms differ considerably in terms of the value of their sales and profitability. While no one company dominates this industry, four companies, \*\*\*, accounted for over 50 percent of sales and two companies, \*\*\*, accounted for over 50 percent of the industry's operating profit. Overall, the ratio of company transfers to total sales ranged from 14.0 to 16.4 percent (\*\*\*)<sup>4</sup> These companies used raw materials of U.S. origin predominantly (domestically sourced raw materials accounted for over 70 percent of total raw materials, according to company questionnaire responses).

### Ball Bearing Operations

Income-and-loss data for the 26 U.S. producers on their operations producing BBs and parts thereof are presented in table BB-III-7. Table BB-III-8 presents financial information on a company-by-company basis for net sales value, COGS, operating income or (loss), and the ratios of COGS and operating income or (loss) to net sales.<sup>5</sup>

The value of total sales declined slightly by about \$8 million between 1997 and 1998 and then increased by \$14 million (1 percent) between January-September 1998 and the same period in 1999. Operating income and net income declined, by \$22 million (13 percent) and by \$25 million (20 percent), respectively, between 1997 and 1998. Between January-September 1998 and the same period in 1999, both operating income and net income increased, by \$11 million (12 percent) and by \$14 million (21 percent). Similarly, the ratios of operating income and net income to sales declined between 1997 and 1998 and then increased between January-September 1998 and the same period in 1999. Cash flow declined by \$17 million between 1997 and 1998, and then increased between the interim periods by about \$10 million, because of changes in the segment's net income, moderated by changes in depreciation.

The labor and factory overhead components of COGS increased as did the components of SG&A expenses. As a result, the decrease in operating income was greater than the decline in net sales between 1997 and 1998; similarly, the increase in operating income was less than the increase in net sales between the interim periods.

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<sup>2</sup> Another seven companies provided data in the trade section of the Commission's producers' questionnaire only. These companies are \*\*\*. These seven companies accounted for about \*\*\* of the total difference of \*\*\* between the data reported in the trade and financial sections of the Commission's questionnaire in 1998. Overall, the difference between the two sets of data was 8.6 percent in 1998.

<sup>3</sup> \*\*\* have fiscal years ending March 31. \*\*\* have fiscal years ending September 30; some of the remaining differences between the data reported in the trade and financial sections of the Commission's questionnaire are due to these timing differences.

<sup>4</sup> \*\*\*.

<sup>5</sup> Because of variations in product mix, producers were not requested to provide quantity-based data for their sales; therefore, the unit value data and variance analyses (which are based on unit values) are not presented. Results of the verification of \*\*\*'s producers' questionnaire response have been incorporated into this report. BB-III-5

**Table BB-III-7**

**Results of operations of U.S. producers in the production of ball bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

Item	Fiscal year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Trade sales	***	***	***	***
Company transfers	***	***	***	***
Total sales	2,258,695	2,250,458	1,672,679	1,687,010
<b>Cost of goods sold:</b>				
Raw materials	781,989	768,162	569,479	576,709
Direct labor	287,185	292,263	220,846	218,272
Other factory costs	792,884	800,002	605,857	597,034
Total cost of goods sold	1,862,058	1,860,427	1,396,182	1,392,015
Gross profit	396,637	390,031	276,497	294,995
SG&A expenses	226,382	241,885	181,073	188,219
Operating income	170,255	148,146	95,424	106,776
Interest expense	25,834	29,570	22,836	19,546
Other expense	18,136	17,311	9,824	9,934
Other income items	2,347	2,264	2,543	1,561
Net income	128,632	103,529	65,307	78,857
Depreciation/amortization	120,197	127,353	95,925	92,454
Cash flow	248,829	230,882	161,232	171,311
<b>Ratio to net sales (percent)</b>				
<b>Cost of goods sold:</b>				
Raw materials	34.6	34.1	34.0	34.2
Factory labor	12.7	13.0	13.2	12.9
Other factory costs	35.1	35.5	36.2	35.4
Total cost of goods sold	82.4	82.7	83.5	82.5
Gross profit	17.6	17.3	16.5	17.5
SG&A expenses	10.0	10.7	10.8	11.2
Operating income	7.5	6.6	5.7	6.3
Net income	5.7	4.6	3.9	4.7
<b>Number of firms reporting</b>				
Operating losses	3	4	5	3
Data	26	26	26	26
Note.--Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires.				

BB-III-6

**Table BB-III-8**

**Net sales, cost of goods sold, operating income, and ratios of COGS and operating income to net sales of U.S. producers, by firms, in the production of ball bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

\*\*\* reported operating losses during all of the periods investigated; \*\*\* each reported operating losses during one or more periods investigated. In the cases of \*\*\*, these losses ranged from \*\*\* of net sales. The ratio of operating losses to net sales ranged from about \*\*\* percent for the other companies. These results compare unfavorably with an average industry-wide operating income ratio of 5.7 to 7.5 percent.

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

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment used in the production of BBs and parts thereof, are shown in table BB-III-9. Data on capital expenditures for BBs and parts thereof, by firms, are shown in table BB-III-10.

\*\*\* accounted for the majority of the reported value of fixed assets, as well as capital expenditures and R&D expenses. Capital expenditures increased by approximately 14 percent between 1997 and 1998, but fell by 26 percent between January-September 1998 and the same period in 1999. As a result of capital expenditures, the original cost of fixed assets rose during period investigated although the book value declined.<sup>6</sup>

**Table BB-III-9**

**Value of assets, capital expenditures, and R&D expenses of U.S. producers of ball bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

Item	Fiscal year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Capital expenditures <sup>1</sup>	108,861	123,888	83,210	61,634
R&D expenses	17,150	17,442	12,685	15,248
Fixed assets:				
Original cost <sup>1</sup>	1,769,257	1,868,997	1,844,076	1,900,508
Book value <sup>1</sup>	835,338	835,340	845,887	804,662
1 ***.				
Source: Compiled from data submitted in response to Commission questionnaires.				

<sup>6</sup> \*\*\*.

**Table BB-III-10**

**Capital expenditures of U.S. producers, by firms, in the production of ball bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Effects of Orders**

Comments by domestic producers regarding the significance of the existing antidumping orders on imports of BBs from France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom in terms of their effect on the firms' revenues, costs, profits, cash flow, capital expenditures, R&D expenses, and asset values are presented in appendix D. In that same appendix are comments by domestic producers regarding any anticipated changes in their revenues, costs, profits, cash flow, capital expenditures, R&D expenses, or asset values relating to the production of BBs in the future if the orders on imports from these countries were revoked.

## **PART IV: U.S. IMPORTS AND THE INDUSTRIES IN FRANCE, GERMANY, ITALY, JAPAN, ROMANIA, SINGAPORE, SWEDEN, AND THE UNITED KINGDOM**

### **U.S. IMPORTS**

The value of subject imports of BBs decreased by 0.3 percent from 1997 to 1998 while the value of imports from all countries increased by 3.4 percent. The value of subject imports decreased by 22.0 percent during the interim periods, and the value of all imports decreased 10.1 percent over the same period. Imports from nonsubject countries accounted for roughly half of the total value of imports in each period. Table BB-IV-1 presents official Commerce statistics on imports of BBs.

Imports from Japan alone are larger than imports from all other subject countries combined. Canada and China are the largest nonsubject suppliers of BBs to the United States. While imports of all subject BBs decreased in value in all periods, imports of nonsubject BBs increased.

### **U.S. IMPORTERS' INVENTORIES**

U.S. importers' inventories of BBs are presented in table BB-IV-2. Reported inventories of imports from subject countries decreased by 7.7 percent from 1997 to 1998 and by 9.5 percent during the interim periods. Inventories of imports from nonsubject countries similarly declined by 10.4 percent from 1997 to 1998 and by 19.5 percent from January-September 1998 to January-September 1999.

## **THE INDUSTRIES IN FRANCE, GERMANY, ITALY, JAPAN, ROMANIA, SINGAPORE, SWEDEN, AND THE UNITED KINGDOM**

### **France**

Table BB-IV-3 presents France's reported production of BBs for the period of review. Two of the largest producers of bearings in France, SNR and SNFA, did not provide questionnaire responses. France ranks fourth in world bearing production. Foreign producer questionnaires were sent to six firms believed to produce subject bearings in France. Only one questionnaire response was received, from SKF-France, also known as SARMA. SKF reported that its facility represented \*\*\* percent of production of BBs in France in 1998. It is reported that four companies dominate the industry in France. SNR, a subsidiary of the French automaker Renault, is the largest French-based bearing producer. SNR has numerous production locations and produces BBs and CRBs. SNFA is a privately held company and produces BBs and CRBs primarily for the aerospace industry. INA Roulements, a subsidiary of the German bearing producer, is reported to produce BBs and CRBs in its French production plants. SKF France, part of the SKF Group, is known to produce BBs and SPBs. Reported capacity and production of BBs in France increased from 1997 to 1998 but decreased in the interim periods. Capacity utilization held steady at \*\*\* percent. Third country markets accounted for the \*\*\* of BB shipments.

In its questionnaire response, SKF-France reported that its production \*\*\*. As a result of the antidumping duty order, SKF \*\*\*. In response to how easily SKF can shift sales of BBs between the United States and alternative markets, SKF noted that \*\*\*. SKF also reported that although the end use for BBs has not changed, there has been a shift away from \*\*\*. In its response, SKF noted \*\*\*. It also reported that there is fierce competition among suppliers, including low-priced imports. \*\*\* were listed as sources of imports of BBs into France. There were no reported tariff barriers to BB imports into France and no reported antidumping or countervailing duty orders covering imports of French BBs into third countries.

**Table BB-IV-1**

**Ball bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
France	23,900	24,832	18,830	13,147
Germany	48,999	47,482	36,060	31,768
Italy	18,323	19,435	16,446	11,274
Japan <sup>1</sup>	347,409	351,652	273,290	209,765
Romania	3,360	2,671	2,110	1,555
Singapore	45,548	42,690	33,275	28,366
Sweden	3,017	2,751	2,026	2,436
United Kingdom	17,231	14,862	11,520	8,701
Subtotal	507,787	506,374	393,557	307,011
Canada	102,761	119,108	87,681	94,338
China	112,992	118,883	89,933	92,760
All others	223,722	235,196	177,784	179,026
Total	947,262	979,561	748,955	673,136
<b>Quantity (1,000 bearings)</b>				
France	3,094	2,685	2,027	4,842
Germany	14,629	7,800	5,982	29,872
Italy	3,707	2,774	2,408	2,203
Japan <sup>1</sup>	296,317	297,555	232,875	199,050
Romania	2,555	2,301	1,675	1,514
Singapore	83,445	80,631	63,444	53,122
Sweden	264	153	116	210
United Kingdom	4,981	4,514	4,097	3,187
Subtotal	408,992	398,412	312,623	294,000
Canada	89,819	87,166	62,153	64,299
China	177,672	198,046	148,052	175,543
All others	198,482	214,030	158,196	153,482
Total	874,964	897,655	681,024	687,324

Table continued on next page.

BB-IV-2

**Table BB-IV-1--Continued**

**Ball bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Unit value (per bearing)</b>				
France	\$7.47	\$9.00	\$9.07	\$2.53
Germany	3.21	5.75	5.73	0.99
Italy	4.77	6.72	6.55	4.94
Japan <sup>1</sup>	1.03	1.01	0.99	0.97
Romania	1.31	1.16	1.26	1.02
Singapore	0.55	0.53	0.52	0.53
Sweden	11.40	18.01	17.51	11.53
United Kingdom	3.35	3.20	2.74	2.65
Average	1.16	1.18	1.16	1.03
Canada	1.14	1.36	1.40	1.42
China	0.61	0.56	0.57	0.51
All others	1.10	1.06	1.09	1.12
Average	1.02	1.01	1.02	0.93
<b>Share of value (percent)</b>				
France	2.5	2.5	2.5	2.0
Germany	5.2	4.8	4.8	4.7
Italy	1.9	2.0	2.2	1.7
Japan	36.7	35.9	36.5	31.2
Romania	0.4	0.3	0.3	0.2
Singapore	4.8	4.4	4.4	4.2
Sweden	0.3	0.3	0.3	0.4
United Kingdom	1.8	1.5	1.5	1.3
Subtotal	53.6	51.7	52.5	45.6
Canada	10.8	12.2	11.7	14.0
China	11.9	12.1	12.0	13.8
All others	23.6	24.0	23.7	26.6
Total	100.0	100.0	100.0	100.0

Table continued on next page.

**Table BB-IV-1--Continued**

**Ball bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Share of quantity (percent)</b>				
France	0.4	0.3	0.3	0.7
Germany	1.7	0.9	0.9	4.3
Italy	0.4	0.3	0.4	0.3
Japan	33.9	33.1	34.2	29.0
Romania	0.3	0.3	0.2	0.2
Singapore	9.5	9.0	9.3	7.7
Sweden	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
United Kingdom	0.6	0.5	0.6	0.5
Subtotal	46.7	44.4	45.9	42.8
Canada	10.3	9.7	9.1	9.4
China	20.3	22.1	21.7	25.5
All others	22.7	23.8	23.2	22.3
Total	100.0	100.0	100.0	100.0
<p><sup>1</sup> ***</p> <p><sup>2</sup> Less than 0.05 percent.</p> <p>Note.—Values are landed, duty-paid, and include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only. Data are based on imports entered under HTS items 8482.10.1040, 8482.10.1080, 8482.10.5004, 8482.10.5008, 8482.10.5016, 8482.10.5024, 8482.10.5028, 8482.10.5032, 8482.10.5036, 8482.10.5044, 8482.10.5048, 8482.10.5052, 8482.10.5056, 8482.10.5060, 8482.10.5064, 8482.10.5068, 8482.80.0020, 8482.80.0040, 8482.80.0080, 8482.91.0010, 8482.91.0020, 8482.99.0500, 8482.99.3500, 8483.20.4040, and 8483.20.8040.</p> <p>Source: Compiled from official Commerce statistics.</p>				

**Table BB-IV-2**

**Ball bearings: U.S. importers' end-of-period inventories of imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
* * * * *				
<b>Imports from subject sources:</b>				
Inventories (1,000 bearings)	80,659	74,452	74,335	67,277
Ratio to imports (percent)	7.1	8.4	9.5	9.2
Ratio to U.S. shipments of imports (percent)	7.2	8.8	9.9	9.5
<b>Imports from all other sources:</b>				
Inventories (1,000 bearings)	90,753	81,295	92,944	74,853
Ratio to imports (percent)	28.6	14.0	18.0	7.8
Ratio to U.S. shipments of imports (percent)	33.0	15.3	20.1	8.1
<b>Imports from all sources:</b>				
Inventories (1,000 bearings)	171,412	155,747	167,279	142,131
Ratio to imports (percent)	11.8	10.7	12.9	8.4
Ratio to U.S. shipments of imports (percent)	12.2	11.3	13.8	8.7
<sup>1</sup> Not applicable. Source: Compiled from data submitted in response to Commission questionnaires.				

**Table BB-IV-3**

**Ball bearings: Data for the only reporting producer in France, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

## Germany

Germany ranks third in world bearing production. Major producers of bearings include FAG, INA, NTN, and SKF. Twenty questionnaires were sent to firms believed to produce subject bearings in Germany. Five firms reported production of BBs in Germany--FAG, NTN, SKF, Neuwig Fertigung, and Zwicker Kugellager.<sup>1</sup> FAG produces BBs and CRBs and SKF produces BBs, CRBs, and SPBs. FAG, NTN, Neuwig Fertigung, and SKF also produce BBs in the United States. FAG represented almost \*\*\* percent of reported production in 1998. Neuwig Fertigung is related to NSK. Data on German production of BBs are presented in table BB-IV-4. Production of BBs increased from 1997 to 1998, but decreased in the interim periods. BB capacity was essentially flat in each period, and capacity utilization was extremely high. The home market and third country markets accounted for virtually all shipments. There are reportedly no tariff barriers on imports of BBs into Germany and no known antidumping or countervailing duty orders covering imports of German BBs into third countries.

\*\*\* reported that as a result of the antidumping duty orders, its exports have increased to \*\*\*. \*\*\* also noted that shipments to the United States have decreased and sales in the United States of German-made bearings have likewise decreased. \*\*\*'s response claims that sales of BBs are influenced principally by demand and competition in different national markets, and reduction in demand in one country results in shifting sales elsewhere with relative ease provided the demand exists. \*\*\* reported that demand in Germany has remained relatively stable although competition has increased. There are four or five principal competitors for most of the available business, and approximately two dozen small, specialty BB producers who compete for the specialty business. \*\*\* identified Japan, Sweden, and the United Kingdom as the major sources of imports of BBs into Germany.

\*\*\* reported that its production of BBs has decreased significantly since 1989; however, it claims that the antidumping duty order has not had a significant effect on its production, capacity, shipments, or inventories. \*\*\* noted that with the establishment of \*\*\*, exports of these products have decreased. \*\*\*'s response indicates that demand in the United States for BBs, whether imported or domestic, is driven by the business cycle and demands of the industries that consume the bearings and that expansions or contractions in those industries affect bearings purchases. In Germany, \*\*\* faces competition from \*\*\* as well as low-priced imports.

In its questionnaire response, \*\*\* reports that there are three main bearing competitors in Germany, \*\*\*. Each company has its own strengths in different BB categories. The German bearing market is large and dominated by OEMs, such as Mercedes Bosch; therefore, BB demand is great. INA reportedly is very strong in self-lube BBs. \*\*\*. \*\*\* also notes there have been some recent changes in demand in Germany. There is increased price competition in Germany as a result of an increase of BB imports from China and Eastern Europe. In addition, many BB producers have introduced second brand strategies. They maintain a premium brand image while introducing volume production with a second brand in a lower tier market.

### Table BB-IV-4

**Ball bearings: Data for producers in Germany, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

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<sup>1</sup> These firms are believed to account for the majority of BB production in Germany.

## Italy

Italy is among the top five bearing-producing countries in the world. The majority of Italian production is dedicated to BBs. Major producers include FAG, SKF, and Somecat.<sup>2</sup> Questionnaires were sent to six firms believed to produce subject bearings in Italy. Three companies--FAG, SKF, and Meter--provided data on their BB operations in Italy.<sup>3</sup> SKF reported that it accounts for approximately \*\*\* percent of BB production in Italy. \*\*\* produce both BBs and CRBs in their Italian production facilities. Somecat, an affiliate of SFNA, did not respond to the questionnaire. Reported production of BBs in Italy increased from 1997 to 1998 but declined in the interim periods, following the same trend as capacity. As a result, capacity utilization remained fairly constant, at about \*\*\* percent. Third country markets accounted for the vast majority of shipments. None of the companies reported tariffs on imports of BBs into Italy. There are no known antidumping or countervailing duty orders covering imports of Italian BBs into third countries. Table BB-IV-5 presents reported data on BBs in Italy.

SKF reported that its production of BBs in Italy \*\*\*. Production of certain BBs and production capacity for wheel hub units for the U.S. market \*\*\*. SKF's response with respect to its production of BBs in Italy is similar to its responses above regarding BB production in France and Germany.

FAG reported that it \*\*\*. \*\*\*. As a result of the antidumping duty orders, FAG \*\*\*. It noted that shipments of BBs to the United States have \*\*\*. In its response, FAG noted that demand has \*\*\*. FAG reported that there are two to three principal competitors for a majority of the \*\*\*. Foreign import competition is from \*\*\*. It also noted that as long as \*\*\*.

Meter, a \*\*\* producer in Italy, intends to \*\*\*.<sup>4</sup> Presently, Meter \*\*\*. Meter reported that it intended to \*\*\* at the beginning of 2000. Whereas most foreign producers indicated that they cannot \*\*\*, Meter indicated that in 1998 and 1999 it \*\*\*. \*\*\*. Meter does not produce \*\*\*. Meter also notes that demand in Italy \*\*\*. Similar to FAG's assessment of the Italian BB market, Meter indicated that \*\*\*.

### Table BB-IV-5

**Ball bearings: Data for producers in Italy, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

## Japan

NSK, NTN, Koyo, and Nachi are reportedly the largest producers of BBs in Japan. Questionnaires were sent to 29 firms believed to produce subject bearings in Japan; 18 responses were received. Those companies responding to the questionnaire include: Nakai Bearing, Inoue Jikukke Kogyo, Asahi Seiko, Nippon Thompson, Osaka Pump, Wada Seiko, Fujino Iron Works, Izumoto Seiko, Maekawa Bearing, NSK Torrington, Minebea, NPBS, Nachi-Fujikoshi, NTN, NSK, Takeshita Seiko, Higashino Sangyo, and Koyo Seiko.<sup>5</sup> NSK, the second largest world producer of bearings, produces over 70 percent of its bearings in Japan. NTN is Japan's second largest producer of bearings and the world's third largest producer. Koyo is a subsidiary of Toyota Motor Co. Table BB-IV-6 presents data on

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<sup>2</sup> Stewart and Stewart submission, May 21, 1999, p. 77.

<sup>3</sup> These firms are believed to account for the large majority of BB production in Italy.

<sup>4</sup> Meter did not provide any other details regarding its \*\*\*.

<sup>5</sup> These firms are believed to account for the great majority of BBs produced in Japan.

**Table BB-IV-6**

**Ball bearings: Data for producers in Japan,<sup>1</sup> 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Quantity (1,000 bearings)</b>				
Capacity	1,685,327	1,745,342	1,298,529	1,309,021
Production	1,816,986	1,625,683	1,222,954	1,193,289
End-of-period inventories	140,648	126,471	110,237	104,040
Shipments:				
Internal consumption/transfers	120,002	102,200	78,206	69,215
Home market	1,284,185	1,039,506	801,578	745,711
Exports to:				
United States	57,804	61,771	48,354	41,768
All other markets	466,663	519,425	380,038	402,158
Total exports	524,467	581,196	428,391	443,925
Total shipments	1,928,653	1,722,902	1,308,175	1,258,851
<b>Ratios and shares (percent)</b>				
Capacity utilization	107.7	93.1	94.1	91.1
Inventories/production	7.7	7.8	6.8	6.5
Inventories/shipments	7.3	7.3	6.3	6.2
Share of total shipments:				
Internal consumption/transfers	6.2	5.9	6.0	5.5
Home market	66.6	60.3	61.3	59.2
Exports to:				
United States	3.0	3.6	3.7	3.3
All other markets	24.2	30.1	29.1	31.9
Total exports	27.2	33.7	32.7	35.3
<sup>1</sup> These firms are believed to account for the great majority of BBs produced in Japan.				
Source: Compiled from data submitted in response to Commission questionnaires.				

production of BBs in Japan. Production of BBs decreased from 1997 to 1998 and fell further in the interim periods. Capacity increased steadily, and capacity utilization remained above 90 percent. The Japanese market accounted for the majority of total shipments. There are no known antidumping or countervailing duty orders covering imports of Japanese BBs into third countries.

\*\*\* reported in its questionnaire response that it opened a BB plant in \*\*\*. \*\*\* also noted that the bearings market is demand driven and it has established production facilities in many countries to service the demand for bearings globally. A number of the larger BB producers in Japan reported that demand in Japan and the United States has increased since the order was imposed. They note that development of products that incorporate BBs has driven this increase in demand. The Japanese market is highly competitive. There are approximately 21 BB manufacturers in Japan, five of which make up a majority of the market share. NSK is reportedly the largest BB manufacturer; others include NTN, Koyo, Nachi, and NMB. These producers also have manufacturing facilities in the United States and therefore allegedly have not been affected by the antidumping duty orders.

A number of Japanese BB producers that are not affiliated with producers in the United States noted that there have been changes in the market since the order was imposed. Most indicated that their exports to the United States decreased or were reduced as a result of the order. Many reported that they were not able to compete with low-priced Chinese BBs.

### Romania

Questionnaire responses were received from six BB producers in Romania: S.C. Koyo Romania S.A, S.C. Rulmenti S.A. Barlad, S.C. Rulmenti S.A. Slatina, S.C. URB Rulmenti S.A. Suceava, S.C. Rulmenti S.A. Brasov, and Timken Romania S.A. The six companies account for virtually all BB production in Romania. Koyo Romania is reportedly the largest producer of BBs in Romania, accounting for \*\*\* percent of production in 1998. As shown in table BB-IV-7, reported production of BBs decreased in each period as capacity increased, resulting in a drop in capacity utilization from 78 percent in 1997 to 68 percent in interim 1999.

Known changes in the industry in Romania since the imposition of the order include the acquisitions of Rulmenti Alexandria by Koyo Seiko in July 1998 and of Rulmenti Grei Ploiesti by the Timken Company in December 1997. Since the purchase, Timken has \*\*\*. Timken notes that unlike most Timken plants, the \*\*\*. All other Romanian producers stated that they are not able to \*\*\*.

Almost all Romanian BB producers reported that Romania's 1989 shift from a planned economy to a market economy generated a decrease in demand in the home market for BBs due to reduction in industrial development. The producers note that similar circumstances occurred throughout the Eastern European countries. All the producers also reported that global demand has been lower than in previous years as a result of a downturn in global industrial markets.

Romanian BB producers reported that the Romanian bearings industry was established to cover a large product range and that each producer was developed for a certain product range.<sup>6</sup> Third country markets accounted for the predominant share of Romanian shipments of BBs. Almost all Romanian BB producers reported that it is impossible to shift sales between the U.S. market and third country markets because production is based on firm orders. They also note that the product range and item specifications ordered by the U.S. market are not compatible with third country markets. There are no known antidumping or countervailing duty orders covering imports of Romanian BBs into third countries.

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<sup>6</sup> Romanian foreign producer questionnaires, except \*\*\*.

**Table BB-IV-7**

**Ball bearings: Data for producers in Romania,<sup>1</sup> 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Quantity (1,000 bearings)</b>				
Capacity	79,006	79,506	59,380	60,430
Production	61,612	54,617	41,843	40,848
End-of-period inventories	8,806	8,798	8,301	6,880
Shipments:				
Internal consumption/transfers	18	16	12	9
Home market	11,308	10,444	7,665	8,287
Exports to:				
United States	406	334	316	159
All other markets	46,723	41,686	31,806	36,590
Total exports	47,129	42,020	32,122	36,749
Total shipments	58,455	52,479	39,799	45,045
<b>Ratios and shares (percent)</b>				
Capacity utilization	78.0	68.7	70.5	67.6
Inventories/production	14.3	16.1	14.9	12.6
Inventories/shipments	15.1	16.8	15.6	11.5
Share of total shipments:				
Internal consumption/transfers	0.0	0.0	0.0	0.0
Home market	19.3	19.9	19.3	18.4
Exports to:				
United States	0.7	0.6	0.8	0.4
All other markets	79.9	79.4	79.9	81.2
Total exports	80.6	80.1	80.7	81.6
<sup>1</sup> These firms are believed to account for virtually all BB production in Romania. Source: Compiled from data submitted in response to Commission questionnaires.				

## Singapore

One consolidated questionnaire response was received from NMB/Pelmec, affiliated producers of BBs. The questionnaire response accounts for virtually all BB production in Singapore. Both companies are subsidiaries of the Minebea Group, headquartered in Japan. Reported production of BBs in Singapore decreased from 1997 to 1998, and then increased in the interim periods, while capacity rose steadily. Capacity utilization ranged from \*\*\* to \*\*\* percent. Third country markets accounted for the majority of shipments, although the United States was also an important market. Table BB-IV-8 presents data on BB production in Singapore. There are no known antidumping or countervailing duty orders covering imports of Singaporean BBs into third countries.

NMB/Pelmec indicated in its response that demand for BBs has \*\*\*. It notes that imports of \*\*\* into Singapore compete with its product, but that market demand is \*\*\*.

### Table BB-IV-8

**Ball bearings: Data for producers in Singapore, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

## Sweden

SKF, the world's largest producer of bearings, is headquartered in Sweden. SKF is considered to be the global bearing industry leader. The company reportedly invests about \$100 million annually in bearing research and development. SKF makes every kind of bearing in about 60 factories around the world. Its major production locations are in Sweden, Germany, Italy, France, the United Kingdom, and the United States. SKF is the only known BB producer in Sweden. SKF reported that it no longer produces \*\*\* in Sweden. Production has been transferred to \*\*\*. Reported production and capacity of BBs in Sweden increased from 1997 to 1998, then fell in the interim periods. Capacity utilization remained in the range of \*\*\* to \*\*\* percent. Third country markets accounted for the vast majority of shipments. Data on production of BBs in Sweden are reported in table BB-IV-9. There are no known antidumping or countervailing duty orders covering imports of Swedish BBs into third country markets.

### Table BB-IV-9

**Ball bearings: Data for the only known producer in Sweden, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

## United Kingdom

There are a number of BB producers in the United Kingdom, including Barden, NSK-RHP, and SNFA. Questionnaires were sent to five companies as well as to all the parties. Six companies reported production of BBs: AHR International, Torrington, Timken Aerospace, Barden, NSK-RHP Europe, and RHP Aerospace. Barden, a wholly owned subsidiary of FAG, specializes in producing BBs and components for precision applications. NSK-RHP's product line includes BBs and CRBs. According to its questionnaire response, \*\*\* no longer produces BBs in the United Kingdom. Table BB-IV-10 presents data on BB production in the United Kingdom. NSK-RHP Europe accounts for \*\*\* reported production of BBs in the United Kingdom. Production and capacity to produce BBs increased from 1997 to 1998, then decreased in the interim periods. Capacity utilization for BBs declined from \*\*\* percent in

BB-IV-11

**Table BB-IV-10**

**Ball bearings: Data for producers in the United Kingdom, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

1997 to \*\*\* percent in interim 1999. Third country markets accounted for the preponderance of BB shipments. There are no known antidumping or countervailing duty orders covering imports of British BBs into third countries.

## **PART V: PRICING AND RELATED DATA**

### **CHARACTERISTICS OF LIKELY DUMPING**

Company-level detail on dumping margins is presented in BB part I. The original and sunset dumping duties for BBs are generally the same. These range from 56.5 percent to 66.4 percent for France, from 31.3 percent to 132.3 percent for Germany, from 68.3 percent to 155.6 percent for Italy, from 2.6 percent to 106.6 percent for Japan, 39.6 percent for Romania, 25.1 percent for Singapore, 105.9 percent for Sweden, and from 44.0 percent to 61.1 percent for the United Kingdom. Also, as discussed in part I, tariffs on BBs and parts thereof imported from countries with normal trade relations range from 2.4 percent to 9.9 percent.

### **EXCHANGE RATES**

Nominal and, where possible, real exchange rate indexes of currency from France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom are shown in appendix F. The dollar value of the French franc and the German mark, which had appreciated in the early 1990s, have been in decline since 1995. The dollar value of the Italian lira declined from 1992 to 1993 and has been stable to slightly down since then. The nominal and real value of the Japanese yen appreciated steadily relative to the dollar from 1990 to 1995, since which time it declined until 1998. The nominal value of the Japanese yen recovered somewhat in 1999. The Romanian currency was devalued in the early 1990s and has continued to decline relative to the dollar, while its real value has remained more stable. The currency of Singapore appreciated or was stable relative to the dollar between 1988 and 1995, since which time it has declined. The Swedish currency has declined approximately 25 percent in nominal terms and 15 percent in real terms since 1988. The nominal and real value of the British pound have appreciated relative to the U.S. dollar since 1988.

### **OTHER FACTORS AFFECTING PRICING**

Most U.S. producers reported that there were no significant changes in the costs of raw materials during the period of review. A couple of producers reported that market demand affects the price of bearings but that changes in raw material prices do not. Several other producers reported that, if raw material costs increased, they would pass them on to the customer. One producer reported that all costs had increased by approximately 4 percent. Most importers reported that raw materials had not affected their selling price, but a large number also reported that they purchase finished bearings and are unaware of the raw material costs.

The difference between the c.i.f. value and customs value of subject U.S. imports provides an indication of the cost to transport BBs to the U.S. market. As shown in table BB-V-1, these costs were usually 2 to 3 percent of the total cost at port and ranged from a low of 1.2 percent to a high of 10.0 percent.

U.S. producers reported that their U.S. inland transportation costs were on average 2.5 percent of total delivered costs. U.S. importers reported that their U.S. inland transportation costs averaged approximately 6 percent of total delivered costs. Both U.S. producers and importers tended to make the transportation arrangements themselves, although it was fairly common for the purchaser to make the arrangement, especially in the case of subject imported bearings.

**Table BB-V-1**

**Ocean transport costs to the United States in 1998 as a percentage of total cost at port, by subject countries**

Country	Ocean transport cost (percent)
France	10.0
Germany	2.9
Italy	3.4
Japan	2.9
Romania	2.9
Singapore	( <sup>1</sup> )
Sweden	1.2
United Kingdom	2.5
<sup>1</sup> Imports in 1998 were insufficient to compute a percentage for this cell.	
Source: Calculated from official Commerce statistics.	

### **PRICING TRENDS**

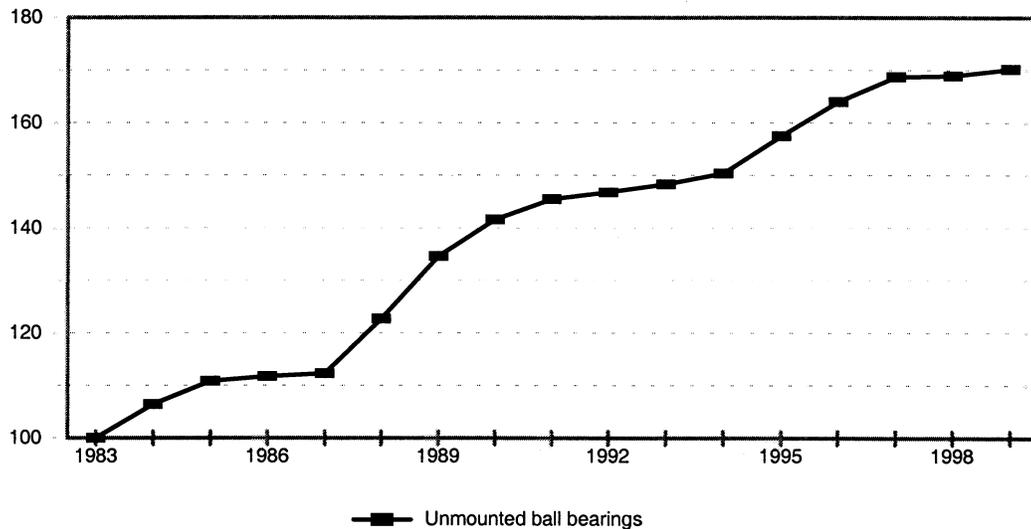
Since 1983, prices of BBs have increased steadily according to the BLS producer price index (see figure BB-V-1). Although the general trend was upward, prices were relatively flat from 1985 to 1987, from 1991 to 1994, and from 1997 to 1999. The steep rise that occurred from 1987 to 1991 began before the duty orders were imposed in 1989.

### **PRICING PRACTICES**

U.S. producers reported various means of establishing prices; however, they tend to negotiate contracts with OEM customers. These contracts often take the form of requirements contracts that last 3 to 5 years, and establish an initial price but allow for annual variation. OEM sales are priced at market levels, whereas price lists are more typically used, at least as a starting point, for sales to distributors. Prices of most custom-made bearings appear to be established on a transaction-by-transaction basis.

Seven out of 23 responding U.S. producers of certain bearings reported granting some types of discounts based on volume of purchase, although several of these did not have a fixed discount policy. Four of the 23 producers reported negotiating discounts on a customer basis, giving special consideration to large customers, and awarding loyalty. Two of the 23 producers reported offering discounts only when forced to by competitive market conditions. Seven of the 23 producers reported that they did not offer discounts.

**Figure BB-V-1**  
**Producer price index: Ball bearings, unmounted, 1983-99**



Source: Bureau of Labor Statistics.

### PRICE DATA

The Commission requested in its producer and importer questionnaires quarterly quantity and value information from January 1997 to September 1999. Separate pricing data were requested for shipments to distributors and to end users. The 11 BB products for which pricing information was requested are listed below.

- Product 11      203PP Z10 SF5000–Radial ball bearing, single row, deep groove, with two single lip contact seals and a steel retainer. 40 mm OD, 17 mm bore, and 12 mm width. ABEC 1 tolerance.
- Product 12      6202ZZ–Ball bearing, single row, deep groove radial. 15 mm bore, 35 mm OD, 11 mm width with two shields. ABEC 1-3 tolerances.
- Product 13      6004ZZ–Ball bearing, single row, deep groove radial. 20 mm bore, 42 mm OD, 12 mm width with two shields. ABEC 1-3 tolerances.
- Product 14      6906ZZ–Ball bearing, single row, deep groove ultralite. 30 mm bore, 47 mm OD, 9 mm width with two shields. ABEC 1-3 tolerances.
- Product 15      6001 RS1Z–Ball bearing, single row, deep groove radial. 12 mm bore, 28 mm OD, 8 mm width with one seal and one shield. ABEC 1-3 tolerances.

- Product 16      204RR6 (A4216 & A3812)–Radial ball bearing, single row with two seals. ABEC 1 tolerance.
- Product 17      R2SS–Ball bearing, single row, deep groove radial. 0.1250 inch bore, 0.375 inch diameter, 0.1562 inch width with two shields. ABEC 5 tolerance.
- Product 18      2MM 9126WI CR DUL–Ball bearing, two bearings matched by width, angular contact of 15 degrees. 130 mm bore, 200 mm OD, 33 mm width per bearing. ABEC 7 tolerance.
- Product 19      RA100-RRB + Collar–Ball bearing, single, deep groove radial with eccentric locking collar, narrow overall width. 1 inch bore, 52 mm spherical OD, 1-7/32 inch overall width with two seals. ABEC 1 tolerance.
- Product 20      GAPL1100B–Pillow block unit with radial ball bearing insert. Grey cast iron, two bolt hole, with grease fittings base-to-centerline height 1-5/16 inch, bolt hole spacing 4-1/8 inch. Ball bearings, single row, deep groove radial with eccentric locking collar, wide overall width. 1 inch bore, 52 mm spherical OD, 1-3/4 inch overall width with two seals.
- Product 21      QJ212–ADP Ball Bearing, flanged. 60 mm bore, 110 mm OD, 22 mm width. Flange OD 150 mm. M50 steel for outer and inner rings. Cage treated with silver. ABEC 5 tolerance. Aerospace process control, traceability, and inspections apply.

Pricing data were reported for U.S. producers' shipments and imports from France, Germany, Italy, and Japan. No pricing data were received for imports of BBs from Romania, Singapore, Sweden, or the United Kingdom. The price data cover \*\*\* BBs from France (\*\*\*) percent of French imports), \*\*\* BBs from Germany (\*\*\*) percent of German imports), \*\*\* BBs from Italy (\*\*\*) percent of Italian imports), 3,070,647 BBs from Japan (0.39 percent of Japanese imports), and 65,327,803 domestically produced BBs (5.62 percent of U.S. shipments). There were 1,032 individual reports of quarterly sales.

Prices of BBs ranged from less than a dollar to thousands of dollars. Differences in conditions of sale also led to large differences in unit prices in many cases. Some large importers were also unable to break out the data in the form requested. Despite the relatively specific product definitions, some variation within product categories apparently exists.<sup>1</sup> This variability led to large underselling and overselling margins in some cases, although sales of a similar volume usually resulted in comparable prices.

Individual firms reported highly variable quantities of quarterly sales. For example, the minimum, 25th percentile, median, 75th percentile, and maximum number of BBs reported in the quarterly sales data were, respectively, 1; 6; 1,223.5; 9,223; and 2,777,350. The unit values of the high-volume sales were systematically lower than those of the low-volume sales. This is because the unit costs of setting up the production line are less for large batches than for small ones. Also, large purchasers may have some market power and are able to command a lower price. A regression analysis

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<sup>1</sup> Telephone conversation with \*\*\*.

on the firm-level data indicates that for each one-percent increase in sales volume, unit value decreased by 0.16 percent.<sup>2</sup>

Sales to end users accounted for 79.8 percent of sales. The unit values of sales to end users were lower than those to distributors, as indicated by the negative coefficient for sales to end users in the regression equation. Sales to end users were often to large OEMs that command some market power. These sales also tended to be for greater volumes. Sales to distributors were for smaller quantities and were often destined for the aftermarket, where unit prices were greater.

Price comparisons are reported in tables BB-V-2 to BB-V-18. For product 13, usable data were reported for France, Germany, and Japan in the distributor market and for France and Japan in the end user market; however, there were no reported usable sales of domestically produced product 13. The only usable price data for product 15 in the distributor market were for Japanese imports. Thus, no pricing tables are shown for these products.

\*\*\* reported the only import data for product 21, which is an ADP bearing. Staff asked the firm to verify these data because overselling margins were greater than \*\*\*. Upon reexamination of its data, \*\*\* concluded that these price data were not for any of the Commission's pricing products and that it had not imported product 21. Thus, no pricing table is shown for this product.

**Table BB-V-2**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 11 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

<sup>2</sup> The log of unit value was regressed on the log of quantity plus indicator variables to distinguish each product, country, and market type. The coefficients, their values, and t-statistics are shown below. All coefficients were significant, as was the model as a whole. A linear time trend was tested but proved insignificant and is not reported.

Coefficients	Value	Std. error	t-value	Pr (> t )
log(quantity)	-0.1631	0.0084	-19.5131	0.0000
product 11	2.2992	0.0997	23.0683	0.0000
product 12	2.4538	0.0964	25.4412	0.0000
product 13	3.3678	0.1004	33.5586	0.0000
product 14	3.4933	0.1039	33.6377	0.0000
product 15	1.9120	0.1524	12.5496	0.0000
product 16	2.6143	0.1054	24.8056	0.0000
product 17	2.5522	0.0953	26.7685	0.0000
product 18	7.7899	0.0871	89.4118	0.0000
product 19	3.5904	0.1017	35.2923	0.0000
product 20	4.3007	0.1030	41.7535	0.0000
product 21	7.2208	0.1720	41.9716	0.0000
France	-0.3245	0.1146	-2.8320	0.0047
Germany	-0.2646	0.0943	-2.8059	0.0051
Italy	-0.3553	0.1385	-2.5653	0.0105
Japan	-0.5807	0.0560	-10.3651	0.0000
end users	-0.1903	0.0434	-4.3860	0.0000

Residual standard error: 0.6392 on 1,015 degrees of freedom  
Multiple R-Squared: 0.9436  
F-statistic: 999.4 on 17 and 1,015 degrees of freedom, the p-value is 0

**Table BB-V-3**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 11 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-4**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 12 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-5**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 12 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-6**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 14 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-7**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 14 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-8**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 15 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-9**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 16 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-10**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 16 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BBV-11**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 17 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-12**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 17 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-13**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 18 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-14**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 18 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-15**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 19 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-16**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 19 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-17**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 20 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-18**

**Ball bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 20 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

Pricing comparisons are summarized in table BB-V-19. France had more periods of overselling than underselling, and its overselling margins were higher than its underselling margins. Germany had more periods of underselling than overselling, although its overselling margins were usually higher than its underselling margins. Italy oversold in more periods than it undersold in 1997, but undersold more frequently in 1998 and 1999. The Japanese products were undersold more frequently than they were oversold in each of the three periods. Quantities of bearings undersold and oversold were small compared to the quantity of domestic shipments, especially for France and Italy. France, Germany, and Italy had larger overselling margins per bearing than underselling margins. Japan's underselling margins per bearing were greater than its overselling margins.

The Commission also requested pricing data in its purchaser questionnaires. Sufficient pricing data were reported to produce tables for BB products 11, 12, 13, 16, and 19 (see tables BB-V-20 to BB-V-24). Purchases of Japanese-produced product 11 were reported for three periods, and in each of those periods the Japanese product oversold the similar domestic product. For product 12, purchase prices of the Japanese product were greater than those of the U.S. product in each period. Purchases of the Japanese product 13 were reported in every quarter, and in each quarter but one the Japanese product oversold the domestic product. In 1997 and in the second quarter of 1998, the overselling margins were large, from 168.2 percent to 253.8 percent. \*\*\* was the sole purchaser that reported purchases of domestically produced product 13; these purchases were for relatively large quantities and were all for the same unit value.

Data are also shown for purchases from China, which is a nonsubject country with respect to the BB orders. Products 11 and 12 from China undersold the U.S. product in each period. Purchases of Chinese product 13 were reported in 7 periods, and Chinese prices were lower than those of the similar domestic product in each of those periods. Purchasers reported buying Chinese-made product 16 at lower unit costs than the similar U.S. product in each period that pricing data were collected. Chinese imports of product 19 undersold the similar domestic product in 8 quarters.

Table BB-V-19

## Ball bearings: Summary of underselling and overselling

Country	1997	1998	January-September 1999
Number of quarters in which underselling occurred			
France	0	1	0
Germany	7	7	4
Italy	4	9	6
Japan	35	29	22
Number of quarters in which overselling occurred			
France	4	7	6
Germany	6	5	4
Italy	6	2	1
Japan	21	16	13
Average underselling margin per period of underselling			
France	(')	32.1	(')
Germany	30.4	17.5	17.3
Italy	33.9	11.6	21.8
Japan	42.8	35.9	35.6
Average overselling margin per period of overselling			
France	125.3	42.4	64.4
Germany	100.4	16.6	56.3
Italy	18.7	12.2	30.5
Japan	46.7	65.7	57.0
U.S. producers' domestic shipments of BBs reported in pricing data			
U.S. shipments ( <i>number of bearings</i> )	24,407,041	23,952,853	16,365,251
Bearings undersold ( <i>number of bearings</i> )			
France	0	***	0
Germany	***	***	***
Italy	***	***	***
Japan	386,210	680,126	324,795

Table continued on next page.

**Table BB-V-19-Continued**  
**Ball bearings: Summary of underselling and overselling**

Country	1997	1998	January-September 1999
<i>Bearings oversold (number of bearings)</i>			
France	***	***	***
Germany	***	***	***
Italy	***	***	***
Japan	916,899	283,622	147,238
<i>Average margin of underselling per bearing undersold (percent)</i>			
France	(1)	32.1	(1)
Germany	13.4	8.8	10.6
Italy	37.4	2.2	16.2
Japan	23.6	40.1	31.4
<i>Average margin of overselling per bearing oversold (percent)</i>			
France	91.8	46.2	22.6
Germany	60.0	19.2	48.7
Italy	65.2	11.8	30.5
Japan	8.8	17.2	31.0
<p><sup>1</sup> Not applicable.</p> <p>Note: The entire database was used for these calculations, and totals could vary slightly from those obtained from the price comparison tables, which may not include instances when only one or two sales were reported.</p> <p>Source: Calculated from data submitted in response to Commission questionnaires.</p>			

**Table BB-V-20**  
**Ball bearings: Weighted-average purchaser prices and quantities of domestic and imported product 11, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-21**  
**Ball bearings: Weighted-average purchaser prices and quantities of domestic and imported product 12, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-22**  
**Ball bearings: Weighted-average purchaser prices and quantities of domestic and imported product 13, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-23**

**Ball bearings: Weighted-average purchaser prices and quantities of domestic and imported product 16, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table BB-V-24**

**Ball bearings: Weighted-average purchaser prices and quantities of domestic and imported product 19, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*



**CHAPTER THREE**  
**CYLINDRICAL ROLLER BEARINGS**



## PART I: OVERVIEW

This chapter presents information pertaining to the Commission's reviews involving the antidumping duty orders on CRBs from France, Germany, Italy, Japan, Sweden, and the United Kingdom. A summary of the data collected in these reviews is presented in appendix table C-3. U.S. industry data are based on questionnaire responses of 15 firms that are believed to account for almost all U.S. production of CRBs in 1998. U.S. import data are based on official Commerce statistics. Available comparative data from the original investigations and the current sunset reviews are presented in table CRB-I-1. Figure CRB-I-1 presents the trends of CRB imports from the subject countries and all other sources for the period 1985 to 1999 based on official Commerce statistics.

The value of CRB imports from all subject countries except Sweden increased significantly following the imposition of the orders. The value of subject CRB imports increased from \$21.1 million in 1987 to \$97.7 million in 1998. The value of Swedish CRB imports remained relatively constant over the period. However, the value of nonsubject imports also grew significantly, and total imports increased from \$21.6 million to \$139.8 million during 1987-98. The value of U.S. producers' shipments kept pace with the increase in imports as demand for CRBs grew significantly. The increases in U.S. production and capacity are a result of foreign investment in the U.S. CRB industry as well as investments and expansions to production facilities by U.S.-domiciled producers since the orders were imposed.

### NATURE AND EXTENT OF SALES AT LTFV

#### Commerce's Final Results of Its Expedited Sunset Reviews on France, Germany, Italy, Japan, Sweden, and the United Kingdom

On November 4, 1999, Commerce found that revocation of the antidumping duty orders on CRBs from France, Germany, Italy, Japan, Sweden, and the United Kingdom would likely lead to continuation or recurrence of dumping. The antidumping duty orders on CRBs were published on May 15, 1989. All orders remain in effect for all producers and/or exporters of subject products, except as noted. The original and sunset margins by country and company are presented in tabulations in the following sections.

#### France

In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed by SNR. The margins from the 1997-98 administrative review, adjusted for duty absorption, were lower than the rates from the original investigation; therefore, Commerce's final results of its expedited sunset review for France use the dumping margins calculated in the original investigation, as presented in the tabulation below. Commerce found that the margins calculated in the original investigation are probative of the behavior of the subject producers and/or exporters if the order were revoked as they are the only margins that reflect their behavior absent the discipline of the order.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Cylindrical	INA	11.03	11.03
Cylindrical	SNR	18.37	18.37
Cylindrical	All others	17.31	17.31

CRB-I-1

**Table CRB-I-1**

**Cylindrical roller bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1985	1986	1987	1997	1998	Jan.- Sept. 1998	Jan.- Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>							
<b>U.S. consumption:</b>							
Value	208,460	191,098	204,635	568,799	622,063	441,933	454,706
U.S. producers' share	90.7	89.8	89.4	76.0	77.5	76.3	79.1
<b>Importers' share:</b>							
France	***	***	***	1.4	1.2	1.2	1.0
Germany	***	***	***	7.4	6.3	6.6	5.5
Italy <sup>2</sup>	***	***	***	1.3	1.5	1.5	1.1
Japan <sup>3</sup>	***	***	***	5.2	5.4	5.8	5.0
Sweden	***	***	***	(')	(')	(')	0.1
United Kingdom	***	***	***	1.4	1.2	1.3	1.0
Subtotal	9.0	9.9	10.3	16.6	15.7	16.5	13.7
All others	0.2	0.3	0.2	7.4	6.8	7.2	7.2
Total imports	9.3	10.2	10.6	24.0	22.5	23.7	20.9
<b>Value of U.S. imports from:</b>							
France	***	***	***	7,709	7,530	5,485	4,505
Germany	***	***	***	41,891	39,265	29,096	25,208
Italy <sup>2</sup>	***	***	***	7,161	9,139	6,698	5,200
Japan <sup>3</sup>	***	***	***	29,394	33,896	25,722	22,685
Sweden	***	***	***	225	262	180	257
United Kingdom	***	***	***	7,919	7,592	5,798	4,427
Subtotal	18,855	19,002	21,138	94,298	97,685	72,979	62,282
All others	476	524	489	42,197	42,125	31,768	32,739
Total imports	19,331	19,526	21,627	136,495	139,809	104,746	95,021

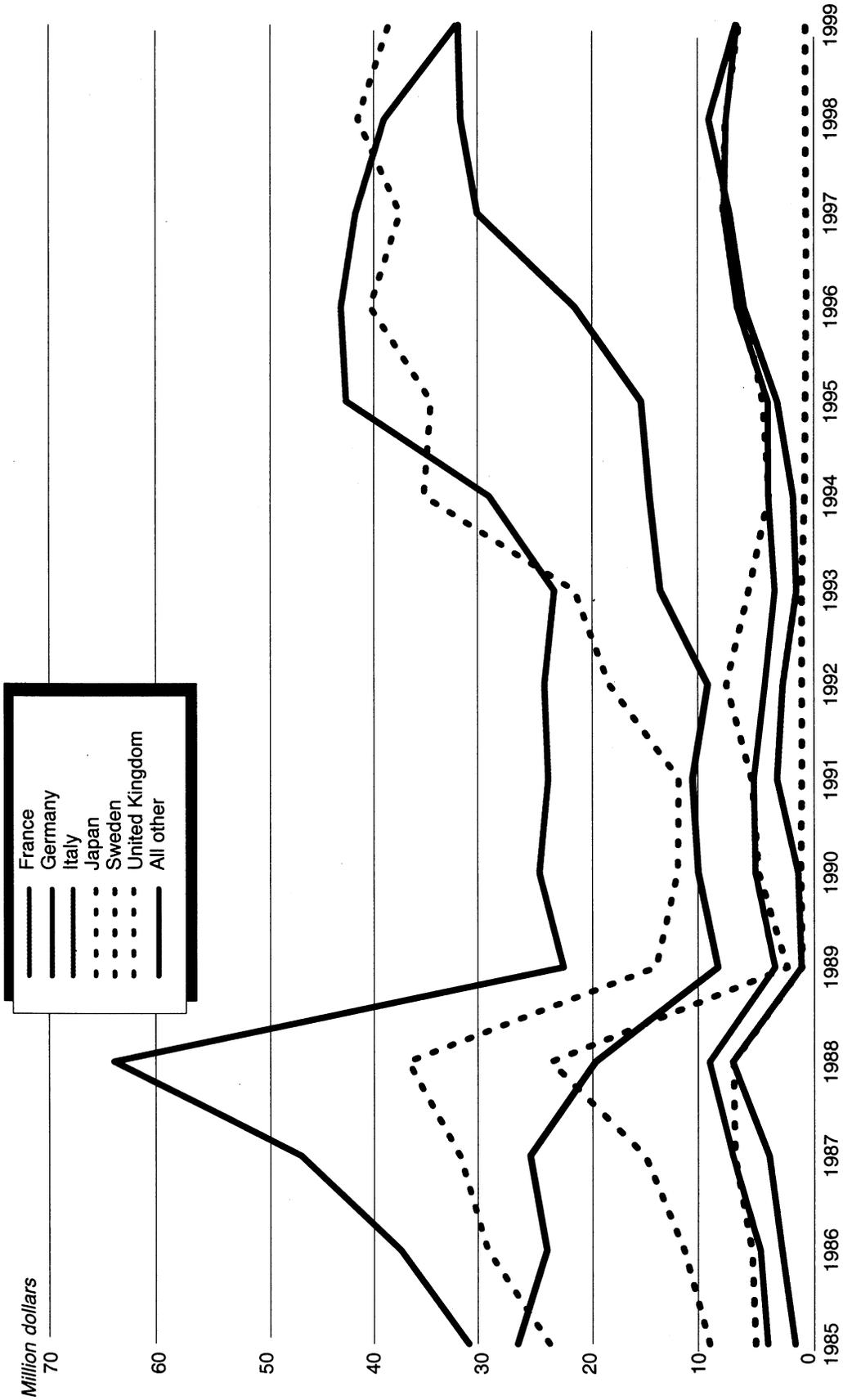
Table continued on next page.

**Table CRB-I-1--Continued**

**Cylindrical roller bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1985	1986	1987	1997	1998	Jan.- Sept. 1998	Jan.- Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>							
<b>U.S. producers':</b>							
Capacity	52,869	51,774	51,109	***	***	***	***
Production	12,814	11,407	10,756	***	***	***	***
Capacity utilization	24.2	22.0	21.0	82.4	82.9	81.4	74.9
U.S. shipments	189,129	171,572	183,008	432,304	482,253	337,187	359,685
Export shipments	19,830	14,031	15,467	38,654	42,182	30,241	32,518
Production workers	1,803	1,850	1,931	3,770	4,160	3,854	3,977
Hours worked	3,609	3,718	3,929	8,461	9,297	6,462	6,602
Net sales	192,976	177,754	196,226	422,619	474,946	330,021	361,832
COGS	158,199	150,462	161,896	321,074	366,748	261,012	287,050
Gross profit or (loss)	34,777	27,292	34,330	101,545	108,198	69,009	74,782
Operating income or (loss)	1,474	(660)	2,765	64,649	66,223	39,449	43,387
Operating income or (loss) margin	0.8	(0.4)	1.4	15.3	13.9	12.0	12.0
<sup>1</sup> Less than 0.05 percent. <sup>2</sup> ***. <sup>3</sup> ***.							
Note.--Because of rounding, figures may not add to the totals shown. Capacity and production data are in quantity; shipments and profit-and-loss data are in value.							
Source: Data for 1985-87 compiled or derived from data in Staff Report to the Commission on Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391-399 (Final); all data for 1997-99 compiled from data submitted in response to Commission questionnaires and official Commerce statistics.							

**Figure CRB-I-1**  
**Cylindrical roller bearings: U.S. imports from France, Germany, Italy, Japan, Sweden, the United Kingdom, and all other sources, 1985-99**



Source: Data compiled from official Commerce statistics.

## Germany

In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed by German CRB producers.<sup>1</sup> The margins found in the administrative reviews, adjusted for duty absorption, were lower than the rates from the original investigation. As a result, Commerce's final results of its expedited sunset review for Germany use the dumping margins calculated in the original investigation, as presented in the tabulation below. Commerce found that the margins calculated in the original investigation are probative of the behavior of the subject producers and/or exporters if the order were revoked as they are the only margins that reflect their behavior absent the discipline of the order.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Cylindrical	SKF	76.27	76.27
Cylindrical	FAG	52.43	52.43
Cylindrical	INA	52.43	52.43
Cylindrical	All others	55.65	55.65

## Italy

The CRB order on Italy covers imports from all Italian producers and/or exporters of CRBs, with the exception of imports of CRBs from SKF.<sup>2</sup> No duty absorption findings were reported for CRBs from Italy. The tabulation below presents the original and sunset margins for CRBs from Italy.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Cylindrical	SKF	212.45	Revoked
Cylindrical	All others	212.45	212.45

## Japan

Commerce made duty absorption findings in the 1995-96 and 1997-98 administrative reviews on CRBs from Japan. The administrative review margins, adjusted to account for duty absorption, are lower than the margins from the original investigation or from the first administrative review of this order.

---

<sup>1</sup> With respect to CRBs from Germany, the CIT remanded to Commerce to annul all findings and conclusions made pursuant to its duty absorption inquiry conducted for the ninth administrative review (1997-98) on the basis that Commerce lacked statutory authority to conduct a duty absorption inquiry because the review was not "initiated two years or four years after the publication of the (original) antidumping order" as provided in the statute, 19 U.S.C. §1675(c)(6)(D). SKF USA, Inc., et al. v. United States, Slip Op. 00-32 (March 22, 2000).

<sup>2</sup> The antidumping duty order on imports of CRBs from SKF was revoked. See 60 F.R. 10959, February 28, 1995.

Commerce found that the margins calculated in the original investigation or the first administrative review are probative of the behavior of Japanese producers and/or exporters absent the discipline of the order.<sup>3</sup> The original and sunset margins for CRBs from Japan are shown in the tabulation below.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Cylindrical	Koyo	51.21	51.21
Cylindrical	Nachi	4.00	4.00
Cylindrical	NSK	12.28	12.28
Cylindrical	NTN	9.30	9.30
Cylindrical	All others	25.80	25.80

### Sweden

The original margins and the sunset margins for CRBs from Sweden are presented in the tabulation below. Commerce issued a duty absorption finding in the 1997-98 administrative review with respect to CRBs produced and/or exported by SKF. SKF's margin adjusted to account for duty absorption was higher than the margin Commerce found in its original determination. Commerce found that the margin adjusted for duty absorption from the 1997-98 administrative review is the most appropriate rate for the sunset margin.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Cylindrical	SKF	13.69	27.38
Cylindrical	All others	13.69	13.69

### United Kingdom

Commerce found that duty absorption existed on NSK-RHP's exports of CRBs in its 1995-96 and 1997-98 administrative reviews. NSK-RHP's adjusted duty absorption rate for CRBs was higher than the margin from the original investigation. As a result, the sunset margin for NSK-RHP for CRBs is the adjusted duty absorption rate. The original and sunset margins for CRBs from the United Kingdom are presented in the tabulation below.<sup>4</sup>

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Cylindrical	NSK-RHP	43.36	72.65
Cylindrical	All others	43.36	43.36

<sup>3</sup> On February 28, 1995, Commerce revoked the order with respect to Honda. See 60 F.R. 10900.

<sup>4</sup> On July 26, 1993, Commerce revoked the order with respect to Cooper Roller Bearings. See 58 F.R. 39729.

**Administrative Reviews on France, Germany, Italy, Japan,  
Sweden, and the United Kingdom**

**France**

There have been nine administrative reviews on CRBs from France since the order was imposed. The results of those reviews are presented in table CRB-I-2. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table CRB-I-2  
Results of administrative reviews relating to cylindrical roller bearings from France**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SNECMA	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31748)	0.24
ADH			3.15
Turbomeca			10.63
Pratt Whitney			2.07
SNR			1.08
INA			18.37
SNFA			18.37
All others			10.63
ADH	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	3.05
Dassault			2.34
INA			18.37
Pratt & Whitney			6.39
SNFA			18.37
SNR			18.37
SNECMA			1.89
Turbomeca			6.52
All others	6.52		
Dassault	5/1/91-4/30/92	July 26, 1993 58 F.R. (39729) <sup>2</sup>	0.00
SNFA			18.37
SNR			0.81
SNECMA			0.07
Turbomeca			0.49
Valeo			18.37
All others			17.31

CRB-I-7

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SNFA	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	18.37
SNR			2.58
INA	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	18.37
SNFA			18.37
SNR			2.08
SNFA	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	18.37
SNR			2.50
SNFA	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	18.37
SNR <sup>6</sup>			10.14
SNFA	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	1.78
SNFA	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	0.21
SNR <sup>6</sup>			0.37
<p><sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997.  <sup>6</sup> Commerce made a duty absorption finding in this instance.</p>			
Source: Final results of cited administrative reviews.			

## Germany

There have been nine administrative reviews on CRBs from Germany since the order was imposed. The results of those reviews are presented in table CRB-I-3. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table CRB-I-3**

**Results of administrative reviews relating to cylindrical roller bearings from Germany**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
FAG	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31692)	3.90
Fiat Avio			10.02
HDM			0.00
INA			14.56
MBB			0.00
Pratt & Whitney			3.31
SKF-FRG			6.42
ZF			13.59
All others			14.56

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
ADH	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	4.57
FAG			7.83
FiatAvio			23.52
INA			1.23
Pratt & Whitney			3.34
SKF			5.10
All others			23.52
FAG	5/1/91-4/30/92	July 26, 1993 58 F.R. (39729) <sup>2</sup>	17.62
INA			13.47
SKF			7.17
All others			55.65
FAG	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	17.63
INA			10.88
SKF			11.16
Cross-Trade	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	76.27
EXTA			55.65
FAG			13.58
INA			52.43
SKF			9.46
SNR			0.99
FAG	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	23.10
INA			18.36
SKF			9.50
Torrington Nadellager			76.27
FAG <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	19.49
INA <sup>6</sup>			20.08
SKF <sup>6</sup>			17.82
Torrington Nadellager			76.27
SKF	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	7.32
Torrington Nadellager			0.16

CRB-I-9

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF <sup>6</sup>	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	5.47
Torrington Nadellager <sup>6</sup>			0.45
FAG <sup>6</sup>			8.92
INA <sup>6</sup>			3.88
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on June 13, 1995 and September 26, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

## Italy

Commerce has conducted nine administrative reviews with respect to CRBs from Italy. The results of those reviews are presented in table CRB-I-4. The order covers all producers/exporters of CRBs from Italy with the exception of SKF.

**Table CRB-I-4**  
**Results of administrative reviews relating to cylindrical roller bearings from Italy**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Meter	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31751)	17.36
FiatAvio			17.36
RIV-SKF			1.87
Rolls-Royce			8.76
SNECMA			1.23
All others			17.36
ADH	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	7.74
FiatAvio			13.52
SNECMA			3.53
All others			13.52
FAG	5/1/91-4/30/92	July 26, 1993 58 F.R. (39729) <sup>2</sup>	25.88
SKF			0.00
SNECMA			1.16
All others			212.45
SKF	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	0.00

CRB-I-10

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
FAG	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	0.00
FAG	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081)	( <sup>5</sup> )
FAG	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	( <sup>5</sup> )
Meter	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	10.65
FAG	5/1/97/4/30/98	July 1, 1999 (64 F.R. 35590)	( <sup>5</sup> )
<p><sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  <sup>5</sup> No shipments or sales subject to this review. The cash-deposit rate is from the last review in which the firm had shipments/sales.</p>			
Source: Final results of cited administrative reviews.			

## Japan

Commerce has conducted nine administrative reviews on CRBs from Japan since the order was imposed. The results of those reviews are presented in table CRB-I-5. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table CRB-I-5**

**Results of administrative reviews relating to cylindrical roller bearings from Japan**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Honda Motor	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31754)	0.06
IJK			5.84
Isuzu			0.07
Japanese Aero			51.82
Koyo			1.45
Nachi			10.50
NSK			51.82
NTN-Japan			15.82
Yamaha			0.28
All others			23.88
FiatAvio			5/1/90-4/30/91
Koyo	1.40		
Minebea	51.82		
Nachi	22.73		

CRB-I-11

<b>Producer/ exporter</b>	<b>Period of review</b>	<b>Date review results issued</b>	<b>Margin (percent)</b>
NSK	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	14.34
NTN			2.63
All others			22.73
Honda	5/1/91-4/30/92	July 26, 1993 58 F.R. (39729) <sup>2</sup>	0.63
IJK			0.00
Koyo			2.26
Nachi			2.30
NTN			1.05
All others			25.80
Honda			5/1/92-4/30/93
Koyo	3.55		
Nachi	1.03		
NSK	9.10		
NTN	13.71		
Koyo	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	6.53
Minamiguchi			51.82
Nachi			9.72
Naniwa			51.82
Nichimen			51.82
NPBS			45.83
NSK			15.37
Nippon Thompson			51.82
Nissho			51.82
NTN			11.05
Origin Electric			51.82
Sanken			51.82
Taikoyo			51.82
THK			51.82
TOK Bearing			51.82
Tomen			51.82

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Koyo	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	3.88
NSK			22.42
NTN			3.76
Koyo <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	15.38
NSK <sup>6</sup>			6.88
NTN <sup>6</sup>			3.86
Nachi <sup>6</sup>			3.15
Nachi	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	1.67
NSK			2.21
NTN			11.55
Koyo <sup>6</sup>	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	11.15
Nachi <sup>6</sup>			1.02
NSK <sup>6</sup>			4.55
NTN			3.48
<p><sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997.  <sup>6</sup> Commerce made a duty absorption finding in this instance.</p> <p>Source: Final results of cited administrative reviews.</p>			

## Sweden

Commerce has conducted six administrative reviews on CRBs from Sweden since the order was imposed. The results are shown in table CRB-I-6. In the 1997-98 administrative review, Commerce determined that duty absorption occurred. Duty absorption findings are noted where relevant.

**Table CRB-I-6**  
**Results of administrative reviews relating to cylindrical roller bearings from Sweden**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31762)	4.12
All others			4.12
SKF	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	6.20
All others			6.20
SKF	5/1/91-4/30/92	July 26, 1993 (58 F.R. 39729) <sup>2</sup>	5.35
All others			13.69

CRB-I-13

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	13.02
SKF	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	0.00
SKF <sup>5</sup>	5/1/97-4/30/98	July 1, 1999 (64 F.R. 35590)	13.69
<p><sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  <sup>5</sup> Commerce made a duty absorption finding in this instance.</p>			
Source: Final results of cited administrative reviews.			

## United Kingdom

Commerce has conducted nine administrative reviews on CRBs from the United Kingdom since the order was imposed. The results are shown in table CRB-I-7. In the 1995-96 and 1997-98 administrative reviews, Commerce determined that duty absorption occurred. Duty absorption findings are noted where relevant.

**Table CRB-I-7**

**Results of administrative reviews relating to cylindrical roller bearings from the United Kingdom**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Cooper	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31762)	0.00
Dowty Rotol			4.58
FAG UK			0.00
FiatAvio			21.93
Pratt & Whitney			2.55
RHP			31.07
Rolls-Royce			2.55
All others			31.07
FiatAvio	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	6.68
Pratt & Whitney			5.20
RHP			48.29
All others			48.29
SNR	5/1/91-4/30/92	July 26, 1993 (58 F.R. 39729) <sup>2</sup>	12.24
All others			43.36
Barden	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	8.22
RHP/NSK			19.71

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Barden	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	8.22
FAG			8.22
NSK/RHP			10.35
NSK/RHP	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	25.01
Hoffman			48.29
Rose			48.29
NSK <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	68.26
NSK/RHP	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	22.16
NSK/RHP <sup>6</sup>	5/1/97-4/30/98	July 1, 1999 (64 F.R. 35590)	49.13
<p><sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998.  <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998.  <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995.  <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997.  <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997.  <sup>6</sup> Commerce made a duty absorption finding in this instance.</p>			
Source: Final results of cited administrative reviews.			

### Antidumping Duties Collected

Table CRB-I-8 presents the actual amount of customs duties collected under the antidumping duty orders on CRBs from 1994 to 1998. Total duties collected pursuant to the orders ranged from \$8.1 million to \$15.8 million per year during this period, while the total value of imports ranged from \$68.9 million to \$93.0 million.

### THE SUBJECT PRODUCT

For purposes of these reviews, Commerce has generally defined CRBs and parts thereof, whether mounted or unmounted, as antifriction bearings that employ cylindrical rollers as the rolling element. Included in the scope are antifriction rollers; inner and outer races; split cylindrical bearings and parts thereof; roller bearing type pillow blocks and parts thereof; roller bearing type flange, take-up, cartridge, and hanger units and parts thereof; and wheel hub units incorporating cylindrical rollers as the rolling element. All finished parts are included within the scope of the reviews; however, unfinished parts are included only if they have been heat treated, or if heat treatment is not required to be performed on the part. Included within the scope of these reviews are all bearings with cylindrical rollers in which the length to diameter ratio of the rolling element is less than 4:1.<sup>5</sup> CRBs and parts for CRBs are classified

<sup>5</sup> Commerce's scope definition is different from the HTS definition of CRBs (shown under heading 8482.50). The HTS definition covers bearings with cylindrical rollers having a length to diameter ratio of less than 3:1 (bearings with cylindrical rollers having a length-to-diameter ratio of 3:1 or greater, and rollers of a uniform diameter not exceeding 5 mm, are classified as needle roller bearings under HTS heading 8482.40). Therefore, CRBs covered by the order and subject to these reviews include all cylindrical roller bearings (8482.50) and needle roller bearings in which the length-to-diameter ratio of the rolling element is from 3:1 to not greater than 4:1,

(continued)

**Table CRB-I-8**

**Cylindrical roller bearings: Actual duties collected and imports from subject countries, fiscal years 1994-98<sup>1</sup>**

Order date	Product/country	Duties collected				
		Imports				
		1994	1995	1996	1997	1998
5/15/89	Cylindrical roller bearings/France	\$213,422	\$213,811	\$377,995	\$243,263	\$283,175
		3,351,767	3,990,758	5,549,698	4,734,943	5,300,627
5/15/89	Cylindrical roller bearings/Germany	4,851,877	6,878,646	6,328,994	8,428,551	8,638,311
		30,148,026	39,743,307	42,758,068	45,454,154	42,788,366
5/15/89	Cylindrical roller bearings/Italy	323,498	328,744	533,159	754,916	791,967
		746,773	1,283,565	3,298,309	5,901,895	8,063,406
5/15/89	Cylindrical roller bearings/Japan	2,326,035	3,314,179	4,121,872	4,432,272	5,009,071
		32,679,418	30,985,578	28,297,919	30,618,441	32,902,133
5/15/89	Cylindrical roller bearings/Sweden	31,596	40,180	20,660	16,248	6,361
		514,027	326,172	156,272	270,607	177,851
5/15/89	Cylindrical roller bearings/United Kingdom	391,522	282,754	343,106	657,867	1,065,035
		1,442,203	1,303,838	1,862,128	3,375,733	3,762,973
<b>Total duties collected</b>		8,137,950	11,058,314	11,725,786	14,533,117	15,793,920
<b>Total value of imports</b>		68,882,214	77,633,218	81,922,394	90,355,773	92,995,356
<sup>1</sup> The federal fiscal year is October 1-September 30. Source: U.S. Customs Service Annual Report, Part A.						

under the following HTS subheadings: 8482.40.00, 8482.50.00, 8482.80.00, 8482.91.00, 8482.99.25, 8482.99.65, 8483.20.40, and 8483.20.80. Additional parts, products that contain CRBs, and items that were included as a result of scope determinations following the original investigations<sup>6</sup> are classified under HTS subheadings 3926.90.45, 4016.93.10, 4016.93.50, 6909.19.50, 8431.20.00, 8431.39.00, 8483.50.90, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.93.60, 8708.93.75, 8708.99.40, 8708.99.49, 8708.99.80, 8803.10.00, 8803.20.00, 8803.30.00, 8803.90.30, and 8803.90.90.

The rollers in CRBs have line contact with the inner and outer races; therefore, these bearings are able to carry heavy radial loads (loads that generally exceed the capacities of radial ball bearings of comparable sizes, since the load is distributed over a greater surface area). Certain cylindrical bearing designs may also carry limited thrust loads. Cylindrical bearings can withstand high speeds, generally equal to the speed limitations of ball bearings.

<sup>5</sup> (...continued)  
classified under HTS heading 8482.40.

<sup>6</sup> A description of scope rulings issued by Commerce, including a list of specific products covered and excluded under the orders on antifriction bearings other than TRBs, is presented in app. G.

## U.S. Tariff Treatment

The general rate of duty for assembled CRBs and combination bearings containing cylindrical rollers is 5.8 percent *ad valorem*. The comparable general duty rates for parts for these bearings range from 4.4 percent to 5.8 percent *ad valorem*, while imports of housed CRBs are subject to a general duty rate of 4.5 percent *ad valorem*. These duty rates are not scheduled for further reductions. General rates of duty for additional parts, products containing CRBs, and those items included as a result of scope determinations range from free to 5.5 percent *ad valorem*.

## DOMESTIC LIKE PRODUCTS

The Commission found six like products in its final determinations in the original investigations concerning antifriction bearings, other than TRBs, and parts thereof. Each product category was divided according to the type of rolling element employed, with CRBs constituting one of the six separate like products.<sup>7</sup> As noted in the Commission's preliminary determinations in those investigations, each like product definition included "parts and components dedicated for use in the particular type of bearing, finished and unfinished bearings, and housed and mounted bearings containing the specified rolling element."<sup>8</sup>

In its notice of institution for these reviews, the Commission solicited comments regarding the appropriateness of its domestic like product definitions. In response, several companies stated that ADP BBs and ADP CRBs should constitute separate like product categories. Parties' arguments with respect to this issue, as well as other information in the record relating to separate like product treatment for ADP bearings, is described in chapter two on BBs, in the section of part I entitled *Domestic Like Products*.

## Physical Characteristics and Uses

CRBs are antifriction bearings that use cylindrical rollers as the rolling element. The long cylindrical shape of the rollers and inner and outer raceways causes linear contact during operation, which translates into heavy radial load capacity. In addition, CRBs are able to withstand high speeds; therefore, these bearings are primarily used in applications where a combination of high load capacity and increased speed capabilities are required. While the majority of CRBs are designed to handle radial loads, some CRBs can also withstand limited thrust loads. Moreover, characteristics such as low drag and heat generation make CRBs the optimum choice for many applications. Primary end markets for this type of bearing include the automotive, construction machinery, agricultural machinery, mining equipment, aerospace, and metal and pulp and paper mill industries.

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<sup>7</sup> Negative determinations were reached with respect to SRBs, NRBs, and SRs. See *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391 through 399 (Final), USITC Pub. 2185, May 1989, pp. 1-5 and 12-18, 33.

<sup>8</sup> *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Preliminary) and 731-TA-391 through 399 (Preliminary), USITC Pub. 2083, May 1988, p. 22.

## Manufacturing Process and Facilities

The manufacturing process for antifriction bearings, including CRBs, is described in the section entitled *The Product* in the *Introduction and General Overview* to this report. CRBs are generally produced on dedicated machinery, and a producer cannot switch production of CRBs to other types of bearings without reconfiguration of production lines, which adds to costs. Thus, firms cannot easily switch from producing one type of bearing to another. In the current reviews, \*\*\* commented that it cannot easily switch production between CRBs and other types of products because it generally produces its products, including CRBs, on dedicated machinery. \*\*\* further stated that in the early phases of production, the machines are process-specific (i.e., some of the equipment used in the early phases of the production process can be used to perform the same process on different types of bearings). However, after a certain point in the process (generally after the initial grinding of the rings), the production equipment becomes product-specific, as well as process-specific, at which point a machine can be used for only a particular type of bearing or model group.<sup>9</sup>

## Interchangeability and Customer and Producer Perceptions

According to data received in response to the Commission's purchaser questionnaire, the majority of purchasers of the subject merchandise view CRBs manufactured in the subject countries as fully interchangeable with domestically produced product. Party positions on the issue of interchangeability, however, vary according to stance on revocation versus continuation of the existing orders on CRBs. Those advocating continuation clearly state that bearings are interchangeable on a part-by-part basis among the various producers.<sup>10</sup> Torrington representatives further indicate that bearings have actually become more interchangeable, as the world's bearing producers have adopted similar production systems designed to satisfy similar worldwide standards, and that differences among bearings characterized as customized products may simply be minor adaptations on standard commodity-type bearings.<sup>11</sup> Opponents of continuation of the orders argue that, among the various manufacturers, bearings that appear identical in form may actually be highly dissimilar due to subtle customizations, company-specific alterations, or material regional differences.<sup>12</sup> With respect to end use, parties opposed to continuation estimate that \*\*\* percent of CRBs used by truck and \*\*\* OEMs and \*\*\* CRBs used in the aerospace, agricultural, and \*\*\* OEM segments are customized.<sup>13</sup> On a country-specific basis, certain parties in favor of revocation point to information suggesting that subject imports from Japan consist largely of products not domestically produced or characteristically different from U.S.-manufactured product, such that the two products cannot be called interchangeable.<sup>14</sup> Imports of subject bearings from the United Kingdom are also characterized as non-interchangeable with U.S.-produced product, since the imported items are reportedly ADP bearings, bearings not produced in the United States, or bearings chosen by U.S. purchasers on the basis of non-substitution factors or brand identification.<sup>15</sup>

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<sup>9</sup> \*\*\*'s questionnaire response.

<sup>10</sup> Hearing transcript, p. 123.

<sup>11</sup> *Ibid.*, pp. 158-159 and 164.

<sup>12</sup> SKF posthearing brief, p. ix; and Delphi posthearing brief, p. 2.

<sup>13</sup> Koyo posthearing brief (CRBs), pp. 1-2.

<sup>14</sup> *Ibid.*, addendum 2, p. 2-2 regarding ECS's Economic Report submitted March 10, 2000.

<sup>15</sup> NSK-RHP posthearing brief, pp. 4-5.

## Channels of Distribution

Parties agree that U.S.-produced and foreign-manufactured CRBs are sold to a variety of customers in both the OEM and aftermarket channels of distribution.<sup>16</sup> While at least one interested party indicates that there may be some disagreement concerning the extent of OEM versus aftermarket sales for domestic and foreign-produced bearings,<sup>17</sup> questionnaire data show that U.S. producers shipped 96.7 percent of their U.S. shipments of CRBs to end users/OEMs in 1998, and the remaining 3.3 percent to distributors/aftermarket customers.<sup>18</sup> By comparison, importers shipped 88.5 percent of their U.S. shipments of CRBs to end users/OEMs in 1998, and the remaining 11.5 percent to distributors/aftermarket customers.

## Price

Party positions on the degree of price sensitivity in the market for CRBs vary widely, but are largely similar to opinions expressed with regard to BBs. That is, advocates of continuation of the orders on CRBs explain that bearings production is mature, bearings are produced according to a wide range of standardized part numbers, and that price is the critical factor in purchasing decisions.<sup>19</sup> Parties in support of continuation note that price pressure in the industry is intense, with customers regularly requesting price reductions in order to improve profitability or in response to foreign competitors' quotes.<sup>20</sup> Producers and purchasers in favor of revocation of the orders on CRBs stress that price is only one factor of consideration, with quality, delivery, and support foremost in importance.<sup>21</sup> Those favoring continuation respond by noting that quality and delivery are assumed of the world's major producers of bearings; therefore, price is the likely determining factor in sales.<sup>22</sup>

## U.S. MARKET PARTICIPANTS

### U.S. Producers

Fifteen producers of CRBs reported data for the period of these reviews. Torrington was the largest producer, accounting for \*\*\* percent of U.S. shipments, by value, in 1998. MPB was the second largest, with a \*\*\*-percent share. Table CRB-I-9 presents data on CRB producers, their positions on revocation, shares of the value of U.S. shipments, locations of production facilities, parent firms, and related foreign producers.

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<sup>16</sup> Torrington posthearing brief, responses to Chairman Bragg, p. 1; and SKF posthearing brief, p. 2.

<sup>17</sup> SKF posthearing brief, p. 2.

<sup>18</sup> The producer and importer questionnaires requested data on shipments to end users and distributors; however, industry representatives appear to view the terms "end users" and "OEMs" and the terms "distributors" and "aftermarket customers" as essentially interchangeable.

<sup>19</sup> Torrington posthearing brief, responses to Chairman Bragg, pp. 4 and 18.

<sup>20</sup> Hearing transcript, pp. 129-130 and 134.

<sup>21</sup> *Ibid.*, pp. 309 and 380-381; SKF posthearing brief, pp. viii and ix; Dana posthearing brief, p. 5; and Delphi posthearing brief, p. 2.

<sup>22</sup> Hearing transcript, pp. 123, 159, and 186-187; and ESI responses to questions, p. 12.

**Table CRB-I-9**

**Cylindrical roller bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers**

<b>Firm</b>	<b>Position on revocation</b>	<b>Shares of the value of U.S. shipments (percent)</b>	<b>Location(s) of production facilities</b>	<b>Parent firm</b>	<b>Related foreign producers of certain bearings</b>
American Roller Bearing Industries, Inc.	***	***	Pittsburgh, PA	None	None
FAG Bearings Corp.	Supports revocation	***	Joplin, MO	FAG Holding Corp. (Danbury, CT)	FAG Germany; FAG Austria; FAG Hungary; FAG Italy; ROL Rolamentos Portugueses; The Barden Corp., United Kingdom; FAG Bearings, Canada; Rolamentos FAG, Brazil; FAG Automotive Bearings (Shanghai), China; FAG Bearings India; FAG Hanwha Bearing Co., Korea
INA USA Corp.	***	***	Fort Mill, SC	Industrieaufbaugesellschaft, (Germany)	INA Rolamentos, Brazil; INA Loziska, Czech Republic; INA Roulements, France; INA Walzlager Schaeffler, Germany; INA Nadellager Schaeffler, Germany; Helmut Elges, Germany; INA Bearing, Great Britain; INA Rullini, Italy; INA Loziska, Slovak Republic; INA Rodisa, Spain
Kaydon Corp.	***	***	Muskegon, MI	None	None
Link-Belt Bearing-Rexnord	***	***	Indianapolis, IN Clinton, TN	Rexnord Corp.	None
McGill Mfg. Co.	***	***	Valparaiso, IN (2 locations) Monticello, IN	Emerson Electric Co. (St. Louis, MO)	Transmisiones de Potentia, Emerson, Mexico
MPB Corp.-Timken Aerospace	Supports continuation	***	Keene, NH Lebanon, NH	Timken Co. (Canton, OH)	Timken Aerospace UK; Timken Singapore

Table continued on next page.

**Table CRB-I-9--Continued**

**Cylindrical roller bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers**

<b>Firm</b>	<b>Position on revocation</b>	<b>Shares of the value of U.S. shipments (percent)</b>	<b>Location(s) of production facilities</b>	<b>Parent firm</b>	<b>Related foreign producers of certain bearings</b>
New Hampshire Ball Bearings, Inc.	***	***	Chatsworth, CA Peterborough, NH Laconia, NH	NMB (USA), Inc.	Minebea Co., Thailand; Singapore; China; United Kingdom
NN Ball & Roller, Inc.	***	***	Erwin, TN Mountain City, TN Walterboro, SC	None	None
NTN Bearing Corp. of America	Supports revocation	***	Mount Prospect, IL Elgin, IL Macomb, IL Lititz, PA	NTN USA (Mount Prospect, IL)	NTN Corp., Japan; NTN Bearing Mfg., Canada; NTN Kugellagerfabrik, Germany; Tung Pei Industrial Co., Taiwan
Roller Bearing Co. of America	Supports continuation	***	Fairfield, CT Santa Ana, CA Hartsville, SC West Trenton, NJ Bremen, IN Kulpsville, PA Rancho Dominguez, CA Waterbury, CT Glasgow, KY	None	None
Rollway Bearing Corp.	***	***	Liverpool, NY	Emerson Electric Co. (St. Louis, MO)	Transmisiones de Potentia, Emerson, Mexico--BBs

Table continued on next page.

Table CRB-I-9--Continued

Cylindrical roller bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
SKF	Supports revocation	***	Norristown, PA Glasgow, KY Aiken, SC Gainesville, GA Altoona, PA Hanover, PA Jamestown, NY Falconer, NY Colebrook, CT	AB SKF (Sweden)	Ampep, England; SKF Argentina; SKF Osterreich, Austria; SKF do Brasil Limitada, Brazil; SKF China; SKF, Germany; SKF Espanola, Spain; SKF France; SARMA, France; PT. SKF Indonesia; SKF Bearings India; SKF Industrie, Italy; SKF HANWHA, Korea; SKF de Mexico; SKF Bearings Industries, Malaysia; SKF Poznan, Poland; SKF Steyr, Austria SKF Sverige, Sweden; SKF South Africa; SKF Ukraine
Timken Co.	Supports continuation	***	Altavista, VA Ashland, OH Canton, OH (3 locations) Columbus, OH Bucyrus, OH Randleman, NC Gaffney, SC Iron Station, NC New Philadelphia, OH South Bend, IN Columbus, NC Winchester, KY	None	Australian Timken; <sup>2</sup> Timken do Brasil; British Timken; Canadian Timken; Timken France; Timken India; Timken Italia; Timken Polska; Timken Romania; <sup>3</sup> Timken South Africa; Yantai Timken <sup>3</sup>

Table continued on next page.

**Table CRB-I-9--Continued**

**Cylindrical roller bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers**

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
Torrington	Supports continuation	***	Cairo, GA Calhoun, GA Clinton, SC Dahlonega, GA Canton, GA Pulaski, TN Rockford, IL Rutherfordton, NC Torrington, CT Sylvania, GA Union, SC Walhalla, SC Duncan, SC Honca Path, SC	Ingersoll-Rand (Woodcliff Lake, NJ)	Torrington, United Kingdom; Torrington European Distribution Ctr, <sup>4</sup> France; Nadella, France; Torrington Nadallager, Germany; NSK Torrington, Japan; Torrington, Canada; Torrington Wuxi Brgs, China; Industrias del Rodamientos, Spain
<p><sup>1</sup> Less than 0.05 percent.  <sup>2</sup> Timken closed its Australian Timken manufacturing facility in May 1999.  <sup>3</sup> ***  <sup>4</sup> ***</p> <p>Note.—Because of rounding, figures may not add to the totals shown. Shares of shipments are based on complete bearings and parts.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

The following tabulation summarizes U.S. producers' positions regarding revocation of the CRB orders and the shares of the value of U.S. shipments held by U.S.-domiciled and foreign-domiciled U.S. CRB producers in 1998 (in percent):

Item	Share of the value of U.S. shipments
Producers supporting continuation	81.2
Producers supporting revocation	15.7
Producers taking no position	3.1
U.S.-domiciled producers	83.4
Foreign-domiciled producers	16.6

Importers of CRBs are located throughout the United States. The three largest importers that reported CRB imports from France in 1998 were \*\*\*. \*\*\* were reported as the primary importers of CRBs into the United States from Germany. \*\*\* were reportedly the largest importers of CRBs from Japan in 1998. Fewer importers of CRBs reported data from Italy, Sweden, and the United Kingdom. \*\*\* were the largest importers of CRBs from Italy, Sweden, and the United Kingdom, respectively.

Five U.S. producers of CRBs, \*\*\*, imported CRBs from various subject countries. Imports by these U.S. producers accounted for 57.0 percent of the total value of imports of CRBs from subject countries in 1998. Data on U.S. producers' imports of CRBs are presented in part III.

#### **U.S. Purchasers**

\*\*\* was the largest purchaser of CRBs in 1997 and 1998, by value. The other leading purchasers of CRBs in 1997 and 1998 were \*\*\*.

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

Table CRB-I-10 presents data on U.S. shipments and apparent U.S. consumption of CRBs, and table CRB-I-11 presents data on U.S. market shares. Apparent consumption of CRBs, by value, increased by 9.4 percent from 1997 to 1998 and by 2.9 percent between January-September 1998 and January-September 1999. The value-based market share held by U.S. producers fluctuated in a range of about 76-79 percent during the period of review, compared with shares of about 14-17 percent for subject imports and 7 percent for nonsubject imports.

**Table CRB-I-10**

**Cylindrical roller bearings and parts thereof: U.S. shipments of domestic product, 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
<i>Value (1,000 dollars)</i>				
U.S. producers' shipments	432,304	482,253	337,187	359,685
U.S. imports from –				
France	7,709	7,530	5,485	4,505
Germany	41,891	39,265	29,096	25,208
Italy <sup>1</sup>	7,161	9,139	6,698	5,200
Japan <sup>2</sup>	29,394	33,896	25,722	22,685
Sweden	225	262	180	257
United Kingdom	7,919	7,592	5,798	4,427
Subtotal	94,298	97,685	72,979	62,282
All others	42,197	42,125	31,768	32,739
Total imports	136,495	139,809	104,746	95,021
Apparent consumption	568,799	622,063	441,933	454,706
<p>1 *** 2 ***</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>				

**Table CRB-I-11**  
**Cylindrical roller bearings and parts thereof: U.S. market shares, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Apparent consumption	568,799	622,063	441,933	454,706
<b>Share of value (percent)</b>				
U.S. producers' U.S. shipments	76.0	77.5	76.3	79.1
U.S. imports from –				
France	1.4	1.2	1.2	1.0
Germany	7.4	6.3	6.6	5.5
Italy <sup>1</sup>	1.3	1.5	1.5	1.1
Japan <sup>2</sup>	5.2	5.4	5.8	5.0
Sweden	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.1
United Kingdom	1.4	1.2	1.3	1.0
Subtotal	16.6	15.7	16.5	13.7
All others	7.4	6.8	7.2	7.2
Total imports	24.0	22.5	23.7	20.9
<sup>1</sup> *** <sup>2</sup> *** <sup>3</sup> Less than 0.05 percent.				
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

### SUPPLY AND DEMAND CONSIDERATIONS

#### U.S. Supply

##### Domestic Production

During 1985 to 1987, U.S. production ranged from 51 million to 53 million CRBs, and capacity utilization ranged from 21 to 24 percent. Production grew to \*\*\* million bearings in 1997, increased to \*\*\* million in 1998, and increased again in interim 1999 compared to interim 1998. Capacity utilization ranged from 75 to 83 percent during 1997 to September 1999. U.S. producers' market value share ranged from 89 to 91 percent during 1985-87 and from 76 to 79 percent from 1997 to September 1999.

Torrington has become the dominant producer of CRBs with \*\*\* of domestic production. Other domestic producers have shares of production below \*\*\* percent.<sup>1</sup> Torrington's dominance has emerged since 1987 when SKF was the dominant producer with approximately a \*\*\*-percent market share. Two Japanese firms, NTN and NHBB, have invested in CRB capacity in the United States, but have only modest market shares.

When asked how easily they could shift sales to foreign markets, most producers reported that such a shift would be difficult. Some producers do, however, export a share of their production. As a whole, the domestic CRB industry exported from 8.7 percent to 9.0 percent of its total shipments during 1997 to September 1999.

U.S. producers appear to have difficulty switching to other markets and to the production of other products. Production of bearings is capital intensive, and capacity cannot be quickly changed. The likely response of the domestic industry to a price reduction is a somewhat reduced supply and perhaps further consolidation.

##### Subject Imports

France's share of U.S. consumption was \*\*\* percent or less during 1985 to 1987. France's market share varied from 1.0 percent to 1.4 percent during 1997 to September 1999. Its reported capacity in 1998 was \*\*\* million CRBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* percent to \*\*\* percent of all shipments, and shipments to third-country markets were \*\*\* percent of total production during 1997 to September 1999. If the order were lifted, a likely response is that French exporters would increase shipments somewhat to the U.S. market.

Germany's share of U.S. consumption ranged from \*\*\* percent to \*\*\* percent during 1985 to 1987. Germany's market share varied from 5.5 percent to 7.4 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million CRBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market were \*\*\* percent of total shipments, and shipments to third-country markets ranged from \*\*\* percent to \*\*\* percent of total shipments during 1997 to September 1999. If the order were lifted, a likely response is that German exporters would increase shipments somewhat to the U.S. market.

Italy's share of U.S. consumption was \*\*\* percent or less during 1985 to 1987. Italy's market share varied from 1.1 percent to 1.5 percent during 1997 to September 1999. Its capacity in 1998 was

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<sup>1</sup> See table CRB-I-9.

\*\*\* CRBs, and its capacity utilization ranged from \*\*\* to \*\*\* percent during 1997 to interim 1999.<sup>2</sup> Shipments to its home market were \*\*\* percent of total shipments, and shipments to third-country markets were \*\*\* percent of total production during 1997 to September 1999. If the order were lifted, a likely response is that Italian exporters would increase shipments somewhat to the U.S. market.

Japan's share of U.S. consumption ranged from \*\*\* percent to \*\*\* percent during 1985 to 1987. Japan's market share varied from 5.0 percent to 5.8 percent during 1997 to September 1999. Its capacity in 1998 was 585 million CRBs, and its capacity utilization ranged from 79 percent to 81 percent during 1997 to interim 1999. Shipments to its home market ranged from 95 to 96 percent of total shipments, and shipments to third-country markets ranged from 3 to 5 percent of total shipments during 1997 to September 1999. Japanese respondents have stated that, unlike other products, Japanese CRBs are generally consumed in the Japanese home market.<sup>3</sup> They add that Japanese capacity utilization is high, capacity increases are unlikely, and there is no indication of rising inventories. They conclude that little response would occur if the order on Japan is lifted. If the order were lifted, a likely response is that Japanese exports to the United States would increase somewhat.

Sweden's share of U.S. consumption was \*\*\* percent during 1985 to 1987. Sweden apparently has no current capacity to produce CRBs. If the order were lifted, Swedish exporters would not likely respond.

The United Kingdom's share of U.S. consumption ranged from \*\*\* percent to \*\*\* percent during 1985 to 1987. The United Kingdom's market share varied from 1.0 percent to 1.4 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million CRBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* to \*\*\* percent of total shipments, and shipments to third-country markets ranged from \*\*\* to \*\*\* percent during 1997 to September 1999. If the order were lifted, a likely response is that U.K. exporters would increase shipments somewhat to the U.S. market.

Torrington, MPB, and RBC have stated that prices in non-U.S. markets, particularly Canada and Mexico, are lower than in the United States.<sup>4</sup> If prices are in fact higher in the United States and if the dumping orders are responsible for this price premium, removal of the orders would be expected to result in increased shipments to the United States. SKF stated that the evidence regarding whether prices in the United States are higher than elsewhere is controvertible and, in the absence of clear evidence, the Commission should not take this factor into account.<sup>5</sup>

### U.S. Demand

The demand for certain bearings is derived from the end uses in which the bearings are employed. In response to the question about how demand for their firms' products incorporating certain bearings had changed since the issuance of the antidumping orders, 19 purchasers stated that no changes had occurred, and 10 reported changes. Those reporting changes usually stated that demand had increased. The automotive industry is a large user of CRBs, and many of the increases were tied to the growth in the number of new and used automobiles. Other purchasers reported that sales of machines employing bearings had increased and that new bearing-using machines had been developed, which boosted the demand for bearings. One purchaser reported negative effects on demand due to foreign competition from manufacturers of electrical motors. Two purchasers reported that a gradual long-term

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<sup>2</sup> Only one \*\*\* firm reported capacity data; thus, capacity figures may not be representative of the industry.

<sup>3</sup> Joint posthearing brief in support of revocation of the CRB order on Japan, p. 2.

<sup>4</sup> Torrington *et al.*, posthearing brief, pp. 2-3. NSK also reported that aftermarket prices in the United States are at times 30 percent higher than in other countries. In contrast, prices in Europe are higher in some cases.

<sup>5</sup> SKF's posthearing brief, p. 4.

increase in the demand for air travel along with the periodic need for replacement aircraft had raised the demand for CRBs in the aircraft industry. Demand fluctuates, however, from year to year with the financial condition of the airline industry. The current engine and spare-part levels in the aircraft industry are high, and new orders have flattened out in the last year.

Apparent consumption of CRBs grew by 13.2 percent between 1997 and 1998 and by 16.9 percent between January-September 1998 and the same period in 1999. There was substantial consumption growth between 1985 and 1999. An industry analyst forecasts that the U.S. CRB market will experience a 3-percent revenue expansion in 2000.<sup>6</sup>

## **Substitutes**

Bearings are generally manufactured for highly specialized uses, and few substitutes exist. Purchasers were asked if other products could substitute for certain bearings in their end uses, and 30 purchasers responded in the negative and 8 in the affirmative. In some uses, there may not be any substitutes. In selected uses, air and hydraulic products may be substituted. In other cases, sleeve bearings can be substituted for the subject bearings. Also, different motion devices or oil-impregnated bushings may be substitutes in some uses, but this would generally require re-engineering the product in which the bearing is used. Virtually all purchasers reported that the number and type of products that could be substituted for certain bearings had not changed since the antidumping orders became effective.

Purchasers were asked to report separately the degree of substitution between ADP and non-ADP bearings.<sup>7</sup> Aircraft designs require that certain ADP bearings be used, and FAA regulations stipulate the exact part number to be used in replacement. Because ADP bearings cost up to several thousand dollars per unit, they are not used for other purposes. Thus, ADP bearings appear to have no substitutes.

## **Cost Share**

Certain bearings are employed in a large range of uses in manufacturing. For example, they are used in the steel, paper, food processing, chemical, automotive, truck and tractor, and aerospace industries. Most purchasers reported that certain bearings represent only a small share of the cost of the item that they produce. Purchasers reported that bearings account for 2 to 3 percent of the cost of an electrical motor. Bearings represent 1 to 3 percent of the cost of portable power tools and less than 1 percent of the cost of stationary power tools. Bearings usually represent less than 1 percent of the cost of agricultural equipment. For most auto parts where bearings are used they represent 1 to 25 percent of the cost of the part and a much smaller percentage of the cost of the entire vehicle. Purchasers reported that certain bearings represent less than 1 percent of the cost in aerospace applications. Service part resellers reported that bearings represent from 50 to 100 percent of their cost, although these uses are not final products.

Virtually all purchasers reported that there had not been any changes in end uses since the antidumping orders became effective. One purchaser reported that machine designs had changed, which altered the design of certain bearings. Given the generally low cost share and lack of substitutes, quantity demanded would not be expected to respond greatly to changes in the price of certain bearings.

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<sup>6</sup> Frost and Sullivan forecast cited in Economic Consulting Services' Report, March 10, 2000, p. V-4.

<sup>7</sup> ADP bearings may be either BBs or CRBs.

## SUBSTITUTABILITY

This section is based primarily on the responses to the Commission’s purchaser questionnaires. Forty-one purchasers provided usable data, of which 23 were end users and 15 were distributors. The other three were a combination end user/reseller, a manufacturer complementing its own production, and an assembler. Some of the purchasers’ responses are not specific to a category of bearings.

### Factors Affecting the Purchase Decision

Purchasers were asked to list in order of importance the three major factors that they consider when selecting a supplier. Quality was identified by 21 firms as the most important factor (see table CRB-II-1). Overall, price was named most often: 6 times in first place, 10 times in second place, and 17 times in third place. Also, more than three firms named availability, having a pre-arranged contract, and service as one of the three most important factors.

**Table CRB-II-1**  
**Most important factors considered when selecting a bearing supplier<sup>1</sup>**

Factor	First	Second	Third
Price	6	10	17
Quality	21	9	1
Availability	2	9	7
Pre-arranged contract	3	3	0
Service	0	0	4
Delivery	0	0	3
Product line	1	1	0
Lead time	0	1	1
Other	6	5	4
Total	39	38	37

<sup>1</sup> Figures indicate the number of purchaser responses in each category.

Note: This table applies to all subject bearings, not just to CRBs.

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

Purchasers were asked to report the characteristics they consider when assessing the quality of a supplier. Several purchasers stated that reputation, company stability, and its proven history were important. Others said that the ability to meet specifications, either standard specifications such as ABEC tolerances or specific engineering designs, was important. Some purchasers qualify suppliers on the basis of testing and other factors, such as the source of steel used. The testing is used to determine time to failure, load rating, resistance to wear, noise level, etc. For purchasers that qualify suppliers, the ability to gain approval or certification was the most important characteristic.

Purchasers were asked if they varied their purchases from a given supplier based on quarterly price changes. There were 4 affirmative responses, 23 negative responses, and 11 other responses. Many of the other responses were that price does not vary quarterly. Annual contracts are common, and prices are often constant for a year or more.

Purchasers were asked to report the frequency that they and their customers made purchasing decisions based on the country of origin of certain bearings (see table CRB-II-2). Most purchasers reported that they sometimes or never make decisions on this basis. Purchasers may prefer a specific country because of quality differences, availability, or price. Responses concerning customers' preferences were similar, although not identical. Several purchasers stated that individual suppliers were more important than the country of origin. Purchasers tended to base purchase decisions on the specific producer, but perceived that their customers did not base purchase decisions on the specific producer to the same degree that they did.

**Table CRB-II-2**  
**Frequency that purchasers and their customers base purchase decisions on country of origin and specific producers<sup>1</sup>**

Frequency	Country of origin		Specific producer	
	Purchaser	Customer	Purchaser	Customer
Always	4	1	10	0
Usually	5	4	15	6
Sometimes	17	16	14	16
Never	14	14	2	12

<sup>1</sup> Figures indicate the number of purchaser responses in each category.

Note: This table applies to all subject bearings, not just to CRBs.

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

U.S. producers were asked to report average lead times between a customer's order and the delivery of their firms' bearings. Responses were highly variable and ranged from the same day to 1 to 2 years. Commonly reported lead times were 2 to 4 months. One producer stated that new designs require 6 months. Another producer stated that the average lead time for bearings from stock is 3 days, and if the product has to be manufactured, 42-56 days are required. Importer lead times varied between 1 day and 6 to 8 months. One importer reported that sales to distributors are from stock and that OEM delivery takes 12 to 16 weeks. Commonly reported times for overseas delivery were 3 to 4 months.

Almost all purchasers reported that their purchasing pattern had not changed significantly since the antidumping orders became effective. \*\*\* and \*\*\* reported that since the mid-1990s, they have dual-sourced critical parts in order to avoid production problems and to supply customers with spare parts in a timely manner. This policy resulted in increased imports due to the limited number of U.S. suppliers.

### Comparison of Domestic Products and Imports

Purchasers indicated that bearings from the subject countries were used interchangeably with U.S.-produced bearings. Several purchasers qualified their affirmative responses by stating that they only responded in regard to countries where they have qualified suppliers. Several purchasers stated that interchangeability and qualification are more company-level issues than country-level. Some speciality-

parts may only be available from one country. One purchaser stated that bearings for car clutches are made specifically for each car. Given the uniqueness and low volume of potential sales compared to tooling costs, it is unlikely that any other manufacturer would tool to make the part. Warranty issues sometimes affect interchangeability. Despite some specialty products and the need to qualify suppliers, broad interchangeability across countries was reported for CRBs (see table CRB-II-3).

**Table CRB-II-3**  
**Interchangeability of U.S.-produced CRBs with CRBs from subject countries**

Country	Interchangeable	Not interchangeable
France	10	1
Germany	14	1
Italy	9	1
Japan	11	2
Sweden	10	1
United Kingdom	10	1
Total	64	7

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

Purchasers were asked to compare the subject products from different sources on the basis of 17 purchase factors. Compared to German CRBs, purchasers rated the U.S. product better on U.S. transport cost, lowest price, and delivery time and comparable on other factors (see figure CRB-II-1). In addition to the comparisons in the figure, two purchasers compared U.S.-produced CRBs to Japanese CRBs, and one purchaser compared U.S. CRBs to U.K. CRBs. The U.S. product scored inferior to comparable on most factors relative to the German product, and the U.S. product was rated comparable or superior on all factors compared to the U.K. product.

Most purchasers reported that some type of qualification or pre-qualification was required before they would purchase from a supplier. Qualification procedures vary. In some cases, a firm is first qualified and then specific products produced by the firm are approved. The auto industry has the ISO-9000 and QS-9000 certification procedures in which the purchaser performs quality system surveys, and at least six months are required to qualify a new supplier. Most OEMs have some certification process.

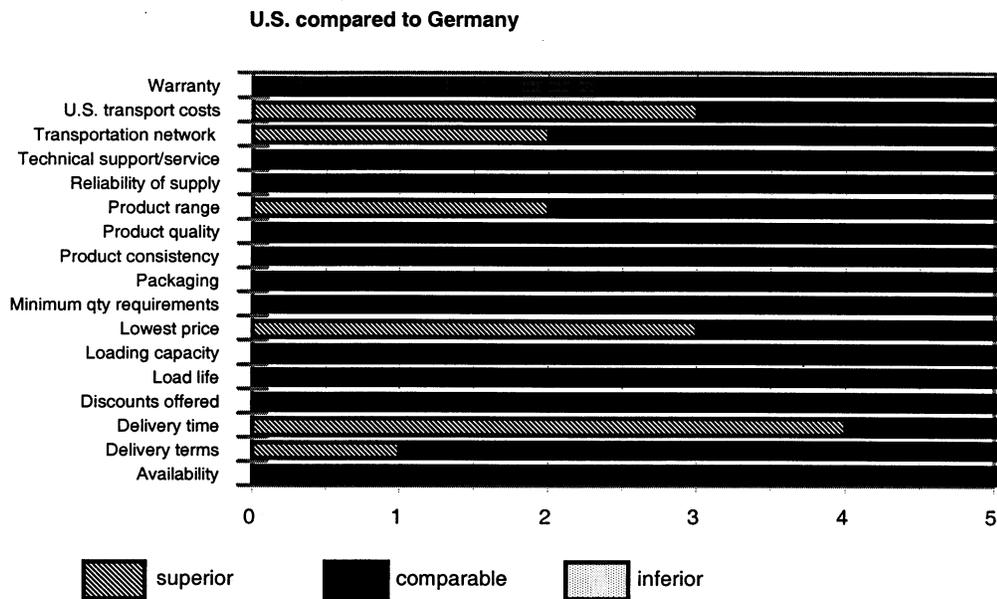
Japanese respondents stated that certain megatrends differentiate the Japanese CRBs from domestic CRBs. These include just-in-time delivery, and DFAR, NAFTA, and CAFE standards. Torrington replied that just-in-time delivery is accomplished through production scheduling and delivering a continual supply of a variety of parts instead of producing and delivering large batches.<sup>8</sup> It stated that production scheduling rather than changes in the location of suppliers is the key factor that enables implementation of just-in-time delivery. Nevertheless, KCU, NTN, and Nachi stated that some purchasers want a short supply chain, so that last minute modifications can be made.<sup>9</sup> In this regard, Ford and some other large customers require that U.S. products be used.<sup>10</sup>

<sup>8</sup> Torrington *et al*, posthearing brief, p. 5.

<sup>9</sup> Joint posthearing brief in support of revocation of the CRB order on Japan., p. 5.

<sup>10</sup> *Ibid.*, p. 6.

**Figure CRB-II-1**  
**Cylindrical roller bearings: Comparison of U.S. and subject products by listed factors, in number of firms reporting**



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

Japanese respondents have stated that a significant number of large-volume purchasers have requested NAFTA certifications.<sup>11</sup> Torrington stated: “NAFTA and CAFE are irrelevant, as bearings constitute too small a portion of the end product and, in the case of CAFE, because the regime may also encourage foreign content.”<sup>12</sup>

The DFAR restricts the Department of Defense’s purchases of certain bearings to U.S. and Canadian sources or in some cases to either a U.S. firm or a NATO-headquartered firm with a U.S. subsidiary.<sup>13</sup> Direct and indirect defense requirements account for about 5 to 10 percent of the value of bearings produced in the United States, according to a 1992 Commerce study.<sup>14</sup> This figure was down from about 15 percent in the mid-1980s. Firms selling regular precision bearings are less affected by DFAR, and those selling superprecision bearings are more affected. Torrington estimates the value of defense-related purchases of bearings to be 5.2 percent of the total bearings market.<sup>15</sup>

<sup>11</sup> *Ibid.*

<sup>12</sup> Torrington *et al*, posthearing brief, p. 5.

<sup>13</sup> John A. Tucker, Post World War II Development of the Ball and Roller Bearing Industry, U.S. Department of Commerce, 1992, p. 20.

<sup>14</sup> *Ibid.*, p. 23.

<sup>15</sup> Torrington *et al*, posthearing brief, p. 5.

## SIMULATION MODELING

### Inputs Into the Model

The COMPAS model, as formulated here, addresses the question of what would happen in the U.S. market if the orders were revoked. The model examines the effects of removing the duties on France, Germany, Italy, Japan, and the United Kingdom. The elasticity estimates and other inputs into the model are discussed first, and the model results follow.

The domestic supply elasticity for CRBs measures the quantity response of the U.S. industry to a change in the U.S. market price of these products. Based on cost structure, capacity utilization, and the importance of export markets, it is likely that the elasticity of domestic supply ranges from 2 to 4 for CRBs.

The import supply elasticity for CRBs measures the quantity response of the importing countries to a change in the U.S. market price of these products. It is based on foreign capacity and shipments to the home market and to third countries, costs, price differences across markets, and other factors. Weighing these factors, the import supply elasticities are estimated to range from 2 to 4 for France, Germany, Italy, Japan, and the United Kingdom.

The U.S. demand elasticity for CRBs measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. Staff reported in the prehearing report that the demand elasticity was likely to range from -0.5 to -1.0. Based on information about substitute products and cost shares that suggest that demand is clearly inelastic, staff now considers this elasticity to range from -0.5 to -0.75 for CRBs.

The substitution elasticity is a measure of the degree to which domestically produced CRBs and those from the subject countries are substitutable across a range of possible uses. Based on information concerning product range, quality, availability, and degree of interchangeability, staff stated in the prehearing report that the elasticity of substitution was in the 3 to 5 range for all products and for all countries.

Japanese respondents have stated that the elasticity of substitution is too high.<sup>16</sup> They state that incentives and requirements of NAFTA, AALA, and DFAR and “just-in-time” inventory practices limit the amount of imports. They also state that Japanese-owned domestic producers import most CRBs from Japan and that these are usually models not produced in the United States. They add that these factors suggest an elasticity of substitution in the range of 1 to 2.

NAFTA and AALA appear to have only small effects on bearings imports because of the small cost share of bearings in the final products in which they are used. Although the Department of Defense requires some parts to be of U.S. origin, this is a small part of the overall market. Domestic suppliers can more easily participate in just-in-time inventory practices, but foreign producers are usually not precluded from participating in them as well. Staff considers the 3 to 5 range to remain valid, as purchasers reported broad interchangeability and comparability across most countries. To the extent that large purchasers may require local production for just-in-time delivery, Japan may fall into the lower end of this range.

The margins used for all countries are unweighted averages of each country’s sunset margins and the “all others” margin. No-growth, low-growth (1 percent), and high-growth (3 percent, which corresponds to the Frost and Sullivan forecast) demand scenarios were used. Transportation costs are those reported in table CRB-V-1.

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<sup>16</sup> Economic Consulting Services’ Report, March 10, 2000, pp. V-4-V-8.

## **Model Results**

Detailed results are shown in appendix E. Although the importers' market shares were low, the high margins created price, quantity, and revenue effects on the domestic industry. Revenue effects on the domestic industry of removing these orders under the zero-demand growth assumption varied from a decrease of 22.9 percent to a decrease of 7.9 percent. Under the 1-percent demand growth assumption, the change in domestic revenue ranged from a 22.0-percent decline to a 6.9-percent decline. Under the 3-percent growth assumption, domestic revenue changed from a 20.2-percent decline to a 4.8-percent decline.



### PART III: U.S. PRODUCERS' TRADE AND FINANCIAL DATA

Information in this part of the report is based upon the questionnaire responses of 15 firms that are believed to account for the vast majority of U.S. production of CRBs. The respondent CRB producers represented in this section are: American Roller Bearing, FAG, INA, Kaydon,<sup>1</sup> Link-Belt Bearing, McGill, MPB, New Hampshire Ball Bearing, NN Ball & Roller, NTN, RBC, Rollway Bearing, SKF, Timken, and Torrington.

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

Data on capacity, production, and capacity utilization for CRBs are presented in table CRB-III-1. For the period 1997 to 1998, capacity for CRBs increased by 16.4 percent and production increased by 17.1 percent, while capacity utilization increased by 0.5 percentage point. Capacity and production increased for CRBs from January-September 1998 to January-September 1999 by 21.1 percent and 11.4 percent, respectively, while capacity utilization decreased by 6.5 percentage points.

**Table CRB-III-1**

**Cylindrical roller bearings: U.S. producers' capacity, production, and capacity utilization, 1997-98, January-September 1998, and January-September 1999<sup>1</sup>**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Capacity (1,000 bearings)	***	***	***	***
Production (1,000 bearings)	***	***	***	***
Capacity utilization (percent)	82.4	82.9	81.4	74.9

<sup>1</sup> \*\*\* did not provide production and capacity data.

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

#### U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Data on U.S. producers' shipments of CRBs and parts thereof are presented in table CRB-III-2. U.S. shipments of CRBs and parts thereof increased by 11.6 percent from 1997 to 1998, by value, and exports increased by 9.1 percent. U.S. shipments increased by 6.7 percent and exports increased by 7.5 percent in value from January-September 1998 to January-September 1999.

#### U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of CRBs increased by 22.8 percent from 1997 to 1998, as shown in table CRB-III-3. Inventories then dropped by 8.7 percent between January-September 1998 and January-September 1999.

<sup>1</sup> Kaydon did not provide data for the January-September periods of 1998 and 1999.

**Table CRB-III-2**

**Cylindrical roller bearings and parts thereof: U.S. producers' shipments, by types, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	432,304	482,253	337,187	359,685
Export shipments	38,654	42,182	30,241	32,518
Total	470,958	524,436	367,427	392,203
<b>Quantity (1,000 bearings)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	***	***	***	***
Export shipments	***	***	***	***
Total	***	***	***	***
<b>Unit value (per bearing)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	***	***	***	***
Export shipments	***	***	***	***
Total	***	***	***	***
<p>Note.--Values include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

**Table CRB-III-3**

**Cylindrical roller bearings: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**U.S. PRODUCERS' IMPORTS**

Five U.S. producers--\*\*\*--reported imports of CRBs. All five companies are affiliated with CRB production facilities located in the subject countries where the CRBs were sourced. Imports of CRBs accounted for a substantial share of each producer's total CRB shipments, with the exception of \*\*\*. Table CRB-III-4 presents data on the individual producers' shipments of imports and shipments of production.

**Table CRB-III-4**

**Cylindrical roller bearings and parts thereof: U.S. producers' (and affiliated firms') shipments of imports, shipments of U.S. production, and ratio of import shipments to total shipments, by value, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**U.S. PRODUCERS' PURCHASES**

Three U.S. producers--\*\*\*--reported purchases of CRBs over the period of these reviews. \*\*\* reported that it purchases bearings it does not produce and \*\*\* responded that it purchases CRBs as a convenience to its customers. Table CRB-III-5 provides details on these producers' purchases of CRBs.

**Table CRB-III-5**

**Cylindrical roller bearings: U.S. producers' purchases, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

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

The average number of PRWs producing CRBs and parts thereof increased by 10.3 percent from 1997 to 1998 and by 3.2 percent between January-September 1998 and January-September 1999. The number of hours worked increased by 9.9 percent between 1997 and 1998 and by 2.2 percent from January-September 1998 to January-September 1999. Wages paid increased by 12.5 percent and by 9.0 percent for the periods of these reviews, 1997 to 1998 and January-September 1998 to January-September 1999, respectively. Table CRB-III-6 presents data on U.S. producers' CRB employment, wages, and productivity.

**Table CRB-III-6**

**Average number of production and related workers producing cylindrical roller bearings and parts thereof, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Production and related workers	3,770	4,160	3,854	3,977
Hours worked (1,000)	8,461	9,297	6,462	6,602
Wages paid (\$1,000)	103,238	116,117	80,651	87,885
Hourly wages	\$12.20	\$12.49	\$12.48	\$13.31
Productivity (bearings per hour)	***	***	***	***
Unit labor costs (per bearing)	***	***	***	***

Note.--Number of PRWs, hours worked, wages paid, and hourly wages are related to the production of complete bearings and parts; productivity and unit labor costs are calculated on the basis of complete bearings only.

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

## FINANCIAL EXPERIENCE OF THE U.S. INDUSTRY

### Background on Cylindrical Roller Bearings

Twelve companies, accounting for approximately 90 percent of reported U.S. shipments, provided usable financial data on their operations producing CRBs and parts thereof.<sup>2</sup> Seven of the 12 reporting companies provided financial data using fiscal years which were on a calendar-year basis; three companies reported on the basis of a fiscal year that ended March 31; one company reported for a fiscal year end of September 30; and the remaining company did not state when its fiscal year ended.<sup>3</sup> The 12 firms differ considerably in terms of their sales values and profitability. \*\*\*. Overall, the ratio of company transfers to total sales is negligible (\*\*\*). Imported raw materials accounted for approximately one-fifth of total raw materials used in the production of CRBs according to these companies' questionnaire responses. \*\*\*.

<sup>2</sup> Another two companies provided trade data only. These companies are \*\*\*, which accounted for about \$\*\*\* of the difference of \$\*\*\* (75 percent) between the data reported in the trade and financial sections of the Commission's questionnaire in 1998. Another \$\*\*\* difference is attributable to a change by \*\*\* which increased the value of its shipments reported in the trade section, but did not provide the corresponding changes to its financial data. Overall, the difference between the two sets of data was about 10 percent in 1998.

<sup>3</sup> \*\*\*.

## **Cylindrical Roller Bearing Operations**

Income-and-loss data for the 12 U.S. producers on their operations producing CRBs and parts thereof are presented in table CRB-III-7.<sup>4</sup> Table CRB-III-8 presents financial information on a company-by-company basis for net sales value, COGS, operating income or (loss), and the ratios of COGS and operating income or (loss) to net sales.

The value of total sales increased by \$52 million (12 percent) between 1997 and 1998, and by \$32 million (10 percent) between January-September 1998 and the same period in 1999. Operating income rose slightly by about \$2 million (2 percent) from 1997 to 1998, and increased by \$4 million (10 percent) between the interim periods. Increases in the raw materials and factory overhead components of COGS (which rose because of increased sales) compensated for much of the increase in sales. Net income declined by \$1 million (2 percent) between 1997 and 1998 but increased by \$4 million (11 percent) between the interim periods. The ratios of operating income and net income to sales declined by less than 2 percentage points between 1997 and 1998 and did not change between the interim periods, remaining in double digits in all periods. Cash flow increased during the periods investigated, primarily because of increased charges for depreciation.

Only one company, \*\*\*, reported operating losses during any of the periods investigated, with those losses ranging from \*\*\*. That company's ratio of operating income to net sales deviated widely from the segment average ratio for other companies. \*\*\*.

### **Investment in Productive Facilities, Capital Expenditures, and Research and Development Expenses**

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment used in the production of CRBs and parts thereof are shown in table CRB-III-9. Data on capital expenditures for CRBs, by firms, are shown in table CRB-III-10.

\*\*\* accounted for a majority of the reported value of fixed assets. \*\*\* reported the greatest single amounts for capital expenditures of the reporting companies in this industry, accounting for \*\*\* percent of the total in 1998. Capital expenditures increased by \$1 million (5 percent) between 1997 and 1998, but fell by \$4 million (22 percent) between January-September 1998 and the same period in 1999. Because of capital expenditures, the cost and book value of fixed assets rose by 17 percent and 15 percent, respectively, between 1997 and 1998. R&D expenses also increased.

### **Effects of Orders**

Comments by domestic producers regarding the significance of the existing antidumping orders on imports of CRBs from France, Germany, Italy, Japan, Sweden, and the United Kingdom in terms of their effect on the firms' revenues, costs, profits, cash flow, capital expenditures, R&D expenses, and asset values are presented in appendix D. In that same appendix are comments by domestic producers regarding any anticipated changes in their revenues, costs, profits, cash flow, capital expenditures, R&D expenses, or asset values relating to the production of CRBs in the future if the orders on imports from these countries were revoked.

---

<sup>4</sup> Because of variations in product mix, producers were not requested to provide quantity-based data for their sales; therefore, the unit value data and variance analyses (which are based on unit values) are not presented. Results of the verification of \*\*\*'s producers' questionnaire response have been incorporated into this report.

**Table CRB-III-7**

**Results of operations of U.S. producers in the production of cylindrical roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

Item	Fiscal year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Trade sales	***	***	***	***
Company transfers	***	***	***	***
Total sales	422,619	474,946	330,021	361,832
<b>Cost of goods sold:</b>				
Raw materials	95,231	114,867	78,608	88,791
Direct labor	43,370	48,599	34,009	36,240
Other factory costs	182,473	203,282	148,395	162,019
Total cost of goods sold	321,074	366,748	261,012	287,050
Gross profit	101,545	108,198	69,009	74,782
SG&A expenses	36,776	41,818	29,462	31,246
Operating income	64,769	66,380	39,547	43,536
Interest expense	5,195	8,439	5,708	6,422
Other expense	1,832	2,025	1,383	1,100
Other income items	216	609	423	465
Net income	57,958	56,525	32,879	36,479
Depreciation/amortization	15,606	20,774	14,807	15,882
Cash flow	73,564	77,299	47,686	52,361
<b>Ratio to net sales (percent)</b>				
<b>Cost of goods sold:</b>				
Raw materials	22.5	24.2	23.8	24.5
Direct labor	10.3	10.2	10.3	10.0
Other factory costs	43.2	42.8	45.0	44.8
Total cost of goods sold	76.0	77.2	79.1	79.3
Gross profit	24.0	22.8	20.9	20.7
SG&A expenses	8.7	8.8	8.9	8.6
Operating income	15.3	14.0	12.0	12.0
Net income	13.7	11.9	10.0	10.1
<b>Number of firms reporting</b>				
Operating losses	0	1	1	1
Data	12	12	12	12
Note.—Because of rounding, figures may not add to the totals shown.				
Source: Compiled from data submitted in response to Commission questionnaires.				

CRB-III-6

**Table CRB-III-8**

**Net sales, cost of goods sold, operating income, and ratios of COGS and operating income to net sales of U.S. producers, by firms, in the production of cylindrical roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Table CRB-III-9**

**Value of assets, capital expenditures, and R&D expenses of U.S. producers of cylindrical roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

Item	Fiscal year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Capital expenditures <sup>1</sup>	26,251	27,518	17,501	13,724
R&D expenses <sup>2</sup>	***	***	***	***
Fixed assets: <sup>1 3</sup>				
Original cost	307,405	361,124	322,761	367,808
Book value	130,236	150,789	134,850	149,554
1 *** 2 *** 3 ***				
Source: Compiled from data submitted in response to Commission questionnaires.				

**Table CRB-III-10**

**Capital expenditures of U.S. producers, by firms, in the production of cylindrical roller bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*



## **PART IV: U.S. IMPORTS AND THE INDUSTRIES IN FRANCE, GERMANY, ITALY, JAPAN, SWEDEN, AND THE UNITED KINGDOM**

### **U.S. IMPORTS**

Imports of CRBs from all countries increased by 2.4 percent, by value, from 1997 to 1998 and imports of CRBs from subject countries increased by 3.6 percent over the same period. The value of imports of CRBs from all countries for the period January-September 1998 to January-September 1999 decreased by 9.3 percent, and the value of subject imports of CRBs decreased by 14.7 percent over the same period. Imports from nonsubject countries accounted for about 30-35 percent of the total value of imports in each period. Data on imports of CRBs are presented in table CRB-IV-1.

### **U.S. IMPORTERS' INVENTORIES**

Table CRB-IV-2 presents data on U.S. importers' inventories over the period of these reviews. Inventories of imports from subject countries decreased by 4.0 percent from 1997 to 1998, but then increased by 7.5 percent during the interim periods. Inventories of imports from nonsubject countries increased by 3.7 percent from 1997 to 1998 and by 16.9 percent from January-September 1998 to January-September 1999.

## **THE INDUSTRIES IN FRANCE, GERMANY, ITALY, JAPAN, SWEDEN, AND THE UNITED KINGDOM**

### **France**

Table CRB-IV-3 presents France's reported production of CRBs for the period of review. Two of the largest producers of bearings in France, SNR and SNFA, did not provide questionnaire responses. France ranks fourth in world bearing production. Foreign producer questionnaires were sent to six firms believed to produce subject bearings in France. Only one completed questionnaire response was received, from Nadella, a Torrington-related company.<sup>1</sup> It is reported that four companies, including Nadella, produce CRBs in France. SNR, a subsidiary of the French automaker Renault, is the largest French-based bearing producer. SNR has numerous production locations and produces BBs and CRBs. SNFA is a privately held company and produces BBs and CRBs primarily for the aerospace industry. INA Roulements, a subsidiary of the German bearing producer, is reported to produce BBs and CRBs in its French production plants. Reported production of CRBs in France increased from 1997 to 1998 but then decreased in the interim periods. Capacity increased in 1998, then stabilized, and capacity utilization was in the range of \*\*\* percent. The home market accounted for about \*\*\* percent of total reported CRB shipments, and third country markets accounted for the remainder. There are no known antidumping or countervailing duty orders covering imports of French CRBs into third countries.

Nadella reported that it \*\*\*, and that its production is primarily for \*\*\*. Imports from \*\*\* compete with French-produced CRBs.

---

<sup>1</sup> Nadella is believed to account for a relatively small share of CRB production in France.

Table CRB-IV-1

Cylindrical roller bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
France	7,709	7,530	5,485	4,505
Germany	41,891	39,265	29,096	25,208
Italy <sup>1</sup>	7,161	9,139	6,698	5,200
Japan <sup>2</sup>	29,394	33,896	25,722	22,685
Sweden	225	262	180	257
United Kingdom	7,919	7,592	5,798	4,427
Subtotal	94,298	97,685	72,979	62,282
All others	42,197	42,125	31,768	32,739
Total	136,495	139,809	104,746	95,021
<b>Quantity (1,000 bearings)</b>				
France	232	447	332	28
Germany	2,035	2,089	1,729	1,223
Italy <sup>1</sup>	71	42	35	24
Japan <sup>2</sup>	1,303	3,531	2,245	4,465
Sweden	1	3	3	1
United Kingdom	32	26	20	19
Subtotal	3,674	6,138	4,365	5,760
All others	9,112	10,471	7,626	9,104
Total	12,786	16,609	11,991	14,864
<b>Unit value (per bearing)</b>				
France	\$32.37	\$16.52	\$16.14	\$159.32
Germany	17.09	15.48	13.97	16.65
Italy <sup>1</sup>	99.31	212.16	185.58	216.91
Japan <sup>2</sup>	21.09	9.27	11.02	4.84
Sweden	183.02	75.36	66.10	174.03
United Kingdom	244.46	287.23	279.34	221.26
Average	10.87	7.45	7.52	5.81
All others	3.79	3.17	3.30	2.77
Average	9.33	7.36	7.66	5.46

CRB-IV-2

Table continued on next page.

Table CRB-IV-1--Continued

Cylindrical roller bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Share of value (percent)</b>				
France	5.6	5.4	5.2	4.7
Germany	30.7	28.1	27.8	26.5
Italy	5.2	6.5	6.4	5.5
Japan	21.5	24.2	24.6	23.9
Sweden	0.2	0.2	0.2	0.3
United Kingdom	5.8	5.4	5.5	4.7
Subtotal	69.1	69.9	69.7	65.5
All others	30.9	30.1	30.3	34.5
Total	100.0	100.0	100.0	100.0
<b>Share of quantity (percent)</b>				
France	1.8	2.7	2.8	0.2
Germany	15.9	12.6	14.4	8.2
Italy	0.6	0.2	0.3	0.2
Japan	10.2	21.3	18.7	30.0
Sweden	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
United Kingdom	0.2	0.2	0.2	0.1
Subtotal	28.7	37.0	36.4	38.7
All others	71.3	63.0	63.6	61.3
Total	100.0	100.0	100.0	100.0
<p>1 ***                  2 ***  <sup>3</sup> Less than 0.05 percent.</p> <p>Note.—Values are landed, duty-paid, and include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only. Data are based on imports entered under HTS items 8482.50.0000, 8482.91.0080, 8482.80.0060, 8482.99.2560, and 8482.99.6560.</p> <p>Source: Compiled from official Commerce statistics.</p>				

**Table CRB-IV-2**

**Cylindrical roller bearings: U.S. importers' end-of-period inventories of imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
* * * * *				
<b>Imports from subject sources:</b>				
Inventories (1,000 bearings)	8,440	8,101	7,674	8,250
Ratio to imports (percent)	20.0	21.0	18.9	26.4
Ratio to U.S. shipments of imports (percent)	24.4	24.7	21.5	33.0
<b>Imports from all other sources:</b>				
Inventories (1,000 bearings)	82	85	71	83
Ratio to imports (percent)	0.5	0.7	0.5	0.6
Ratio to U.S. shipments of imports (percent)	0.5	0.7	0.5	0.6
<b>Imports from all sources:</b>				
Inventories (1,000 bearings)	8,522	8,186	7,745	8,333
Ratio to imports (percent)	14.7	16.4	14.5	18.7
Ratio to U.S. shipments of imports (percent)	17.0	18.5	15.9	21.8
Source: Compiled from data submitted in response to Commission questionnaires.				

**Table CRB-IV-3**

**Cylindrical roller bearings: Data for the only reporting producer in France, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Germany**

Germany ranks third in world bearing production. Major producers include FAG, INA, NTN, and SKF. Twenty questionnaires were sent to firms believed to produce subject bearings in Germany; four firms submitted responses with respect to their CRB production—FAG, INA, Torrington Nadellager, and SKF.<sup>2</sup> Their data are presented in table CRB-IV-4. Reported production of CRBs increased from 1997 to 1998 and rose slightly in the interim periods as well. CRB capacity increased in each period, and capacity utilization was relatively low. The home market and third country markets accounted for

<sup>2</sup> These firms are believed to account for the majority of CRB production in Germany.

**Table CRB-IV-4**

**Cylindrical roller bearings: Data for producers in Germany, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

virtually all shipments of CRBs. There are no known antidumping or countervailing duty orders covering imports of German CRBs into third countries.

There are approximately four or five principal competitors in the German CRB market, and several small specialty producers that compete only for sales in the specialty segment of that market. German-produced CRBs reportedly compete in the home market with imports from France, Japan, India, Italy, Sweden, and the United Kingdom. Torrington reported that it \*\*\*. SKF noted that its production in Germany has \*\*\*.

**Italy**

Italy is among the top five bearing-producing countries in the world. The majority of Italian production is dedicated to BBs. Questionnaires were sent to six firms believed to produce subject bearings in Italy. Two companies reported CRB production in Italy--FAG and Meter.<sup>3</sup> In describing the CRB market in Italy, the two companies indicated that there are two to three large companies that specialize in standard bearings, while a dozen smaller companies produce specialty bearings. Production increased throughout the periods, and capacity remained constant for the one \*\*\* firm that reported such data. Third country markets accounted for the majority of shipments. There are no known antidumping or countervailing duty orders on Italian CRBs into third country markets. Table CRB-IV-5 presents reported data on CRB production and shipments in Italy.

FAG reported that it \*\*\*. FAG also noted that while demand for CRBs has \*\*\*, competition has \*\*\*. Meter indicated in its questionnaire response that it is \*\*\*. As was mentioned in chapter 3, Meter \*\*\*.

**Table CRB-IV-5**

**Cylindrical roller bearings: Data for producers in Italy, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Japan**

NSK, NTN, Koyo, and Nachi are reportedly the largest producers of CRBs in Japan. Questionnaires were sent to 29 firms believed to produce subject bearings in Japan; seven affirmative responses were received. Those companies responding to the questionnaire include: Koyo Seiko, Maekawa Bearing, Nachi-Fujikoshi, Nippon Thompson, NSK, NSK Torrington, and NTN.<sup>4</sup> Japanese CRB producers report that Japan is a highly competitive CRB market that consists of eight companies, of which four are very competitive--NTN, NSK, Koyo, and Nachi. Table CRB-IV-6 presents data on production of CRBs in Japan. Production of CRBs decreased from 1997 to 1998 and then increased in the interim periods. Capacity declined and then rose, while capacity utilization remained at about 80 percent. The Japanese market accounted for the vast majority of total shipments. There are no known antidumping or countervailing duty orders on Japanese CRBs into third country markets.

<sup>3</sup> These firms are believed to account for the majority of CRB production in Italy.

<sup>4</sup> These firms are believed to account for the great majority of CRB production in Japan.

**Table CRB-IV-6****Cylindrical roller bearings: Data for producers in Japan,<sup>1</sup> 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Quantity (1,000 bearings)</b>				
Capacity	660,663	584,688	443,287	462,275
Production	531,637	472,133	351,650	375,894
End-of-period inventories	65,957	58,175	56,006	59,290
Shipments:				
Internal consumption/transfers	906	2,096	905	2,646
Home market	537,384	476,750	358,123	365,972
Exports to:				
United States	2,196	1,685	1,383	802
All other markets	18,422	20,862	14,801	17,600
Total exports	20,618	22,547	16,184	18,402
Total shipments	558,908	501,393	375,212	387,020
<b>Ratios and shares (percent)</b>				
Capacity utilization	80.5	80.7	79.3	81.3
Inventories/production	12.4	12.3	11.9	11.8
Inventories/shipments	11.8	11.6	11.2	11.5
Share of total shipments:				
Internal consumption/transfers	0.2	0.4	0.2	0.7
Home market	96.1	95.1	95.4	94.6
Exports to:				
United States	0.4	0.3	0.4	0.2
All other markets	3.3	4.2	3.9	4.5
Total exports	3.7	4.5	4.3	4.8
<sup>1</sup> These firms are believed to account for the great majority of CRB production in Japan.				
Source: Compiled from data submitted in response to Commission questionnaires.				

CRB-IV-6

## Sweden

SKF, which is headquartered in Sweden, is the world's largest producer of bearings and reportedly the only producer of bearings in Sweden. SKF reported that there has been no production of CRBs in Sweden since the mid-1990s.<sup>5</sup>

## United Kingdom

Questionnaires were sent to five companies believed to produce subject bearings in the United Kingdom; four companies reported production of CRBs: Torrington, Timken Aerospace, NSK-RHP Europe, and RHP Aerospace. According to its questionnaire response, SKF \*\*\* in the United Kingdom. Table CRB-IV-7 presents data on CRB production in the United Kingdom. NSK-RHP Europe reportedly accounts for \*\*\* production of CRBs in the United Kingdom. Production of CRBs increased from 1997 to 1998, then decreased in the interim periods. Capacity also fell in January-September 1999, and capacity utilization fluctuated in a range of \*\*\* to \*\*\* percent. Home-market shipments and exports to third countries accounted for virtually all shipments. There are no known antidumping or countervailing duty orders on British CRBs into third country markets.

### Table CRB-IV-7

**Cylindrical roller bearings: Data for producers in the United Kingdom, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

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<sup>5</sup> See SKF's prehearing brief, p. 38.



## **PART V: PRICING AND RELATED DATA**

### **CHARACTERISTICS OF LIKELY DUMPING**

Company-level detail on dumping margins is presented in part I. The original and sunset dumping duties for CRBs are generally the same for France, Germany, and Japan. These range from 11.03 percent to 18.37 percent for France, from 52.43 percent to 76.27 percent for Germany, and from 4.0 percent to 51.21 percent for Japan. Italy's one sunset dumping margin is 212.45 percent, as the order on SKF-Italy was revoked. The sunset margins range from 13.69 percent to 27.38 percent for Sweden and from 43.36 percent to 72.65 percent for the United Kingdom. Also, as discussed in part I, tariffs on CRBs and parts thereof imported from countries with normal trade relations ranged from 4.4 percent to 5.8 percent.

### **EXCHANGE RATES**

Nominal and real exchange rate indexes of currency from France, Germany, Italy, Japan, Sweden, and the United Kingdom are shown in appendix F. The dollar value of the French franc and the German mark, which had appreciated in the early 1990s, have been in decline since 1995. The Italian lira appreciated in 1989, remained relatively stable for the next two years, and depreciated in 1992. After a couple years of relative stability, the lira appreciated slightly in 1995, but it has depreciated steadily since 1996. In both nominal and real terms, the Japanese yen appreciated between 1990 and 1995, but depreciated between 1995 and 1998. Since 1988, the Swedish kronor declined approximately 25 percent in nominal terms and 15 percent in real terms with a relatively fixed exchange rate in the early 1990s and significant depreciation in 1992. The British pound appreciated relative to the dollar in both nominal and real terms since 1988.

### **OTHER FACTORS AFFECTING PRICING**

Most U.S. producers reported that there were no significant changes in the costs of raw materials during the period of review. A couple of producers reported that market demand affects the price of bearings but that changes in raw material prices do not. Several other producers reported that, if raw material costs increased, they would pass them on to the customer. One producer reported that all costs had increased by approximately 4 percent. Most importers reported that raw materials had not affected their selling price, but a large number also reported that they purchase finished bearings and are unaware of the raw material costs.

The difference between the c.i.f. value and customs value of subject U.S. imports provides an indication of the cost to transport CRBs to the U.S. market. As shown in table CRB-V-1, these costs were usually 2 to 3 percent of the total cost at port and ranged from a low of 1.2 percent to a high of 3.2 percent.

U.S. producers reported that their U.S. inland transportation costs were on average 2.5 percent of total delivered costs. U.S. importers reported that their U.S. inland transportation costs averaged approximately 6 percent of total delivered costs. Both U.S. producers and importers tended to make the transportation arrangements themselves, although it was fairly common for the purchaser to make the arrangement, especially in the case of subject imported bearings.

**Table CRB-V-1**

**Ocean transport costs to the United States in 1998 as a percentage of total cost at port, by subject countries**

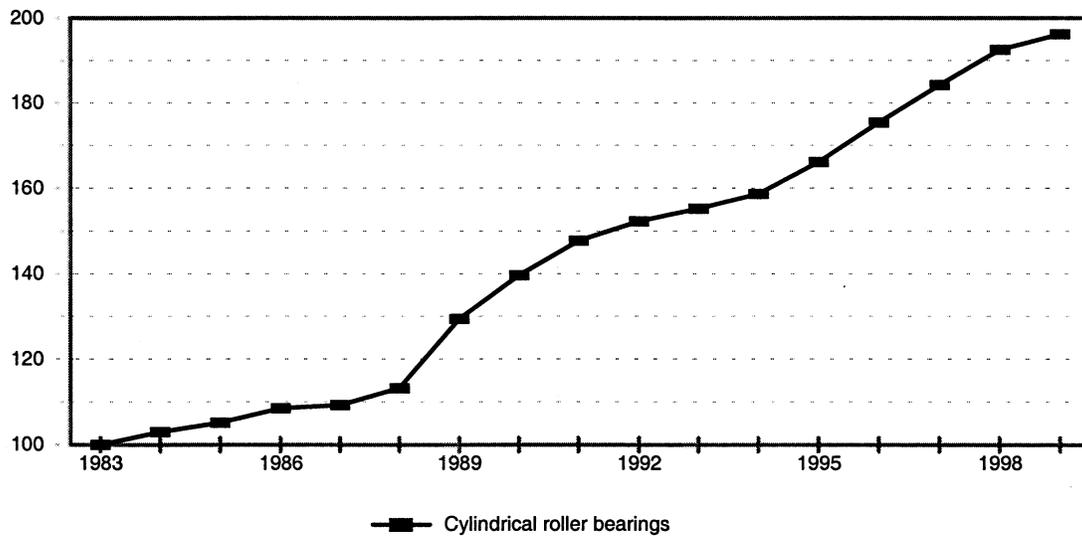
Country	Ocean transport cost (percent)
France	1.7
Germany	2.8
Italy	1.5
Japan	2.1
Sweden	3.2
United Kingdom	1.2

Source: Calculated from official Commerce statistics.

### PRICING TRENDS

Since 1983, prices of CRBs have increased steadily according to the BLS producer price index (see figure CRB-V-1). The general trend has been upward, although prices were relatively flat from 1986 to 1987.

**Figure CRB-V-1**  
**Producer price index: Cylindrical roller bearings, 1983-99**



Source: Bureau of Labor Statistics.

CRB-V-2

## PRICING PRACTICES

U.S. producers reported various means of establishing prices; however, they tend to negotiate contracts with OEM customers. These contracts often take the form of requirements contracts that last 3 to 5 years, and establish an initial price but allow for annual variation. OEM sales are priced at market levels, whereas price lists are more typically used, at least as a starting point, for sales to distributors. Prices of most custom-made bearings appear to be established on a transaction-by-transaction basis.

Seven out of 23 responding U.S. producers of certain bearings reported granting some types of discounts based on volume of purchase, although several of these did not have a fixed discount policy. Four of the 23 producers reported negotiating discounts on a customer basis, giving special consideration to large customers, and awarding loyalty. Two of the 23 producers reported offering discounts only when forced to by competitive market conditions. Seven of the 23 producers reported that they did not offer discounts.

## PRICE DATA

The Commission requested in its producer and importer questionnaires quarterly quantity and value information from January 1997 to September 1999. Separate pricing data were requested for shipments to distributors and to end users. The five CRB products for which pricing information was requested are listed below.

- |            |  |
|------------|--|
| Product 22 | NU318—Cylindrical roller bearing, single row, with machined brass cage. 90 mm bore, 190 mm OD, 43 mm width with straight bore. ABEC 1 tolerances and PO IS.  |
| Product 23 | NJ319—Cylindrical roller bearing, single row, with steel cage. 95 mm bore, 200 mm OD, 43 mm width with straight bore. ABEC 1 tolerances and PO IS.   |
| Product 24 | N1010—ADP cylindrical roller bearing. 50 mm bore, 80 mm OD, 16 mm width. AMS6444 steel for outer and inner rings. Cage treated with silver, ABEC 5 tolerances. Aerospace process control, traceability, and inspections apply. |
| Product 25 | DB-59722—Cylindrical roller bearing with drawn shell outer race and steel cage. 2.2519 inch OD, 1.4028 inch bore, and 0.698 inch width.  |
| Product 26 | 280RV92 AC1112R3—Four race cylindrical roller bearing with bronze cages. 19.685 inch OD, 11.0236 inch bore, and 6.5 inch width.  |

Pricing data were reported for U.S. producers' shipments and imports from Germany and Japan. The price data cover \*\*\* CRBs from Germany (\*\*\*) percent of German imports), \*\*\* CRBs from Japan (\*\*\*) percent of Japanese imports), and 14,222,235 domestically produced CRBs (1.87 percent of U.S. shipments). There were 181 individual reports of quarterly sales.

Individual firms reported highly variable quantities of quarterly sales. For example, the minimum, 25th percentile, median, 75th percentile, and maximum number of CRBs reported in the quarterly sales were, respectively, 1; 6; 60; 279; and 1,558,636. The unit values of the high-volume sales were systematically lower than those of the low-volume sales. This is because the unit costs of setting up the production line are less for large batches than for small ones. Also, large purchasers have some market power and are able to command a lower price. A regression analysis on the firm-level data

indicates that for each one-percent increase in sales volume, unit value decreases by approximately 0.079 percent.<sup>1</sup>

Sales to end users accounted for 99.3 percent of sales. The unit values of sales to end users were lower than those to distributors, as indicated by the negative coefficient for sales to end users in the regression equation. Sales to distributors were for smaller quantities and were often destined for the aftermarket, where unit prices were greater.

Price comparisons are reported in tables CRB-V-2 to CRB-V-4. For product 22, sufficient price data were reported only for Germany, Japan, and domestic producers in both the distributor and end-user markets. While sufficient price data were reported for Germany and Japan in the distributor market, and only for Japan in the end-user market for product 23, there were no usable price data reported for domestic producers. Sufficient data were only reported for the United States and Japan in the distributor market for product 25. For products 24 and 26, either no price data or insufficient price data were reported for Germany, Japan, and the United States in both the distributor and end user markets. \*\*\* had reported import data for product 24, which is an ADP bearing. Staff asked the firm to verify these data because the overselling margins were in excess of \*\*\*. Upon reexamination of its data, \*\*\* concluded that the data were not for product 24, and that it had not, in fact, imported product 24. Thus, tables for price comparisons are not shown for products 24 and 26.

Prices of CRBs were more volatile, and underselling and overselling margins were larger than for other bearing products. This is perhaps attributable to the lower quantities obtained for CRBs, different conditions of sale, and variability within product categories, despite the fairly specific product definitions.

**Table CRB-V-2**

**Cylindrical roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 22 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

<sup>1</sup> The log of unit value was regressed on the log of quantity plus indicator variables to distinguish each product, country, and market type. The coefficients, their values, and t-statistics are shown below. All coefficients were significant, as was the model as a whole. A linear time trend was tested but proved insignificant and is not reported.

Coefficients	Value	Std. Error	t-value	Pr(> t )
log(quantity)	-0.0785	0.0067	-11.6773	0.0000
product 22	5.6052	0.0618	90.7505	0.0000
product 23	5.3620	0.0732	73.2225	0.0000
product 24	7.2782	0.0774	94.0770	0.0000
product 25	1.7889	0.0652	27.4247	0.0000
product 26	8.3699	0.0497	168.3977	0.0000
Germany	0.0935	0.0616	1.5177	0.1309
Japan	-0.0366	0.0585	-0.6257	0.5323
end users	-0.2815	0.0367	-7.6721	0.0000

Residual standard error: 0.2018 on 173 degrees of freedom

Multiple R-Squared: 0.9985

F-statistic: 13130 on 9 and 173 degrees of freedom, the p-value is 0

**Table CRB-V-3**

**Cylindrical roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 22 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table CRB-V-4**

**Cylindrical roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 25 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

Pricing comparisons are summarized in table CRB-V-5. In 1998 and interim 1999, Japan had, respectively, 2 and 6 periods of underselling, and Germany had, respectively, 1 and 3 periods of underselling. In total, Germany had 2 periods of overselling and Japan had 3 periods of overselling. Japan's margins of underselling and overselling were generally greater than Germany's. Compared to domestic shipments of CRBs, quantities of bearings undersold are relatively large for Japan and relatively small for Germany. Average underselling and overselling margins per bearing were small for Germany and somewhat larger for Japan, especially its overselling margin in 1997.

The Commission also requested pricing data in its purchaser questionnaires. Insufficient pricing data were reported; thus, tables of purchaser margins for CRBs cannot be produced. For example, pricing data were reported for purchases of only U.S.-produced products 22 and 25, while pricing data were reported for purchases of only Japanese-produced products 23 and 26.

Table CRB-V-5

## Cylindrical roller bearings: Summary of underselling and overselling

Country	1997	1998	January-September 1999
Number of quarters in which underselling occurred			
Germany	0	1	3
Japan	0	2	6
Number of quarters in which overselling occurred			
Germany	0	1	1
Japan	2	1	0
Average underselling margin per period of underselling			
Germany	(1)	2.1	12.4
Japan	(1)	30.9	25.7
Average overselling margin per period of overselling			
Germany	(1)	3.8	12.8
Japan	334.4	51.5	(1)
U.S. producers' domestic shipments of CRBs reported in pricing data			
U.S. shipments ( <i>number of bearings</i> ) <sup>2</sup>	28,059	36,228	30,742
Bearings undersold ( <i>number of bearings</i> )			
Germany	0	***	***
Japan	0	***	***
Bearings oversold ( <i>number of bearings</i> )			
Germany	0	***	***
Japan	***	***	0
Average margin of underselling per bearing undersold ( <i>percent</i> )			
Germany	(1)	2.1	7.7
Japan	(1)	30.7	25.3
Average margin of overselling per bearing oversold ( <i>percent</i> )			
Germany	(1)	3.8	12.8
Japan	394.4	51.5	(1)
<p><sup>1</sup> Not applicable.</p> <p><sup>2</sup> Excludes the U.S. sales of product 25 in the end-users' market of ***; ***; and *** bearings, respectively, in years 1997, 1998, and interim 1999, of which no usable import sales were reported.</p> <p>Note: The entire database was used for these calculations, and totals could vary slightly from those obtained from the price comparison tables, which may not include instances when only one or two sales were reported.</p> <p>Source: Calculated from data submitted in response to Commission questionnaires.</p>			

CRB-V-6

**CHAPTER FOUR**  
**SPHERICAL PLAIN BEARINGS**



## PART I: OVERVIEW

This chapter presents information pertaining to the Commission's reviews involving the antidumping duty orders on SPBs from France, Germany, and Japan. A summary of the data collected in these reviews is presented in appendix table C-4. U.S. industry data are based on questionnaire responses of nine firms that are believed to account for almost all U.S. production of SPBs in 1998. U.S. import data are based on official Commerce statistics. Available comparative data from the original investigations and the current sunset reviews are presented in table SPB-I-1. Figure SPB-I-1 presents the trends of SPB imports from the subject countries and all other sources for the period 1985 to 1999 based on questionnaire responses from the original investigations and official Commerce statistics.

The value of SPB imports from subject countries increased by \*\*\* percent from 1987 to 1998. The value of imports from France and Japan increased from 1987 to 1998, while the value of German imports declined. Germany remains the largest supplier of subject SPBs to the United States. Nonsubject SPB imports accounted for about half of total SPB imports.

### NATURE AND EXTENT OF SALES AT LTFV

#### Commerce's Final Results of Its Expedited Sunset Reviews on France, Germany, and Japan

On November 4, 1999, Commerce found that revocation of the antidumping duty orders on SPBs from France, Germany, and Japan would likely lead to continuation or recurrence of dumping. The antidumping duty orders on SPBs were published on May 15, 1989. All orders remain in effect for all producers and/or exporters of subject products, except as noted. The original and sunset margins by country and company are presented in tabulations in the following sections.

#### France

In the 1995-96 administrative review, Commerce found that antidumping duties were being absorbed by SKF. The margin from the 1995-96 administrative review, adjusted for duty absorption, was lower than the rate from the original investigation; therefore, Commerce's final results of its expedited sunset review for France use the dumping margins calculated in the original investigation, as presented in the tabulation below. Commerce found that the margins calculated in the original investigation are probative of the behavior of the subject producers and/or exporters if the order were revoked as they are the only margins that reflect their behavior absent the discipline of the order.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Spherical	SKF	39.00	39.00
Spherical	All others	39.00	39.00

**Table SPB-I-1**

**Spherical plain bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1985	1986	1987	1997	1998	Jan.- Sept. 1998	Jan.- Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>							
<b>U.S. consumption:</b>							
Value	***	***	***	156,063	163,226	123,346	121,347
U.S. producers' share	***	***	***	88.5	87.7	87.9	86.8
<b>Importers' share:</b>							
France	***	***	***	0.6	0.8	0.7	0.7
Germany	***	***	***	3.0	2.8	2.7	2.0
Japan <sup>2</sup>	***	***	***	2.1	2.4	2.3	4.2
Subtotal	***	***	***	5.7	6.0	5.7	6.8
All others	***	***	***	5.8	6.3	6.4	6.4
Total imports	***	***	***	11.5	12.3	12.1	13.2
<b>Value of U.S. imports from:</b>							
France	***	***	***	998	1,271	874	874
Germany	***	***	***	4,715	4,618	3,318	2,377
Japan <sup>2</sup>	***	***	***	3,251	3,946	2,860	5,050
Subtotal	***	***	***	8,964	9,835	7,052	8,301
All others	***	***	***	8,919	10,270	7,905	7,751
Total imports	***	***	***	17,883	20,105	14,957	16,052

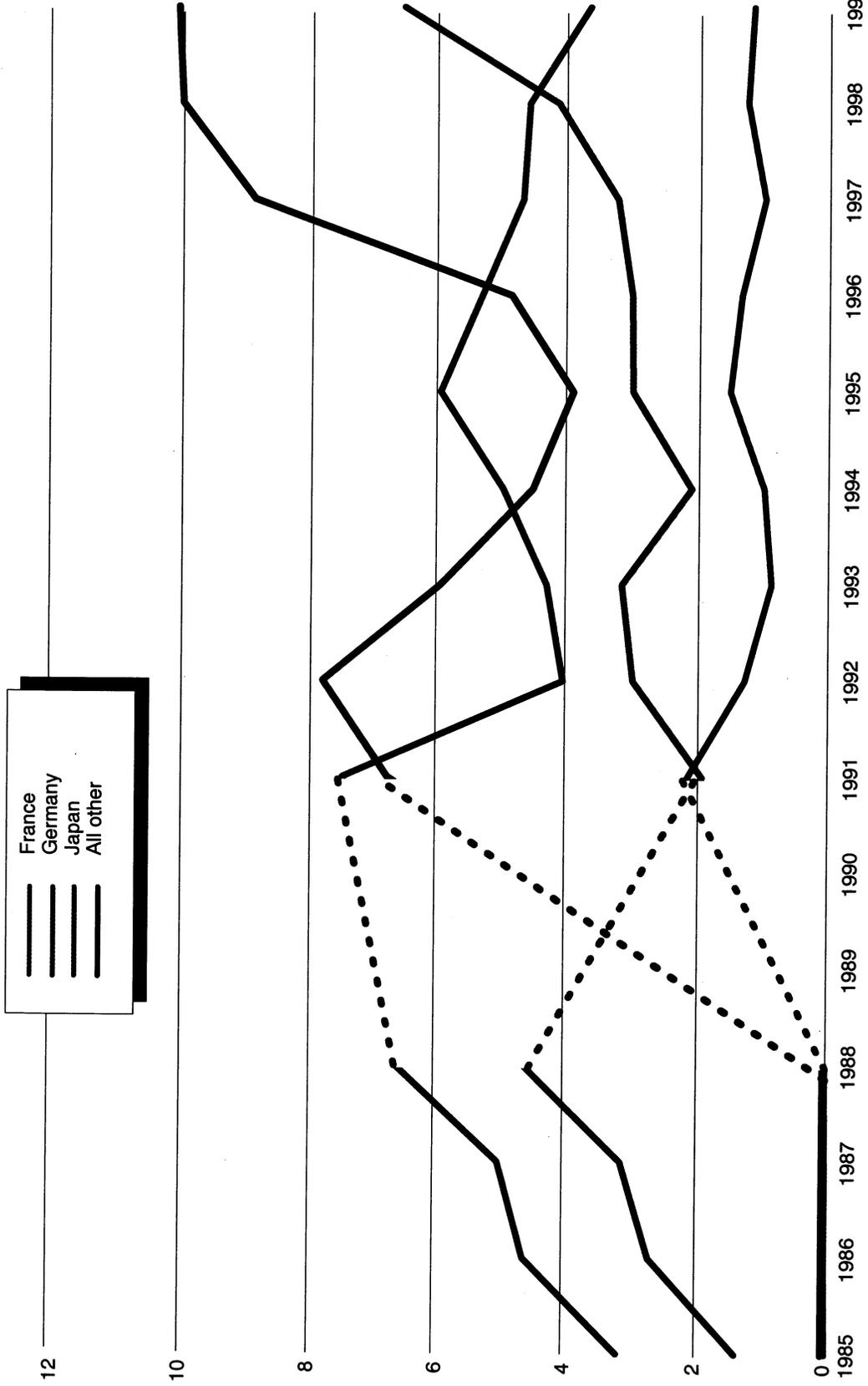
Table continued on next page.

**Table SPB-I-1--Continued**

**Spherical plain bearings and parts thereof: Comparative data on the U.S. market and industry from the original investigations and the current reviews**

Item	1985	1986	1987	1997	1998	Jan.- Sept. 1998	Jan.- Sept. 1999
<i>(Value in 1,000 dollars, quantity in 1,000 units, hours in 1,000s, shares/ratios in percent of value)</i>							
<b>U.S. producers<sup>1</sup>:</b>							
Capacity	***	***	***	13,819	14,244	10,814	10,845
Production	***	***	***	10,819	12,147	9,202	8,551
Capacity utilization	***	***	***	78.3	85.3	85.1	78.8
U.S. shipments	***	***	***	138,180	143,121	108,389	105,295
Export shipments	***	***	***	6,956	7,114	5,376	5,193
Production workers	***	***	***	1,064	1,047	1,044	1,022
Hours worked	***	***	***	2,471	2,283	2,689	2,602
Net sales	***	***	***	139,055	145,599	110,005	106,873
COGS	***	***	***	101,367	110,963	84,504	80,083
Gross profit or (loss)	***	***	***	37,688	34,636	25,501	26,790
Operating income or (loss)	***	***	***	18,837	15,101	11,347	12,454
Operating income or (loss) margin	***	***	***	13.5	10.4	10.3	11.7
<sup>1</sup> Less than 0.05 percent. <sup>2</sup> ***							
Note.--Because of rounding, figures may not add to the totals shown. Capacity and production data are in quantity; shipments and profit-and-loss data are in value.							
Source: Data for 1985-87 compiled or derived from data in Staff Report to the Commission on investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391-399 (Final); all data for 1997-99 compiled from data submitted in response to Commission questionnaires and official Commerce statistics.							

**Figure SPB-I-1**  
**Spherical plain bearings: U.S. imports from France, Germany, Japan, and all other sources, 1985-99**  
*Million dollars*



Note.—Data not available for 1989 and 1990.

Source: Data for 1985-87 compiled from data in staff report to the Commission on investigations Nos. 303-TA-19 and 20 (Final), p. 155, and all data for 1991-99 compiled from official Commerce statistics.

## Germany

In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed by German SPB producers.<sup>1</sup> The margins found in the administrative reviews, adjusted for duty absorption, were lower than the rates from the original investigation. As a result, Commerce's final results of its expedited sunset review for Germany use the dumping margins calculated in the original investigation, as presented in the tabulation below. Commerce found that the margins calculated in the original investigation are probative of the behavior of the subject producers and/or exporters if the order were revoked as they are the only margins that reflect their behavior absent the discipline of the order.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Spherical	SKF	118.98	118.98
Spherical	FAG	74.88	74.88
Spherical	All others	114.52	114.52

## Japan

Commerce made duty absorption findings in the 1995-96 and 1997-98 administrative reviews with respect to SPBs produced and/or exported by NTN. The administrative review margins, adjusted to account for duty absorption, are lower than the margins from the original investigation or from the first administrative review of this order. Commerce found that the margins calculated in the original investigation or the first administrative review are probative of the behavior of Japanese producers and/or exporters absent the discipline of the order.<sup>2</sup> The tabulation below presents the original and sunset margins for SPBs from Japan.

Type of bearing	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Spherical	Minebea	84.26	84.26
Spherical	NTN	92.00	92.00
Spherical	All others	84.33	84.33

---

<sup>1</sup> With respect to SPBs from Germany, the CIT remanded to Commerce to annul all findings and conclusions made pursuant to its duty absorption inquiry conducted for the ninth administrative review (1997-98) on the basis that Commerce lacked statutory authority to conduct a duty absorption inquiry because the review was not "initiated two years or four years after the publication of the (original) antidumping order" as provided in the statute, 19 U.S.C. §1675(c)(6)(D). *SKF USA, Inc., et al. v. United States*, Slip Op. 00-32 (March 22, 2000).

<sup>2</sup> On February 28, 1995, Commerce revoked the order with respect to Honda. *See* 60 F.R. 10900.

## Administrative Reviews on France, Germany, and Japan

### France

There have been nine administrative reviews on SPBs from France since the order was imposed. The results of those reviews are presented in table SPB-I-2. In the 1995-96 administrative review, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table SPB-I-2**  
**Results of administrative reviews relating to spherical plain bearings from France**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31748)	26.31
ADH			4.87
INA			39.00
All others			26.31
ADH	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	5.06
Dassault			2.33
INA			42.79
MBB			42.79
All others			42.79
Dassault	5/1/91-4/30/92	July 26, 1993(58 F.R. 39729) <sup>2</sup>	0.00
All others			39.00
SKF	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	49.08
INA	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	42.79
SKF			18.80
SKF	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	42.79
SNR			6.41
SKF <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	42.79
SKF	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	54.84
SKF	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	7.39
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

## Germany

There have been nine administrative reviews on SPBs from Germany since the order was imposed. The results of those reviews are presented in table SPB-I-3. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table SPB-I-3**  
**Results of administrative reviews relating to spherical plain bearings from Germany**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
FAG	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31692)	10.80
MBB			0.00
SKF-FRG			3.69
ZF			0.00
All others			10.80
FAG	5/1/90-4/30/91	June 24, 1992 57 F.R. (28360) <sup>1</sup>	1.05
MBB			0.63
SKF			0.82
All others			1.74
FAG	5/1/91-4/30/92	July 26, 1993(58 F.R. 39729) <sup>2</sup>	2.56
SKF			8.37
All others			114.52
FAG	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	14.61
SKF			22.44
Cross-Trade	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	118.98
EXTA			114.52
FAG			2.00
SKF			14.30
FAG	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	12.10
SKF			6.63
FAG <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	10.32
INA			28.62
SKF <sup>6</sup>			4.72

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
SKF	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	5.06
SKF <sup>6</sup>	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	3.06
INA <sup>6</sup>			0.87
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on June 13, 1995 and September 26, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

## Japan

Commerce has conducted nine administrative reviews on SPBs from Japan since the order was imposed. The results of those reviews are presented in table SPB-I-4. In the 1995-96 and 1997-98 administrative reviews, Commerce found that antidumping duties were being absorbed. Duty absorption findings are noted where relevant.

**Table SPB-I-4**  
**Results of administrative reviews relating to spherical plain bearings from Japan**

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Honda Motor	11/9/88-4/30/90	July 11, 1991 (56 F.R. 31754)	0.05
Isuzu			3.08
Japanese Aero			92.00
Minebea			92.00
NTN-Japan			0.66
Yamaha			0.28
All others			3.08
Maehara	5/1/90-4/30/91	June 24, 1992 (57 F.R. 28360) <sup>1</sup>	0.57
Minebea			92.00
NTN			0.50
All others			0.57
Honda	5/1/91-4/30/92	July 26, 1993(58 F.R. 39729) <sup>2</sup>	0.52
Koyo			0.00
NTN			6.80
All others			84.33

Producer/ exporter	Period of review	Date review results issued	Margin (percent)
Honda	5/1/92-4/30/93	February 28, 1995 (60 F.R. 10900) <sup>3</sup>	0.01
NTN			4.97
Asahi	5/1/93-4/30/94	December 17, 1996 (61 F.R. 66472) <sup>4</sup>	92.00
Koyo			0.00
Minamiguchi			92.00
Naniwa			92.00
Nichimen			92.00
Nippon Thompson			59.63
Nissho			92.00
NTN			32.33
Origin Electric			92.00
Sanken			92.00
Taikoyo			92.00
THK			92.00
TOK Bearing			92.00
Tomen			92.00
Koyo	5/1/94-4/30/95	January 15, 1997 (62 F.R. 2081) <sup>5</sup>	0.00
NTN			1.06
NTN <sup>6</sup>	5/1/95-4/30/96	October 17, 1997 (62 F.R. 54043)	7.69
NTN	5/1/96-4/30/97	June 18, 1998 (63 F.R. 33320)	14.18
NTN <sup>6</sup>	5/1/97-4/31/98	July 1, 1999 (64 F.R. 35590)	12.49
<sup>1</sup> Results of 1990-91 review were amended on July 24, 1992, December 14, 1992, and February 23, 1998. <sup>2</sup> Results of 1991-92 review were amended on September 30, 1993, December 15, 1993, and April 16, 1998. <sup>3</sup> Results of 1992-93 review were amended on March 31, 1995 and May 15, 1995. <sup>4</sup> Results of 1993-94 review were amended on August 2, 1997. <sup>5</sup> Results of 1994-95 review were amended on March 26, 1997 and June 25, 1997. <sup>6</sup> Commerce made a duty absorption finding in this instance.			
Source: Final results of cited administrative reviews.			

### Antidumping Duties Collected

Table SPB-I-5 presents the actual amount of customs duties collected under the antidumping duty orders on SPBs from 1994 to 1998. Total duties collected pursuant to the orders ranged from \$71,553 to \$2.6 million per year during this period, while the total value of imports ranged from \$0.8 million to \$8.1 million. There were no duties collected or SPB imports recorded by Customs in 1997 from Germany or Japan.

**Table SPB-I-5**

**Spherical plain bearings: Actual duties collected and imports from subject countries, fiscal years 1994-98<sup>1</sup>**

Order date	Product/country	Duties collected				
		Imports				
		1994	1995	1996	1997	1998
5/15/89	Spherical plain bearings/France	108,164	121,686	77,344	71,553	80,276
		945,343	1,243,249	713,204	800,983	865,486
5/15/89	Spherical plain bearings/Germany	738,399	867,987	1,002,174	( <sup>2</sup> )	735,761
		3,339,053	3,826,433	3,500,259	( <sup>2</sup> )	4,408,332
5/15/89	Spherical plain bearings/Japan	926,497	1,262,462	1,480,774	( <sup>2</sup> )	1,492,233
		2,758,901	2,339,302	2,757,315	( <sup>2</sup> )	2,836,561
<b>Total duties collected</b>		1,773,060	2,252,135	2,560,292	71,553	2,308,270
<b>Total value of imports</b>		7,043,297	7,408,984	6,970,778	800,983	8,110,379
<sup>1</sup> The federal fiscal year is October 1-September 30. <sup>2</sup> Case number not listed in Customs report for this year, indicating no duties and no imports. Source: U.S. Customs Service Annual Report, Part A.						

**THE SUBJECT PRODUCT**

For purposes of these reviews, Commerce has generally defined SPBs and parts thereof, whether mounted or unmounted, as antifriction bearings that employ a spherically shaped sliding element, including spherical plain rod ends. All finished parts are included within the scope of the reviews; however, unfinished parts are included only if they have been heat-treated, or if heat treatment is not required to be performed on the part. SPBs are classified under HTS subheading 8483.30.80 and are described as plain shaft bearings. Additional parts, products that contain SPBs, and items that were included as a result of scope determinations following the original investigations<sup>3</sup> are classified under HTS subheadings 3926.90.45, 4016.93.10, 4016.93.50, 6909.19.50, 8483.90.30, 8485.90.00, 8708.93.60, 8708.93.75, 8708.99.49, 8803.10.00, 8803.20.00, 8803.30.00, and 8803.90.90.

Unlike rolling element bearings, SPBs do not contain balls or rollers. These bearings primarily consist of a spherically shaped inner ring that is self-aligning in an outer ring. The inner and outer rings roll against each other. Such bearings can facilitate oscillatory or realignment motion between fixed and moving parts. In addition, they can support heavy loads at relatively low speeds.

**U.S. Tariff Treatment**

Imports of spherical plain bearings receive a column 1-general duty rate of 4.5 percent *ad valorem*; this is the final concession rate. Imports of parts for spherical plain bearings, products containing spherical plain bearings, and additional products included as a result of scope determinations are subject to general tariff rates ranging from free to 4.5 percent *ad valorem*.

<sup>3</sup> A description of scope rulings issued by Commerce, including a list of specific products covered and excluded under the orders on antifriction bearings other than TRBs, is presented in app. G.

## DOMESTIC LIKE PRODUCTS

The Commission found six like products in its final determinations in the original investigations concerning antifriction bearings, other than TRBs, and parts thereof. Each product category was divided according to the type of rolling element employed, with SPBs constituting one of the six separate like products.<sup>4</sup> As noted in the Commission's preliminary determinations in those investigations, each like product definition included "parts and components dedicated for use in the particular type of bearing, finished and unfinished bearings, and housed and mounted bearings containing the specified rolling element."<sup>5</sup> No party to these reviews has argued that SPBs do not comprise a separate like product from other antifriction bearings and no party has argued that SPBs comprise more than one separate like product.

### Physical Characteristics and Uses

As noted, SPBs do not contain rolling elements but rather inner and outer rings that roll against each other. SPBs accommodate oscillating and tilting movements under heavy load conditions and can facilitate realignment motion. Such bearings have low speed capacity and are capable of handling radial loads. Rod ends, a common type of housed SPB, incorporate spherical plain bearings and have a male or female thread or welding shank. SPBs are commonly utilized in off-highway vehicles, construction machinery, agricultural machinery, mining equipment, logging equipment, aerospace applications, and hydraulic cylinders.

### Manufacturing Process and Facilities

The manufacturing process for antifriction bearings, including SPBs, is described in the section entitled *The Product* in the *Introduction and General Overview* to this report. SPBs are generally produced on dedicated machinery, and a producer cannot switch production of SPBs to other types of bearings without reconfiguration of production lines, which adds to costs.

### Interchangeability and Customer and Producer Perceptions

While data submitted in response to Commission questionnaires show that all responding purchasers consider U.S.-manufactured SPBs as interchangeable with SPBs produced in the subject countries, party positions on interchangeability vary widely. Those in favor of continuation of the orders on SPBs state that SPBs are standardized (and thus, substitutable) to a significant degree.<sup>6</sup> Reportedly, close to 80 percent of SPBs in the market are standardized, with the remaining 20 percent consisting of

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<sup>4</sup> Negative determinations were reached with respect to SRBs, NRBs, and SRs. See *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Final) and 731-TA-391 through 399 (Final), USITC Pub. 2185, May 1989, pp. 1-5 and 12-18, 33.

<sup>5</sup> *Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*, Investigations Nos. 303-TA-19 and 20 (Preliminary) and 731-TA-391 through 399 (Preliminary), USITC Pub. 2083, May 1988, p. 22.

<sup>6</sup> Hearing transcript, p. 143.

standard SPBs that have been slightly modified or “customized.”<sup>7</sup> By comparison, those supporting revocation indicate that while both standardized and customized SPBs are produced, SPBs are for the most part a specialty product, produced in small quantities for applications such as agriculture and construction that require a customized product.<sup>8</sup> As a result of the increase in specialization and customization in SPB production, U.S. and foreign-produced SPBs reportedly do not compete with one another to a significant degree.<sup>9</sup>

### Channels of Distribution

Parties both in support of and in opposition to the orders on spherical plain bearings point out that U.S.-produced and foreign-manufactured SPBs are sold to customers in both the OEM and aftermarket channels of distribution.<sup>10</sup> However, companies supporting revocation stress that aftermarket sales are particularly prominent, since replacement rates for SPBs are especially high.<sup>11</sup> According to questionnaire data, U.S. producers shipped 70.9 percent of their U.S. shipments of SPBs to end users/OEMs in 1998, and the remaining 29.1 percent to distributors/aftermarket customers.<sup>12</sup> By comparison, importers shipped 68.1 percent of their U.S. shipments of SPBs to end users/OEMs in 1998, and the remaining 31.9 percent to distributors/aftermarket customers.

### Price

In general, the global market for all antifriction bearings can be characterized as price-competitive, particularly with respect to commodity-type bearings.<sup>13</sup> Concerning SPBs in particular, parties in support of continuation of the orders on SPBs indicate that the majority of products on the market are standardized products or custom SPBs that are moderately adapted from a standardized form. They further note that because all competitive producers meet quality and delivery standards, price is the remaining determining factor in SPB sales.<sup>14</sup> Those favoring revocation highlight the customization of the industry, which has reportedly shifted the emphasis on price to purchasing criteria such as quality and certification.<sup>15</sup> They further counter opposing parties’ arguments that all major bearings firms are able to produce to equal standards by noting customer testimony concerning the inability of certain major producers to meet demand and delivery requirements.<sup>16</sup>

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<sup>7</sup> *Ibid.*, p. 165.

<sup>8</sup> Koyo posthearing brief (SPBs), pp. 4-5.

<sup>9</sup> *Ibid.*, pp. 2-4.

<sup>10</sup> *Ibid.*, p. 6; Torrington posthearing brief, responses to Chairman Bragg, p. 1; and SKF posthearing brief, p. 2.

<sup>11</sup> Koyo posthearing brief (SPBs), p. 7.

<sup>12</sup> The producer and importer questionnaires requested data on shipments to end users and distributors; however, industry representatives appear to view the terms “end users” and “OEMs” and the terms “distributors” and “aftermarket customers” as essentially interchangeable.

<sup>13</sup> The McGraw-Hill Companies and the U.S. Department of Commerce, International Trade Administration, *U.S. Industry & Trade Outlook '99* (Ohio: McGraw Hill, 1999), p. 15-8.

<sup>14</sup> Hearing transcript, pp. 123, 145, 159, and 186-187; and ESI responses to questions, p. 12.

<sup>15</sup> Koyo posthearing brief (SPBs), p. 2.

<sup>16</sup> *Ibid.*, p. 11.

## U.S. MARKET PARTICIPANTS

### U.S. Producers

Nine SPB producers reported data for the periods covered in these reviews. Four producers accounted for \*\*\* percent of the value of U.S. shipments in 1998. New Hampshire Ball Bearings was the largest producer, accounting for \*\*\* percent of U.S. shipments in 1998, followed by RBC with a \*\*\*-percent share. SKF and Alinabal round out the top four, accounting for \*\*\*. Table SPB-I-6 presents information on SPBs with respect to U.S. producers' positions on revocation, shares of the value of U.S. shipments, locations of production facilities, parent firms, and related foreign producers.

**Table SPB-I-6**

**Spherical plain bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers**

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
Alinabal, Inc.	***	***	Milford, CT	Alinabal Holdings (Milford, CT)	None
Frantz Mfg. Co.	***	***	Sterling, IL (2 locations)	None	None
McGill Mfg. Co.	***	***	Valparaiso, IN (2 locations) Monticello, IN	Emerson Electric Co. (St. Louis, MO)	Transmisiones de Potencia, Emerson, Mexico
New Hampshire Ball Bearings, Inc.	***	***	Chatsworth, CA Peterborough, NH Laconia, NH	NMB (USA), Inc.	Minebea Co., Thailand; Singapore; China; United Kingdom
QA1 Precision Products, Inc.	***	***	Lakeville, MN	None	None
Roller Bearing Co. of America	Supports continuation	***	Fairfield, CT Santa Ana, CA Hartsville, SC West Trenton, NJ Bremen, IN Kulpville, PA Rancho Dominguez, CA Waterbury, CT Glasgow, KY	None	None

Table continued on next page.

Table SPB-I-6--Continued

Spherical plain bearings: U.S. producers' positions on revocation, shares of the value of U.S. shipments in 1998, locations of production facilities, parent firms, and related foreign producers

Firm	Position on revocation	Shares of the value of U.S. shipments (percent)	Location(s) of production facilities	Parent firm	Related foreign producers of certain bearings
SKF	Supports revocation	***	Norristown, PA Glasgow, KY Aiken, SC Gainesville, GA Altoona, PA Hanover, PA Jamestown, NY Falconer, NY Colebrook, CT	AB SKF (Sweden)	Ampep, England; SKF Argentina; SKF Osterreich, Austria; SKF do Brasil Limitada, Brazil; SKF China; SKF, Germany; SKF Espanola, Spain; SKF France; SARMA, France; PT. SKF Indonesia; SKF Bearings India; SKF Industrie, Italy; SKF HANWHA, Korea; SKF de Mexico; SKF Bearings Industries, Malaysia; SKF Poznan, Poland; SKF Steyr, Austria SKF Sverige, Sweden; SKF South Africa; SKF Ukraine
Torrington	Supports continuation	***	Cairo, GA Calhoun, GA Clinton, SC Dahlongega, GA Canton, GA Pulaski, TN Rockford, IL Rutherfordton, NC Torrington, CT Sylvania, GA Union, SC Walhalla, SC Duncan, SC Honca Path, SC	Ingersoll-Rand (Woodcliff Lake, NJ)	Torrington, United Kingdom; Torrington European Distribution Ctr, <sup>1</sup> France; Nadella, France; Torrington Nadallager, Germany; NSK Torrington, Japan; Torrington, Canada; Torrington Wuxi Brgs, China; Industrias del Rodamientos, Spain
Triangle Mfg. Co.	***	***	Oshkosh, WI	None	None

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

Note.—Because of rounding, figures may not add to the totals shown. Shares of shipments are based on complete bearings and parts.

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

The tabulation below summarizes U.S. producers' positions regarding revocation of the SPB orders and the shares of the value of U.S. shipments held by U.S.-domiciled and foreign-domiciled U.S. SPB producers in 1998 (in percent):

Item	Share of the value of U.S. shipments
Producers supporting continuation	32.2
Producers supporting revocation	10.2
Producers taking no position	57.6
U.S.-domiciled producers	43.5
Foreign-domiciled producers	56.5

### U.S. Importers

Importers of SPBs are located throughout the United States. Virtually all of the largest importers of SPBs responded to the questionnaire. The largest SPB importers include \*\*\*. \*\*\*, a U.S. producer, reported imports of SPBs (from \*\*\*) over the period of these reviews. \*\*\*'s imports accounted for \*\*\* percent of the total value of imports of SPBs from subject countries in 1998. Data on \*\*\*'s imports of SPBs are presented in part III.

### U.S. Purchasers

The largest purchasers of SPBs in 1997 and 1998, by value, were \*\*\*.

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

Table SPB-I-7 presents data on U.S. shipments and apparent U.S. consumption of SPBs, and table SPB-I-8 presents data on U.S. market shares. The value of apparent consumption of SPBs increased by 4.6 percent from 1997 to 1998, but it decreased by 1.6 percent between January-September 1998 and January-September 1999. The market share of U.S. producers' shipments fluctuated in a range of about 87-88 percent on the basis of value during the review period, compared with shares of about 6-7 percent for subject imports and about 6 percent for nonsubject imports.

**Table SPB-I-7**

**Spherical plain bearings and parts thereof: U.S. shipments of domestic product, 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
<i>Value (1,000 dollars)</i>				
U.S. producers' shipments	138,180	143,121	108,389	105,295
U.S. imports from –				
France	998	1,271	874	874
Germany	4,715	4,618	3,318	2,377
Japan <sup>1</sup>	3,251	3,946	2,860	5,050
Subtotal	8,964	9,835	7,052	8,301
China	1,814	2,841	2,260	1,386
Mexico	1,991	2,481	2,018	1,902
All others	5,114	4,948	3,627	4,464
Total imports	17,883	20,105	14,957	16,052
Apparent consumption	156,063	163,226	123,346	121,347
1 ***				
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.				

**Table SPB-I-8****Spherical plain bearings and parts thereof: U.S. market shares, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Apparent consumption	156,063	163,226	123,346	121,347
<b>Share of value (percent)</b>				
U.S. producers' U.S. shipments	88.5	87.7	87.9	86.8
U.S. imports from –				
France	0.6	0.8	0.7	0.7
Germany	3.0	2.8	2.7	2.0
Japan <sup>1</sup>	2.1	2.4	2.3	4.2
Subtotal	5.7	6.0	5.7	6.8
China	1.2	1.7	1.8	1.1
Mexico	1.3	1.5	1.6	1.6
All others	3.3	3.0	2.9	3.7
Total imports	11.5	12.3	12.1	13.2
1 ***				
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**

### **SUPPLY AND DEMAND CONSIDERATIONS**

#### **U.S. Supply**

##### **Domestic Production**

During 1985 to 1987, U.S. production ranged from \*\*\* million to \*\*\* million SPBs, and capacity utilization ranged from \*\*\* to \*\*\* percent. U.S. shipments grew to 11.6 million bearings in 1997, increased to 11.9 million in 1998, but decreased in interim 1999 compared to interim 1998. From 1985 to 1998, U.S. production grew at a compound annual rate of \*\*\* percent. Capacity utilization ranged from 78 to 85 percent during 1997 to September 1999. U.S. producers' market value share ranged from \*\*\* to \*\*\* percent during 1985-87 and from 87 to 89 percent from 1997 to September 1999.

The SPB industry is smaller than the other subject bearing categories. The largest domestic producer is NHBB, which accounted for about \*\*\* of the value of U.S. shipments in 1998. NHBB, which is Japanese-owned, and SKF have made substantial capital investments in the United States since the time of the orders. Alinabal and SKF are the second and third largest producers.

When asked how easily they could shift sales to foreign markets, most producers reported that such a shift would be difficult. Some producers do, however, export a share of their production. As a whole, the domestic SPB industry exported about 4.8 percent of its total shipments during 1997 to September 1999.

U.S. producers appear to have difficulty switching to other markets and to the production of other products. Production of bearings is capital intensive, and capacity cannot be quickly changed. The likely response of the domestic industry to a price reduction is a somewhat reduced supply and perhaps further consolidation.

##### **Subject Imports**

France's share of U.S. consumption was less than \*\*\* percent during 1985 to 1987. France's market share varied from 0.6 percent to 0.8 percent during 1997 to September 1999. Its reported capacity in 1998 was \*\*\* SPBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* percent to \*\*\* percent of all shipments, and shipments to third-country markets were from \*\*\* to \*\*\* percent of total shipments during 1997 to September 1999. If the order were lifted, a likely response is that French exporters would slightly increase shipments to the U.S. market.

Germany's share of U.S. consumption ranged from \*\*\* percent to \*\*\* percent during 1985 to 1987. Germany's market share varied from 2.0 percent to 3.0 percent during 1997 to September 1999. Its capacity in 1998 was \*\*\* million SPBs, and its capacity utilization ranged from \*\*\* percent to \*\*\* percent during 1997 to interim 1999. Shipments to its home market ranged from \*\*\* to \*\*\* percent of total shipments, and shipments to third-country markets ranged from \*\*\* percent to \*\*\* percent of total shipments during 1997 to September 1999. If the order were lifted, a likely response is that German exporters would increase shipments to the U.S. market.

Japan's share of U.S. consumption ranged from \*\*\* percent to \*\*\* percent during 1985 to 1987. Japan's market share varied from 2.1 percent to 4.2 percent during 1997 to September 1999. Its capacity in 1998 was 4.3 million SPBs, and its capacity utilization ranged from 63 percent to 88 percent during 1997 to interim 1999. Shipments to its home market ranged from 63 to 71 percent of total shipments, and shipments to third-country markets ranged from 26 to 33 percent of total shipments during 1997 to September 1999.

SPB-II-1

Japanese respondents have stated that the increased Japanese-owned capacity in the United States makes a large quantity response by Japanese importers unlikely if the order were revoked. They also cite the stable amount of Japanese inventories and recovering demand in Japan and other Asian countries as reasons why Japanese production will not be redirected to the United States.<sup>1</sup> If the order were lifted, a likely response is that Japanese exporters would increase shipments somewhat to the U.S. market.

Torrington, MPB, and RBC have stated that prices in non-U.S. markets, particularly Canada and Mexico, are lower than in the United States.<sup>2</sup> If prices are in fact higher in the United States and if the dumping orders are responsible for this price premium, removal of the orders would be expected to result in increased shipments to the United States. SKF stated that the evidence regarding whether prices in the United States are higher than elsewhere is controvertible and, in the absence of clear evidence, the Commission should not take this factor into account.<sup>3</sup>

### **U.S. Demand**

The demand for certain bearings is derived from the end uses in which the bearings are employed. In response to the question about how demand for their firms' products incorporating certain bearings had changed since the issuance of the antidumping orders, 19 purchasers stated that no changes had occurred, and 10 reported changes. Those reporting changes usually stated that demand had increased. Other purchasers reported that sales of machines employing bearings had increased and that new bearing-using machines had been developed, which boosted the demand for bearings. One purchaser reported negative effects on demand due to foreign competition from manufacturers of electrical motors.

Manufacturers of agricultural and construction equipment are two of the most important users of SPBs. Although the demand for agricultural equipment has recently been depressed, the demand for new construction has been strong. Apparent consumption of SPBs grew by 4.6 percent between 1997 and 1998, but fell by 1.6 percent between January-September 1998 and the same period in 1999. Since 1985, the demand for SPBs has exhibited considerable growth.

### **Substitutes**

Bearings are generally manufactured for highly specialized uses, and few substitutes exist. Purchasers were asked if other products could substitute for certain bearings in their end uses, and 30 purchasers responded in the negative and 8 in the affirmative. In some uses, there may not be any substitutes. In selected uses, air and hydraulic products may be substituted. In other cases, sleeve bearings can be substituted for the subject bearings. Also, different motion devices or oil-impregnated bushings may be substitutes in some uses, but this would generally require re-engineering the product in which the bearing is used. Virtually all purchasers reported that the number and type of products that could be substituted for certain bearings had not changed since the antidumping orders became effective.

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<sup>1</sup> Economic Consulting Services' Report, March 10, 2000, p. IV-18.

<sup>2</sup> Torrington *et al.*, posthearing brief, pp. 2-3. In some cases prices in Europe are higher. NSK reported that in some cases aftermarket prices in the United States are 30 percent higher than in other countries.

<sup>3</sup> SKF's posthearing brief, p. 4.

## **Cost Share**

Certain bearings are employed in a large range of uses in manufacturing. For example, they are used in the steel, paper, food processing, chemical, automotive, truck and tractor, and aerospace industries. Most purchasers reported that certain bearings represent only a small share of the cost of the item that they produce. Purchasers reported that bearings usually represent less than 1 percent of the cost of agricultural equipment. Service part resellers reported that bearings represent from 50 to 100 percent of their cost, although these uses are not final products.

Virtually all purchasers reported that there had not been any changes in end uses since the antidumping orders became effective. One purchaser reported that machine designs had changed, which altered the design of certain bearings. Given the generally low cost share and lack of substitutes, quantity demanded would not be expected to respond greatly to changes in the price of certain bearings.

## **SUBSTITUTABILITY**

This section is based primarily on the responses to the Commission's purchaser questionnaires. Forty-one purchasers provided usable data, of which 23 were end users and 15 were distributors. The other three were a combination end user/reseller, a manufacturer complementing its own production, and an assembler. Some of the purchasers' responses are not specific to a category of bearings.

### **Factors Affecting the Purchase Decision**

Purchasers were asked to list in order of importance the three major factors that they consider when selecting a supplier. Quality was identified by 21 firms as the most important factor (see table SPB-II-1). Overall, price was named most often: 6 times in first place, 10 times in second place, and 17 times in third place. Also, more than three firms named availability, having a pre-arranged contract, and service as one of the three most important factors.

Purchasers were asked to report the characteristics they consider when assessing the quality of a supplier. Several purchasers stated that reputation, company stability, and its proven history were important. Others said that the ability to meet specifications, either standard specifications such as ABEC tolerances or specific engineering designs, was important. Some purchasers qualify suppliers on the basis of testing and other factors, such as the source of steel used. The testing is used to determine time to failure, load rating, resistance to wear, noise level, etc. For purchasers that qualify suppliers, the ability to gain approval or certification was the most important characteristic.

Purchasers were asked if they varied their purchases from a given supplier based on quarterly price changes. There were 4 affirmative responses, 23 negative responses, and 11 other responses. Many of the other responses were that price does not vary quarterly. Annual contracts are common, and prices are often constant for a year or more.

Purchasers were asked to report the frequency that they and their customers made purchasing decisions based on the country of origin of certain bearings (see table SPB-II-2). Most purchasers reported that they sometimes or never make decisions on this basis. Purchasers may prefer a specific country because of quality differences, availability, or price. Responses concerning customers' preferences were similar, although not identical. Several purchasers stated that individual suppliers were more important than the country of origin. Purchasers tended to base purchase decisions on the specific producer, but perceived that their customers did not base purchase decisions on the specific producer to the same degree that they did.

**Table SPB-II-1**  
**Most important factors considered when selecting a bearing supplier<sup>1</sup>**

Factor	First	Second	Third
Price	6	10	17
Quality	21	9	1
Availability	2	9	7
Pre-arranged contract	3	3	0
Service	0	0	4
Delivery	0	0	3
Product line	1	1	0
Lead time	0	1	1
Other	6	5	4
Total	39	38	37

<sup>1</sup> Figures indicate the number of purchaser responses in each category.

Note: This table applies to all subject bearings, not just to SPBs.

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

**Table SPB-II-2**  
**Frequency that purchasers and their customers base purchase decisions on country of origin and specific producers<sup>1</sup>**

Frequency	Country of origin		Specific producer	
	Purchaser	Customer	Purchaser	Customer
Always	4	1	10	0
Usually	5	4	15	6
Sometimes	17	16	14	16
Never	14	14	2	12

<sup>1</sup> Figures indicate the number of purchaser responses in each category.

Note: This table applies to all subject bearings, not just to SPBs.

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

U.S. producers were asked to report average lead times between a customer's order and the delivery of their firms' bearings. Responses were highly variable and ranged from the same day to 1 to 2 years. Commonly reported lead times were 2 to 4 months. One producer stated that new designs require 6 months. Another producer stated that the average lead time for bearings from stock is 3 days, and if the

product has to be manufactured, 42-56 days are required. Importer lead times varied between 1 day and 6 to 8 months. One importer reported that sales to distributors are from stock and that OEM delivery takes 12 to 16 weeks. Commonly reported times for overseas delivery were 3 to 4 months. Almost all purchasers reported that their purchasing pattern had not changed significantly since the antidumping orders became effective.

### **Comparison of Domestic Products and Imports**

Purchasers indicated that bearings from the subject countries were used interchangeably with U.S.-produced bearings. Several purchasers qualified their affirmative responses by stating that they only responded in regard to countries where they have qualified suppliers. Several purchasers stated that interchangeability and qualification are more company-level issues than country-level. Some speciality parts may only be available from one country. Given the uniqueness and low volume of potential sales compared to tooling costs, it is unlikely that any other manufacturer would tool to make the part. Warranty issues sometimes affect interchangeability. Despite some specialty products and the need to qualify suppliers, all responding purchasers reported that SPBs from each subject country were interchangeable with the U.S. product (see table SPB-II-3).

**Table SPB-II-3**  
**Interchangeability of U.S.-produced SPBs with SPBs from subject countries**

Country	Interchangeable	Not interchangeable
France	8	0
Germany	8	0
Japan	8	0
Total	24	0

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

Purchasers were asked to compare the subject products from different sources on the basis of 17 purchase factors. Only one purchaser responded for SPBs. This purchaser rated the United States superior to Japan on availability, delivery terms, delivery time, minimum quantity requirements, reliability of supply, technical support/service, and transportation network and rated them comparable on discounts, load life, load capacity, lowest price, product consistency, product quality, product range, U.S. transportation costs, and warranty.

Most purchasers reported that some type of qualification or pre-qualification was required before they would purchase from a supplier. Qualification procedures vary. In some cases, a firm is first qualified and then specific products produced by the firm are approved. Most OEMs have some certification process.

Customization may be more important in SPBs than in other bearing products. For example, \*\*\* reported in its questionnaire response that \*\*\* percent of its 1998 sales were of custom-made bearings. It reported that the portion of custom-made sales had increased since 1997 because of growth in several OEM applications.

Japanese respondents stated that certain megatrends differentiate the Japanese SPBs from domestic SPBs. These include just-in-time delivery, and DFAR, NAFTA, and CAFE standards. Torrington replied that just-in-time delivery is accomplished through production scheduling and

delivering a continual supply of a variety of parts instead of producing and delivering large batches.<sup>4</sup> It stated that production scheduling rather than changes in the location of suppliers is the key factor that enables implementation of just-in-time delivery. Nevertheless, KCU, NTN, and Nachi stated that some purchasers want a short supply chain, so that last minute modifications can be made.<sup>5</sup>

Japanese respondents have stated that a significant number of large-volume purchasers have requested NAFTA certifications.<sup>6</sup> Torrington stated: "NAFTA and CAFE are irrelevant, as bearings constitute too small a portion of the end product and, in the case of CAFE, because the regime may also encourage foreign content."<sup>7</sup>

The DFAR restricts the Department of Defense's purchases of certain bearings to U.S. and Canadian sources or in some cases to either a U.S. firm or a NATO-headquartered firm with a U.S. subsidiary.<sup>8</sup> Direct and indirect defense requirements account for about 5 to 10 percent of the value of bearings produced in the United States, according to a 1992 Commerce study.<sup>9</sup> This figure was down from about 15 percent in the mid-1980s. Firms selling regular precision bearings are less affected by DFAR, and those selling superprecision bearings are more affected. Torrington estimates the value of defense-related purchases of bearings to be 5.2 percent of the total bearings market.<sup>10</sup>

## SIMULATION MODELING

### Inputs Into the Model

The COMPAS model, as formulated here, addresses the question of what would happen in the U.S. market if the orders were revoked. The model examines the effects of removing the duties on France, Germany, and Japan. The elasticity estimates and other inputs into the model are discussed first, and the model results follow.

The domestic supply elasticity for SPBs measures the quantity response of the U.S. industry to a change in the U.S. market price of these products. Based on cost structure, capacity utilization, and the importance of export markets, it is likely that the elasticity of domestic supply ranges from 2 to 4 for SPBs.

The import supply elasticity for SPBs measures the quantity response of the importing countries to a change in the U.S. market price of these products. It is based on foreign capacity and shipments to the home market and to third countries, likely demand in these markets, costs, and price differences across markets. Based on these factors, the elasticity of supply is also estimated to range from 2 to 4 for France, Germany, and Japan.

The U.S. demand elasticity for SPBs measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. Staff reported in the prehearing report that the demand elasticity was likely to range from -0.5 to -1.0. Based on information about substitute products and cost shares that suggest that demand is clearly inelastic, staff now considers this elasticity to range from -0.5 to -0.75 for SPBs.

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<sup>4</sup> Torrington *et al.*, posthearing brief, p. 5.

<sup>5</sup> Joint posthearing brief in support of revocation of the SPB order on Japan, p. 5.

<sup>6</sup> *Ibid.*

<sup>7</sup> Torrington *et al.*, posthearing brief, p. 5.

<sup>8</sup> John A. Tucker, Post World War II Development of the Ball and Roller Bearing Industry, U.S. Department of Commerce, 1992, p. 20.

<sup>9</sup> *Ibid.*, p. 23.

<sup>10</sup> Torrington *et al.*, posthearing brief, p. 5.

The substitution elasticity is a measure of the degree to which domestically produced SPBs and those from the subject countries are substitutable across a range of possible uses. Based on information concerning product range, quality, availability, and degree of interchangeability, staff stated in the prehearing report that the elasticity of substitution was in the 3 to 5 range for all products and for all countries.

Japanese respondents have stated that the elasticity of substitution is too high.<sup>11</sup> They state that incentives and requirements of NAFTA, AALA, and DFAR and “just-in-time” inventory practices limit the amount of imports. They also state that Japanese-owned domestic producers import most SPBs from Japan and that these are usually models not produced in the United States. They add that these factors suggest an elasticity of substitution in the range of 1 to 2.

NAFTA and AALA appear to have only small effects on bearings imports because of the small cost share of bearings in the final products in which they are used. Although the Department of Defense requires some parts to be of U.S. origin, this is a small part of the overall market. Domestic suppliers can more easily participate in just-in-time inventory practices, but foreign producers are usually not precluded from participating in them as well. Staff considers the 3 to 5 range to remain valid, as purchasers reported interchangeability for all subject countries.

U.S. producers’ and importers’ shipment quantities and values are from table SPB-IV-1. The margins used for France and Germany are unweighted averages of their sunset margins, and the “all others” margin was used for Japan. Transportation costs are those reported in table SPB-V-1. Given the substantial demand growth that has occurred in the SPB market, a no-growth, a 2-percent demand growth (low option), and an 8-percent demand growth (high option) were used.

### **Model Results**

Inputs and detailed results are shown in appendix E. Despite the low market share held by importers, the high margins are producing effects on domestic price, quantity, and revenue. Revenue effects on the domestic industry of removing these orders under the zero-demand growth assumption varied from a decrease of 14.1 percent to a decrease of 4.8 percent. Under the 2-percent demand growth assumption, the change in domestic revenue ranged from a 12.1-percent decline to a 2.7-percent decline. Under the 8-percent growth assumption, domestic revenue changed from a 6.2-percent decline to a 3.2-percent increase.

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<sup>11</sup> Economic Consulting Services’ Report, March 10, 2000, pp. II-8-II-9.



### **PART III: U.S. PRODUCERS' TRADE AND FINANCIAL DATA**

Information in this part of the report is based upon the questionnaire responses of nine firms that are believed to account for the vast majority of SPB production in the United States. The respondent SPB producers represented in this section are: Alinabal, Frantz Manufacturing, New Hampshire Ball Bearings, McGill Manufacturing, QA1 Precision Products, SKF USA, Torrington, RBC, and Triangle Manufacturing.

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

Data on capacity, production, and capacity utilization for SPBs are presented in table SPB-III-1. Capacity to produce SPBs increased by 3.1 percent between 1997 and 1998, while production increased by 12.3 percent and capacity utilization rose by 7.0 percentage points. Capacity remained virtually unchanged and production decreased by 7.1 percent in the interim periods, as capacity utilization fell by 6.3 percentage points.

**Table SPB-III-1**

**Spherical plain bearings: U.S. producers' capacity, production, and capacity utilization, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Capacity (1,000 bearings)	13,819	14,244	10,814	10,845
Production (1,000 bearings)	10,819	12,147	9,202	8,551
Capacity utilization (percent)	78.3	85.3	85.1	78.8

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

#### **U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS**

The value of U.S. producers' U.S. shipments of SPBs and parts thereof increased by 3.6 percent and the value of export shipments grew by 2.3 percent from 1997 to 1998 (table SPB-III-2). From January-September 1998 to January-September 1999, U.S. shipments decreased by 2.9 percent in value and exports decreased by 3.4 percent.

#### **U.S. PRODUCERS' INVENTORIES**

U.S. producers' inventories of SPBs increased by 22.8 percent from 1997 to 1998, then decreased by 14.4 percent between January-September 1998 and January-September 1999 (table SPB-III-3). The ratios of inventories to production and shipments exceeded 50 percent in all periods.

**Table SPB-III-2**

**Spherical plain bearings and parts thereof: U.S. producers' shipments, by types, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	138,180	143,121	108,389	105,295
Export shipments	6,956	7,114	5,376	5,193
Total	145,136	150,235	113,765	110,488
<b>Quantity (1,000 bearings)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	11,570	11,907	9,116	8,565
Export shipments	746	882	590	612
Total	12,316	12,789	9,706	9,177
<b>Unit value (per bearing)</b>				
Commercial shipments	***	***	***	***
Internal shipments	***	***	***	***
U.S. shipments	\$11.86	\$11.94	\$11.81	\$12.22
Export shipments	9.31	8.06	9.11	8.49
Total	11.71	11.68	11.64	11.97
<p>Note.--Values include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

**Table SPB-III-3**  
**Spherical plain bearings: U.S. producers' end-of-period inventories, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

### U.S. PRODUCERS' IMPORTS

Table SPB-III-4 presents data on U.S. producers' imports of SPBs. \*\*\* was the only U.S. SPB producer to report imports of SPBs over the period of these reviews. \*\*\*'s ratio of import shipments to total shipments was approximately \*\*\* percent in all periods.

**Table SPB-III-4**  
**Spherical plain bearings and parts thereof: U.S. producers' shipments of imports, shipments of U.S. production, and ratio of import shipments to total shipments, by value, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

### U.S. PRODUCERS' PURCHASES

Three U.S. producers--\*\*\*--reported purchases of SPBs over the period of these reviews. Table SPB-III-5 presents data on the value of their purchases. All three companies purchase only from domestic sources. \*\*\* reported that it purchases SPBs because it does not produce them in the United States and \*\*\* noted that it purchases to complement and extend its product line offerings.

**Table SPB-III-5**  
**Spherical plain bearings: U.S. producers' purchases, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

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

The average number of PRWs producing SPBs and parts thereof decreased by 1.6 percent from 1997 to 1998 and by 2.1 percent between January-September 1998 and January-September 1999. The number of hours worked decreased by 7.6 percent and by 3.2 percent for the periods 1997 to 1998 and January-September 1998 to January-September 1999, respectively. The value of wages paid decreased by 1.1 percent from 1997 to 1998 and increased by 1.6 percent between January-September 1998 and January-September 1999. Data on employment, wages, and productivity are presented in table SPB-III-6.

**Table SPB-III-6**

**Average number of production and related workers producing spherical plain bearings and parts thereof, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
Production and related workers	1,064	1,047	1,044	1,022
Hours worked (1,000)	2,471	2,283	2,689	2,602
Wages paid (\$1,000)	33,808	33,453	26,147	26,556
Hourly wages	\$13.68	\$14.65	\$9.72	\$10.21
Productivity (bearings per hour)	4.5	5.4	3.5	3.3
Unit labor costs (per bearing)	\$3.07	\$2.71	\$2.80	\$3.06

Note.--Number of PRWs, hours worked, wages paid, and hourly wages are related to the production of complete bearings and parts; productivity and unit labor costs are calculated on the basis of complete bearings only.

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

## FINANCIAL EXPERIENCE OF THE U.S. INDUSTRY

### Background on Spherical Plain Bearings

Six companies, accounting for nearly 100 percent of reported U.S. shipments, provided usable financial data on their operations producing SPBs and parts thereof.<sup>1</sup> Four of the six reporting companies provided financial data using fiscal years which were on a calendar-year basis, while the remaining two companies reported on a fiscal-year basis that ended March 31.<sup>2</sup> New Hampshire Ball Bearings accounted for about \*\*\* percent of sales of SPBs, followed by RBC with about a \*\*\*-percent share. \*\*\* account for most of the segment's operating income. The ratio of company transfers to total sales is small, on the order of \*\*\* percent, accounted for by \*\*\*. Imported raw materials, also accounted for by \*\*\*, represented approximately 10 to 11 percent of total raw materials used in the production of SPBs, according to questionnaire responses.

### Spherical Plain Bearing Operations

Income-and-loss data for the six U.S. producers on their operations producing SPBs and parts thereof are presented in table SPB-III-7.<sup>3</sup> Table SPB-III-8 presents financial information on a company-

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<sup>1</sup> Two additional companies provided trade data only. These companies are \*\*\*, which reported shipments totaling \$\*\*\* in 1998. Overall, the difference between the data reported in the trade and financial sections of the Commission's questionnaire was less than 0.5 percent in 1998.

<sup>2</sup> \*\*\*. Some of the differences between the data reported in the trade and financial sections of the Commission's questionnaire may be attributable to these timing differences.

<sup>3</sup> Because of variations in product mix, producers were not requested to provide quantity-based data for their sales; therefore, the unit value data and variance analyses (which are based on unit values) are not presented. Results of the verification of \*\*\*'s producers' questionnaire response have been incorporated into this report. SPB-III-4

**Table SPB-III-7**

**Results of operations of U.S. producers in the production of spherical plain bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

Item	Fiscal year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
Trade sales	***	***	***	***
Company transfers	***	***	***	***
Total sales	139,055	145,599	110,005	106,873
Cost of goods sold:				
Raw materials	36,282	38,170	28,612	26,760
Direct labor	13,955	14,574	10,885	10,843
Other factory costs	51,130	58,219	45,007	42,480
Total cost of goods sold	101,367	110,963	84,504	80,083
Gross profit	37,688	34,636	25,501	26,790
SG&A expenses	18,851	19,535	14,154	14,336
Operating income	18,837	15,101	11,347	12,454
Interest expense	5,061	6,800	5,161	4,859
Other expense/(income)	830	(331)	464	411
Other income items	838	79	912	56
Net income	13,784	8,711	6,634	7,240
Depreciation/amortization	5,402	5,739	4,201	3,886
Cash flow	19,186	14,450	10,835	11,126
<b>Ratio to net sales (percent)</b>				
Cost of goods sold:				
Raw materials	26.1	26.2	26.0	25.0
Direct labor	10.0	10.0	9.9	10.1
Other factory costs	36.8	40.0	40.9	39.7
Total cost of goods sold	72.9	76.2	76.8	74.9
Gross profit	27.1	23.8	23.2	25.1
SG&A expenses	13.6	13.4	12.9	13.4
Operating income	13.5	10.4	10.3	11.7
Net income	9.9	6.0	6.0	6.8
<b>Number of firms reporting</b>				
Operating losses	1	3	2	2
Data	6	6	6	6
Source: Compiled from data submitted in response to Commission questionnaires.				



**Table SPB-III-10**

**Capital expenditures of U.S. producers, by firms, in the production of spherical plain bearings and parts thereof, fiscal years 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Effects of Orders**

Comments by domestic producers regarding the significance of the existing antidumping orders on imports of SPBs from France, Germany, and Japan in terms of their effect on the firms' revenues, costs, profits, cash flow, capital expenditures, R&D expenses, and asset values are presented in appendix D. In that same appendix are comments by domestic producers regarding any anticipated changes in their revenues, costs, profits, cash flow, capital expenditures, R&D expenses, or asset values relating to the production of SPBs in the future if the orders on imports from these countries were revoked.



## **PART IV: U.S. IMPORTS AND THE INDUSTRIES IN FRANCE, GERMANY, AND JAPAN**

### **U.S. IMPORTS**

The value of subject imports of SPBs increased by 9.7 percent from 1997 to 1998 while the value of imports from all countries increased by 12.4 percent over the same period. Imports of SPBs from subject countries increased in value by 17.7 percent during the interim periods, and the value of SPBs from all sources increased by 7.3 percent. Imports from nonsubject countries accounted for roughly half of the total value of imports for each period. Official import statistics on SPBs are presented in table SPB-IV-1.

Germany and Japan are the largest suppliers, in terms of value, of SPBs to the United States. China and Mexico supply the most nonsubject SPBs to the United States; their imports increased in value from 1997 to 1998 but then decreased in the interim periods. The shares by value of subject SPBs account for approximately half of total imports.

### **U.S. IMPORTERS' INVENTORIES**

U.S. importers' inventories of SPBs are presented in table SPB-IV-2. Inventories of SPBs from Germany increased by \*\*\* percent from 1997 to 1998 and inventories from Japan rose by \*\*\* percent over the same period. There were no reported inventories of SPBs from France or from other sources over the period of these reviews.

## **THE INDUSTRIES IN FRANCE, GERMANY, AND JAPAN**

### **France**

Table SPB-IV-3 presents France's reported production of SPBs for the period of review. Two of the largest producers of bearings in France, SNR and SNFA, did not provide questionnaire responses. Foreign producer questionnaires were sent to six firms believed to be producers of subject bearings in France. Only one questionnaire response was received, from SKF-France, also known as SARMA. It is believed that INA Roulements also produces SPBs in France. Reported production of SPBs in France increased from 1997 to 1998 and in the interim periods. Capacity increased in 1998 and capacity utilization was in the range of \*\*\* percent. The home market was \*\*\* for SKF's shipments of SPBs. There were no reported tariffs on imports of SPBs into France and there are no known antidumping or countervailing duty orders covering imports of French SPBs into third countries.

SKF reported that it accounts for only a fraction of total SPB production in France, and the antidumping duty order has \*\*\*. SKF notes that it would anticipate \*\*\* if the order were revoked. SKF-France's export markets include \*\*\*. SKF-France reported that demand in France and the United States \*\*\*. The majority of SKF's U.S. clients for SPBs are \*\*\*. SKF also reported that there is strong competition in the French market with \*\*\*.

**Table SPB-IV-1**

**Spherical plain bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Value (1,000 dollars)</b>				
France	998	1,271	874	874
Germany	4,715	4,618	3,318	2,377
Japan <sup>1</sup>	3,251	3,946	2,860	5,050
Subtotal	8,964	9,835	7,052	8,301
China	1,814	2,841	2,260	1,386
Mexico	1,991	2,481	2,018	1,902
All others	5,114	4,948	3,627	4,464
Total	17,883	20,105	14,957	16,052
<b>Quantity (1,000 bearings)</b>				
France	8	14	11	19
Germany	144	150	120	304
Japan <sup>1</sup>	257	822	190	1,960
Subtotal	409	986	321	2,283
China	973	1,005	805	484
Mexico	345	333	264	272
All others	620	471	382	362
Total	2,347	2,795	1,773	3,401
<b>Unit value (per bearing)</b>				
France	\$123.67	\$93.52	\$77.71	\$47.21
Germany	32.68	30.79	27.63	7.81
Japan <sup>1</sup>	12.66	4.80	15.04	2.58
Average	21.90	9.28	19.25	3.61
China	1.87	2.83	2.81	2.86
Mexico	5.76	7.44	7.63	7.00
All others	8.25	10.51	9.49	12.33
Average	7.62	7.19	8.44	4.72

Table continued on next page.

SPB-VI-2

**Table SPB-IV-1--Continued**  
**Spherical plain bearings and parts thereof: U.S. imports, by sources, 1997-98, January-September 1998,**  
**and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Share of value (percent)</b>				
France	5.6	6.3	5.8	5.4
Germany	26.4	23.0	22.2	14.8
Japan	18.2	19.6	19.1	31.5
Subtotal	50.1	48.9	47.2	51.7
China	10.1	14.1	15.1	8.6
Mexico	11.1	12.3	13.5	11.8
All others	28.6	24.6	24.2	27.8
Total	100.0	100.0	100.0	100.0
<b>Share of quantity (percent)</b>				
France	0.3	0.5	0.6	0.5
Germany	6.1	5.4	6.8	8.9
Japan	10.9	29.4	10.7	57.6
Subtotal	17.4	35.3	18.1	67.1
China	41.4	36.0	45.4	14.2
Mexico	14.7	11.9	14.9	8.0
All others	26.4	16.8	21.6	10.6
Total	100.0	100.0	100.0	100.0
<p>1 ***</p> <p>Note.—Values are landed, duty-paid, and include complete bearings and parts; quantities include only complete bearings; unit values are calculated on the basis of complete bearings only. Data are based on imports entered under HTS items 8483.30.8055, 8483.30.8060, 8483.30.8065 and 8483.30.8070.</p> <p>Source: Compiled from official Commerce statistics.</p>				

**Table SPB-IV-2**

**Spherical plain bearings: U.S. importers' end-of-period inventories of imports, by sources, 1997-98, January-September 1998, and January-September 1999**

Source	Calendar year		January-September	
	1997	1998	1998	1999
<b>Imports from Germany:</b>				
Inventories (1,000 bearings)	***	***	***	***
Ratio to imports (percent)	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***
<b>Imports from Japan:</b>				
Inventories (1,000 bearings)	***	***	***	***
Ratio to imports (percent)	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***
<b>Imports from subject sources:</b>				
Inventories (1,000 bearings)	638	1,225	1,222	877
Ratio to imports (percent)	17.3	19.3	17.5	22.5
Ratio to U.S. shipments of imports (percent)	16.0	22.3	21.1	19.7
<b>Imports from all sources:</b>				
Inventories (1,000 bearings)	638	1,225	1,222	877
Ratio to imports (percent)	9.7	14.4	14.0	13.6
Ratio to U.S. shipments of imports (percent)	9.3	16.0	16.3	12.5
Source: Compiled from data submitted in response to Commission questionnaires.				

**Table SPB-IV-3**

**Spherical plain bearings: Data for the only reporting producer in France, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Germany**

Germany ranks third in world bearing production. Twenty questionnaires were sent to firms believed to be producers of subject bearings in Germany. Two questionnaire responses were received from SPB producers in Germany, ASK Kugellagerfabrik Artur Syfert GmbH and SKF.<sup>1</sup> SKF reports that INA is its largest competitor in Germany and is similar in size to SKF. SKF's reported production was \*\*\* ASK Kugellagerfabrik's reported production in 1998. Data on production of SPBs in Germany are presented in table SPB-IV-4. Production of SPBs increased by \*\*\* percent from 1997 to 1998 and by \*\*\* percent in the interim periods. SPB capacity rose by \*\*\* percent and by \*\*\* percent in each period,

<sup>1</sup> These firms are believed to account for about \*\*\* of SPB production in Germany.

**Table SPB-IV-4**

**Spherical plain bearings: Data for producers in Germany, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

respectively. Capacity utilization was relatively low, falling to \*\*\* percent in interim 1999. The home market and third country markets accounted for nearly all shipments. Both SPB producers reported European countries as their principal export markets. Neither respondent reported tariffs on SPB imports into Germany. There are no known antidumping or countervailing duty orders covering imports of German SPBs into third countries.

In its questionnaire response, SKF noted that it sells to most countries in the world via \*\*\*. The decision to increase or decrease sales to a particular country is based on \*\*\*. SKF reported that it transferred production of SPBs to the United States following imposition of the antidumping duty orders in 1989. ASK Kugellagerfabrik reported that it is difficult to \*\*\*.

ASK Kugellagerfabrik notes that the quality of its product has \*\*\*. Both SPB producers reported that they face competition from imports of SPBs into Germany from \*\*\*. SKF noted that prices in Germany are influenced by \*\*\*.

**Japan**

Questionnaires were sent to 29 firms believed to be producers of subject bearings in Japan; five affirmative and six negative responses were received. Those companies providing data in response to the questionnaire include: Nippon Thompson, Minebea, NTN, NSK, and Koyo Seiko.<sup>2</sup> Based on questionnaire responses, \*\*\* is the largest SPB producer in Japan. \*\*\* reported that it only purchased SPBs over the period of review and therefore did not provide capacity or production data. \*\*\* reported that \*\*\* are the three largest producers of SPBs in Japan, although in each of their questionnaire responses the companies indicated that they represented unknown or only small percentages of SPB production in Japan. Table SPB-IV-5 presents data on production of SPBs in Japan. Production of SPBs decreased from 1997 to 1998 and fell further in the interim periods. Capacity also decreased for SPBs and capacity utilization was 62-88 percent. The Japanese market accounted for the majority of shipments of SPBs. All respondents reported that imports of SPBs are not subject to tariff or nontariff trade barriers in Japan. There are no known antidumping or countervailing duty orders covering imports of Japanese SPBs into third countries.

\*\*\* reported that price competition in the Japanese market has increased as a result of imports from other East Asian countries. \*\*\* noted that demand factors in the SPB market have not changed since 1989, although demand increased slightly in the United States, Japan, and other markets. \*\*\*'s questionnaire response indicates that it is not aware of any significant changes in demand for SPBs in Japan or the United States, nor does it anticipate any changes in the market in the future. \*\*\* also reported that Japan is a highly competitive SPB market, with three major competitors that have great market share and market power, as well as approximately five smaller companies that are competitive in the market. \*\*\* reported that the number of SPB producers outside Japan has increased significantly since 1989, providing customers in all markets an increased number of alternative sources of supply. It also noted that consumers in the world market no longer rely on Japan as a major source of SPBs, and that there are many other sources of supply globally that were not available or acceptable when the order was first imposed. \*\*\* also reported that demand is expected to increase as the demand for end uses that utilize SPBs continues to rise.

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<sup>2</sup> These firms are believed to account for the great majority of SPB production in Japan.

**Table SPB-IV-5**

**Spherical plain bearings: Data for producers in Japan,<sup>1</sup> 1997-98, January-September 1998, and January-September 1999**

Item	Calendar year		January-September	
	1997	1998	1998	1999
<b>Quantity (1,000 bearings)</b>				
Capacity	4,410	4,343	4,076	3,746
Production	3,881	3,524	2,688	2,340
End-of-period inventories	2,626	2,503	2,475	2,218
Shipments:				
Internal consumption/transfers	52	45	33	32
Home market	3,929	3,189	2,478	2,157
Exports to:				
United States	121	180	113	180
All other markets	1,440	1,638	1,291	1,068
Total exports	1,561	1,818	1,404	1,248
Total shipments	5,542	5,052	3,915	3,437
<b>Ratios and shares (percent)</b>				
Capacity utilization	88.0	81.1	65.9	62.5
Inventories/production	67.7	71.0	69.1	71.1
Inventories/shipments	47.4	49.5	47.4	48.4
Share of total shipments:				
Internal consumption/transfers	0.9	0.9	0.8	0.9
Home market	70.9	63.1	63.3	62.8
Exports to:				
United States	2.2	3.6	2.9	5.2
All other markets	26.0	32.4	33.0	31.1
Total exports	28.2	36.0	35.9	36.3
<sup>1</sup> These firms are believed to account for the great majority of SPB production in Japan. Source: Compiled from data submitted in response to Commission questionnaires.				

## **PART V: PRICING AND RELATED DATA**

### **CHARACTERISTICS OF LIKELY DUMPING**

Company-level detail on dumping margins is presented in part I. The dumping orders on SPBs from France, Germany, and Japan were issued in 1989. Duties on SPBs imported from France are 39.00 percent. Dumping duties on SPBs from German firms ranged from 74.88 percent to 118.98 percent, and duties on SPBs from Japan ranged from 84.26 percent to 92.00 percent. The original margins were the same as the sunset margins in each case. Also, as discussed in part I, the tariff on SPBs and parts thereof imported from countries with normal trade relations is 4.5 percent.

### **EXCHANGE RATES**

Nominal and real exchange rate indexes of currency from France, Germany, and Japan are shown in appendix F. Both the nominal and real exchange rates for France and Germany varied between 1989 and 1995, but both had appreciated relative to the U.S. dollar by 1995. Since 1995, the nominal and real rates for both countries have declined. The nominal and real value of the Japanese yen relative to the U.S. dollar increased steadily from 1990 to 1995; however, its value decreased relative to the dollar from 1995 to 1998. The nominal value of the yen recovered somewhat in 1999.

### **OTHER FACTORS AFFECTING PRICING**

Most U.S. producers reported that there were no significant changes in the costs of raw materials during the period of review. A couple of producers reported that market demand affects the price of bearings but that changes in raw material prices do not. Several other producers reported that, if raw material costs increased, they would pass them on to the customer. One producer reported that all costs had increased by approximately 4 percent. Most importers reported that raw materials had not affected their selling price, but a large number also reported that they purchase finished bearings and are unaware of the raw material costs.

The difference between the c.i.f. value and customs value of subject U.S. imports provides an indication of the cost to transport SPBs to the U.S. market. As shown in table SPB-V-1, these costs were low and ranged from 1.2 percent to 2.4 percent.

**Table SPB-V-1**  
**Ocean transport costs to the United States in 1998 as a percentage of total cost at port, by subject countries**

<b>Country</b>	<b>Ocean transport cost (percent)</b>
France	1.2
Germany	2.2
Japan	2.4

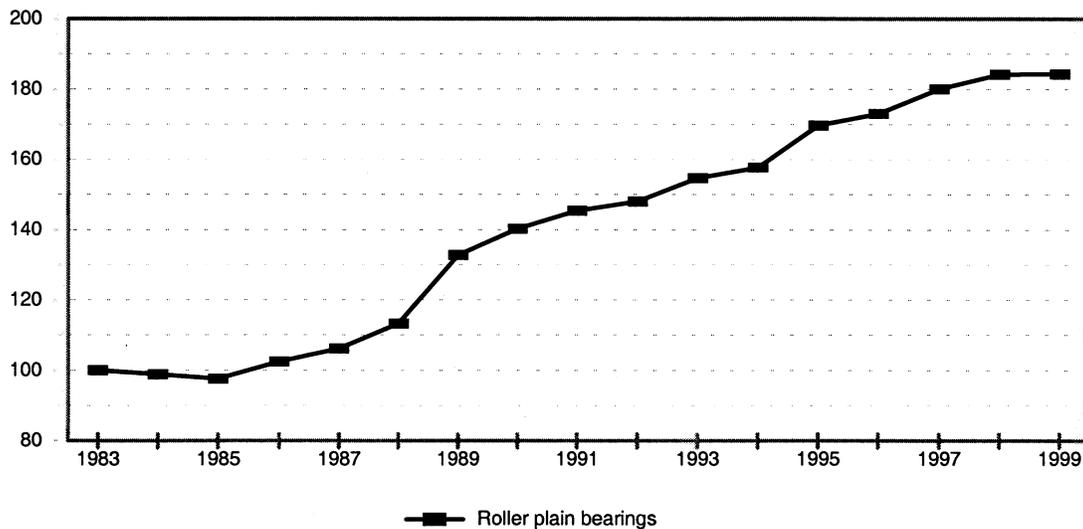
Source: Calculated from official Commerce statistics.

U.S. producers reported that their U.S. inland transportation costs were on average 2.5 percent of total delivered costs. U.S. importers reported that their U.S. inland transportation costs averaged approximately 6 percent of total delivered costs. Both U.S. producers and importers tended to make the transportation arrangements themselves, although it was fairly common for the purchaser to make the arrangement, especially in the case of subject imported bearings.

### PRICING TRENDS

The BLS producer price index for roller plain bearings provides an indication of the price trend for SPBs (see figure SPB-V-1). After a slight dip between 1983 and 1985, the price level grew continuously until 1998. The trend was flat between 1998 and 1999. The greatest growth was 17.2 percent, which occurred between 1988 and 1989, just before the orders went into effect.

**Figure SPB-V-1**  
**Producer price index: Roller plain bearings including hourglass and barrel, 1983-99**



Source: Bureau of Labor Statistics.

### PRICING PRACTICES

U.S. producers reported various means of establishing prices; however, they tend to negotiate contracts with OEM customers. These contracts often take the form of requirements contracts that last 3 to 5 years, and establish an initial price but allow for annual variation. OEM sales are priced at market levels, whereas price lists are more typically used, at least as a starting point, for sales to distributors. Prices of most custom-made bearings appear to be established on a transaction-by-transaction basis.

Seven out of 23 responding U.S. producers of certain bearings reported granting some types of discounts based on volume of purchase, although several of these did not have a fixed discount policy. Four of the 23 producers reported negotiating discounts on a customer basis, giving special consideration to large customers, and awarding loyalty. Two of the producers reported offering discounts only when forced to by competitive market conditions. Seven of the producers reported that they did not offer discounts.

### PRICE DATA

The Commission requested in its producer and importer questionnaires quarterly quantity and value information from January 1997 to September 1999. Separate pricing data were requested for shipments to distributors and to end users. The four SPB products for which pricing information was requested are listed below.

- |            |   |
|------------|---|
| Product 27 | SA1-17B—Lubrication type spherical plain bearing with high carbon chromium bearing steel for both outer and inner rings. With lubrication hole and groove. One-piece outer ring with fractured split. Additional coating. 17 mm bore, 30 mm OD, 14 mm width.  |
| Product 28 | W2012—Lubrication type spherical plain bearing with high carbon chromium bearing steel for both outer and inner rings. With lubrication hole and groove. One-piece outer ring with fractured split. Additional coating. 100 mm bore, 190 mm OD, 105 mm width. |
| Product 29 | 15SF24—Spherical plain bearing with single fracture. 1.5 inch bore, 2.4375 inch OD, 1.312 inch width.   |
| Product 30 | B10L—Spherical plain bearing, radial type, open. 0.6250 inch bore, 1.0625 inch OD, 0.547 inch width.  |

Pricing data were reported for U.S. producers' shipments and imports from Germany and Japan. No pricing data for imports from France were reported. The pricing data covered \*\*\* SPBs from Germany (\*\* percent of imports), \*\*\* SPBs from Japan (\*\* percent of imports), and 389,842 SPBs from the United States (1.22 percent of domestic shipments). There were a total of 197 reports of quarterly sales.

Individual firms reported highly variable quantities of quarterly sales. For example, the minimum, 25th percentile, median, 75th percentile, and maximum number of SPBs reported in the quarterly sales were, respectively, 1; 50; 585; 2,487; and 16,880. The unit values of the high-volume sales were systematically lower than those of the low-volume sales. This is because the unit costs of setting up the production line are less for large batches than for small ones. Also, large purchasers may have some market power and are able to command a lower price. A regression analysis on the firm-level

data indicates that for each one-percent increase in sales volume, unit value decreases by approximately 0.05 percent.<sup>1</sup>

The majority, 87.4 percent, of reported sales were to end users as opposed to distributors. The unit values of sales to end users were lower than those to distributors, as indicated by the negative coefficient for sales to end users in the regression equation. Sales to end users were often to large OEMs that command some market power. These sales also tended to be for greater volumes. Sales to distributors were for smaller quantities and were often destined for the aftermarket.

Price comparisons are reported in tables SPB-V-2 to SPB-V-7. Prices of SPBs were generally more consistent than those of other certain bearings, and underselling and overselling margins were smaller. No data were reported for product 28 in the distributor market. The only pricing data for product 28 in the end-user market were for Japanese imports. There are thus no tables for product 28. Except for sales of Japanese imports of product 27 to end users, import quantities were low.

**Table SPB-V-2**

**Spherical plain bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 27 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table SPB-V-3**

**Spherical plain bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 27 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

---

<sup>1</sup> The log of unit value was regressed on the log of quantity and indicator variables for each product, country, and market type. The coefficients, their values, and t-statistics are shown below. All coefficients were significant, as was the model as a whole. A linear time trend was tested but proved insignificant and is not reported.

Coefficients	Value	Std. Error	t-value	Pr(> t )
log(quantity)	-0.0484	0.0068	-7.0644	0.0000
product 27	2.5127	0.0409	61.4233	0.0000
product 28	5.6289	0.0744	75.6261	0.0000
product 29	3.0514	0.0485	62.9255	0.0000
product 30	2.2971	0.0476	48.2987	0.0000
Germany	-0.0766	0.0336	-2.2834	0.0236
Japan	0.3257	0.0481	6.7653	0.0000
end users	-0.4238	0.0283	-14.9682	0.0000

Residual standard error: 0.1614 on 179 degrees of freedom

Multiple R-Squared: 0.9959

F-statistic: 5473 on 8 and 179 degrees of freedom, the p-value is 0

**Table SPB-V-4**

**Spherical plain bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 29 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table SPB-V-5**

**Spherical plain bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 29 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table SPB-V-6**

**Spherical plain bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 30 sold to distributors, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

**Table SPB-V-7**

**Spherical plain bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 30 sold to end users, and margins of underselling/(overselling), by quarters, January 1997-September 1999**

\* \* \* \* \*

Pricing comparisons are summarized in table SPB-V-8. While importers oversold SPB products from Germany in each period, they undersold them only in 1998 and January to September of 1999. There were no occurrences of underselling of the Japanese product in any reported period; overselling, however, occurred in each period. Average margins of underselling and overselling per period ranged from 0.8 percent to 40.0 percent. Quantities of German SPBs that were oversold ranged from \*\*\* to \*\*\*, and Japanese overselling quantities ranged from \*\*\* SPBs to \*\*\* SPBs. Average underselling and overselling margins per bearing ranged from 0.8 to 32.2 percent for bearings from Germany and Japan.

Purchasers only reported pricing data for product 29 from domestic producers. Purchasers did not report any price data on SPBs from the subject countries. There are thus no purchaser pricing tables for SPB products.

**Table SPB-V-8**  
**Spherical plain bearings: Summary of underselling and overselling**

Country	1997	1998	January-September 1999
Number of quarters in which underselling occurred			
Germany	0	9	4
Japan	0	0	0
Number of quarters in which overselling occurred			
Germany	1	10	6
Japan	5	3	4
Average underselling margin per period of underselling			
Germany	(1)	10.0	7.0
Japan	(1)	(1)	(1)
Average overselling margin per period of overselling			
Germany	0.8	10.6	18.7
Japan	25.0	24.0	40.0
U.S. producers' domestic shipments of SPBs reported in pricing data			
U.S. shipments ( <i>number of bearings</i> )	146,515	143,432	99,895
Bearings undersold ( <i>number of bearings</i> )			
Germany	0	***	***
Japan	0	0	0
Bearings oversold ( <i>number of bearings</i> )			
Germany	***	***	***
Japan	***	***	***
Average margin of underselling per bearing undersold ( <i>percent</i> )			
Germany	NA	15.0	12.4
Japan	(1)	(1)	(1)
Average margin of overselling per bearing oversold ( <i>percent</i> )			
Germany	0.8	10.5	32.2
Japan	17.8	15.5	18.5
<sup>1</sup> Not applicable. Note: The entire database was used for these calculations, and totals could vary slightly from those obtained from the price comparison tables, which may not include instances when only one or two sales were reported. Source: Calculated from data submitted in response to Commission questionnaires.			

**APPENDIX A**

***FEDERAL REGISTER NOTICES  
AND ADEQUACY STATEMENT***



**SUPPLEMENTARY INFORMATION:**

**The Applicable Statute**

Unless otherwise indicated, all citations to the Act, are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department regulations are to 19 CFR Part 351 (1999). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department 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*).

**Background**

On August 2, 1999, the Department published the notice of initiation of sunset review of the antidumping duty order on gray portland cement and cement clinker from Japan (64 FR 41915). We invited parties to comment. On the basis of a notice of intent to participate and adequate substantive response filed on behalf of a domestic interested party, and inadequate response (in this case no response) from respondent interested parties, we determined to conduct an expedited sunset review. The Department is conducting this sunset review in accordance with sections 751 and 752 of the Act.

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). This review concerns a transition order within the meaning of section 751(c)(6)(C)(ii) of the Act. Therefore, on December 3, 1999, the Department determined that the sunset review of the antidumping duty order on gray portland cement and cement clinker from Japan is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than February 28, 2000, in accordance with section 751(c)(5)(B) of the Act.<sup>1</sup>

**Scope of Review**

The products covered by this order are gray portland cement and cement clinker ("portland cement") from Japan. Gray portland cement is a hydraulic

cement and the primary component of concrete. Cement clinker, an intermediate material produced when manufacturing cement, has no use other than grinding into finished cement. Microfine cement was specifically excluded from the antidumping duty order. Gray portland cement is currently classifiable under the Harmonized Tariff Schedule ("HTS") item number 2523.29, and cement clinker is currently classifiable under HTS item number 2523.10. Gray portland cement has also been entered under item number 2523.90 as *other hydraulic cements*. The Department made two scope rulings regarding the subject merchandise.<sup>2</sup>

**Analysis of Comments Received**

All issues raised in substantive responses by parties to this sunset review are addressed in the Issues and Decision Memorandum ("Decision Memo") from Jeffrey A. May, Director, Office of Policy, Import Administration, to Joseph A. Spetrini Acting Assistant Secretary, dated February 28, 2000, which is hereby adopted and incorporated by reference into this notice. The issues discussed in the attached Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in B-099.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at [www.ita.doc.gov/import\\_admin/records/frn/](http://www.ita.doc.gov/import_admin/records/frn/), under the heading *Japan*. The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Review**

We determine that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturer/exporter	Margin (percent)
Nihon .....	69.89
Onoda .....	70.52
All others .....	70.23

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility

<sup>2</sup> See *Scope Rulings*, 57 FR 19602 (May 7, 1992), classes G and H of *oil well cement* are within the scope of the order; and *Scope Rulings*, 58 FR 27542 (May 10, 1993), *nittetsu super fine cements* is not within the scope of the order.

concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections section 751(c), 752, and 777(i) of the Act.

Dated: February 28, 2000.

**Joseph A. Spetrini,**  
*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-5213 Filed 3-2-00; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-570-601]

**Tapered Roller Bearings From the People's Republic of China; Final Results of Full Sunset Review:**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Full Sunset Review: Tapered Roller Bearings from the Peoples Republic of China.

**SUMMARY:** On October 22, 1999, the Department of Commerce ("the Department") published a notice of preliminary results of the full sunset review of the antidumping duty order on tapered roller bearings ("TRBs") from the People's Republic of China (64 FR 57034) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results. We received comments from both domestic and respondent interested parties and held a public hearing. As a result of this review, the Department finds that revocation of this order would be likely to lead to continuation or recurrence of dumping.

**FOR FURTHER INFORMATION CONTACT:** Kathryn B. McCormick 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) 482-1930 or (202) 482-1560, respectively.

<sup>1</sup> See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 67847 (December 3, 1999).

**Effective Date: March 3, 2000.****Statute and Regulations:**

This review was 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*"), and in 19 CFR Part 351 (1999) in general. 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*").

**Background**

On October 22, 1999, the Department of Commerce ("the Department") published in the **Federal Register** a notice of preliminary results of the full sunset review of the antidumping duty order on TRBs pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). In our preliminary results, we found that revocation of the order would be likely to lead to continuation or recurrence of dumping. In addition, we preliminarily determined the following margins likely to prevail if the order were revoked:

Producer/exporter	Margin (percent)
Zhejiang Changshan Changhe Bearing Co. ("ZCCBC") .....	0.00
China National Machinery Import & Export Corp. ("CMC") .....	0.03
Zhejiang Wanxiang Group .....	0.03
Zhejiang Machinery Import & Export Corp .....	0.11
Luoyang .....	3.20
Premier .....	5.43
Liaoning .....	9.72
Guizhou Machinery .....	21.79
Wafangdian .....	29.40
Jilin .....	29.40
China National Machinery Import & Export Corp. ("CMEC") .....	29.40
Guizhou Automotive .....	29.40
Tianshui Hailin .....	29.40
Xiangyang .....	29.40
Xibei .....	29.40
All Others .....	29.40

On December 7, 1999, within the deadline specified in 19 CFR 351.209(c)(1)(i), we received a case brief on behalf of domestic interested parties, The Timken Company ("Timken") and The Torrington Company ("Torrington") (collectively "domestic interested

parties"). We also received a case brief on behalf of Zhejiang Machinery Import & Export Corporation ("Zhejiang Machinery"); Liaoning Mec Group, Ltd. ("Liaoning"); Luoyang Bearing Corporation (Group) ("Luoyang"); Zhejiang Changshan Changhe Bearing Co., Ltd. ("ZCCBC"); Zhejiang Wanxiang Group ("Wanxiang"); China National Machinery Import & Export Corporation ("CMC");<sup>1</sup> Xibei Bearing Group Import & Export Co., Ltd. ("Xibei"); Xiangyang Bearing Factory ("Xiangyang"); and the China TRB Sunset Coalition ("China Coalition") (collectively "respondent interested parties"). On December 13, 1999, within the deadline specified in 19 CFR 351.309(d), the Department received rebuttal comments from domestic and respondent interested parties. On December 15, 1999, the Department held a public hearing.

**Scope of Review**

The merchandise covered by this antidumping duty order (52 FR 22667, June 15, 1987) includes TRBs and parts thereof, finished and unfinished, from the PRC; flange, take up cartridge, and hanger units incorporating tapered roller bearings; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use. The subject merchandise was originally classified under item numbers 680.30, 680.39, 681.10, 692.32 of the Tariff Schedules of the United States Annotated ("TSUSA"); currently, according to the U.S. Customs Service, they are classifiable under item numbers 8482.20.00.10, 8482.20.00.20, 8482.20.00.30, 8482.20.00.40, 8482.20.00.50, 8482.20.00.60, 8482.20.00.70, 8482.20.00.80, 8482.91.00.50, 8482.99.15.00, 8482.99.15.40, 8482.99.15.80, 8483.20.40.80, 8483.20.80.80, 8483.30.80.20, 8708.99.80.15 and 8708.99.80.80 of the Harmonized Tariff Schedule of the United States ("HTSUS") (see June 8, 1999, Memorandum to File: HTSUS Numbers for Tapered Roller Bearings). Although the above HTSUS and TSUSA subheadings are provided for convenience and customs purposes, the written description remains dispositive. In the ninth administrative review (62 FR 61276, 61289, November 17, 1997), the Department clarified the scope of the order when it added two additional HTSUS numbers (8708.99.90.15 and 8708.99.80.80) applicable to imports of

the subject merchandise which previously had not been identified in the order. The above HTSUS numbers correspond to subject merchandise previously classified under TSUSA item number 692.32 in the original antidumping order. We note that scope rulings are made on an order-wide basis.

**Analysis of Comments Received**

All issues raised in the case and rebuttal briefs by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Jeffrey A. May, Director, Office of Policy, Import Administration, to Robert S. La Russa, Assistant Secretary for Import Administration, dated February 25, 2000, which is hereby adopted and incorporated by reference into this notice. The issues discussed in the attached Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B-099, of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at [www.ita.doc.gov/import\\_admin/records/frn/](http://www.ita.doc.gov/import_admin/records/frn/), under the heading "China." The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Review**

We determine that revocation of the antidumping duty order on TRBs from China would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturer/exporters	Margin (percent)
Producer/Exporter: Zhejiang Changshan Changhe Bearing Co. ("ZCCBC") .....	0.00
China National Machinery Import & Export Corp. ("CMC") .....	0.03
Zhejiang Wanxiang Group .....	0.03
Zhejiang Machinery Import & Export Corp. ....	0.11
Luoyang .....	3.20
Premier .....	5.43
Liaoning .....	9.72
China National Machinery Import & Export Corp. ("CMEC") .....	29.40
All Others .....	29.40

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act<sup>4</sup>

<sup>1</sup> CMC is a different and distinct company from CMEC.

Dated: February 25, 2000.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 00-5211 Filed 3-2-00; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-437-601]

#### Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Hungary: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**EFFECTIVE DATE:** March 3, 2000.

**FOR FURTHER INFORMATION CONTACT:** Elfi Blum at (202) 482-0197, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave, NW, Washington, DC 20230.

#### Time Limits

##### Statutory Time Limits

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), requires the Department to make a preliminary determination within 245 days after the last day of the anniversary month of an order/finding for which a review is requested and a final determination within 120 days after the date on which the preliminary determination is published. However, if it is not practicable to complete the review within these time periods, section 751(a)(3)(A) of the Act allows the Department to extend the time limit for the preliminary determination to a maximum of 365 days and for the final determination to 180 days (or 300 days if the Department does not extend the time limit for the preliminary determination) from the date of publication of the preliminary determination.

#### Background

On July 29, 1999, the Department published a notice of initiation of administrative review of the antidumping duty order on tapered roller bearings and parts thereof, finished or unfinished, from Hungary, covering the period June 1, 1998 through May 31, 1999 (64 FR 41075). The preliminary results are currently due no later than February 29, 2000.

#### Extension of Time Limit for Preliminary Results of Review

We determine that it is not practicable to complete the preliminary results of this review within the original time limit. Therefore the Department is extending the time limit for completion of the preliminary results until no later than June 28, 2000. See Decision Memorandum from Edward C. Yang to Joseph A. Spetrini, dated February 25, 2000, which is on file in the Central Records Unit, Room B-099 of the main Commerce building. We intend to issue the final results no later than 120 days after the publication of the preliminary results notice.

This extension is in accordance with section 751(a)(3)(A) of the Act.

Dated: February 25, 2000.

Joseph A. Spetrini,

Deputy Assistant Secretary, AD/CVD Enforcement Group III.

[FR Doc. 00-5214 Filed 3-2-00; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-823-802]

#### Uranium From Ukraine; Final Results of Expedited Sunset Review of Antidumping Duty Order

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Expedited Sunset Review: Uranium from Ukraine.

**SUMMARY:** On August 2, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on uranium from Ukraine (64 FR 41915) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would likely 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:** Kathryn B. McCormick 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, DC 20230; telephone: (202) 482-1930 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** March 3, 2000.

#### Statute and Regulations

This review is being 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*"), and in CFR part 351 (1999) in general. 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*").

#### Background

On August 2, 1999, the Department initiated a sunset review of the antidumping duty order on uranium from Ukraine (64 FR 41915), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate on behalf of domestic interested parties, the Ad Hoc Committee of Domestic Uranium Producers ("the Ad Hoc Committee"), including Rio Algom Mining Corporation ("Rio Algom") and Uranium Resources Inc. ("URI"),<sup>1</sup> USEC, Inc. and its subsidiary, the United States Enrichment Corporation (collectively, "USEC"), and Paper, Allied-Industrial, Chemical and Energy Workers International Union, AFL-CIO ("PACE"), within the applicable deadline (August 17, 1999) specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. On August 27, 1999, we received a notice of intent to participate on behalf of the Ad Hoc Utilities Group ("AHUG").<sup>2</sup> The Ad Hoc Committee claimed interested-party status under section 771(9)(C) of the Act, as the only

<sup>1</sup> The Ad Hoc Committee included Cotter corporation in its Notice of Intent to Participate; however, Cotter Corporation was not included in the Ad Hoc Committee's substantive response of September 1, 1999.

<sup>2</sup> AHUG consists of Ameren UE, Baltimore Gas and Electric Co., Carolina Power and Light Co., Commonwealth Edison Co., Consumers Energy, Duke Power Co., Entergy Services, Inc., FirstEnergy Nuclear Operating Co., Florida Power and Light Co., Northern States Power Co., PECO Energy Co., Southern Nuclear Operating Co., Texas Utilities Electric Co., and Virginia Power.

transfers 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 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;

(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; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers 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 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 the 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: November 24, 1999.

By order of the Commission.

**Donna R. Koehnke,**  
*Secretary.*

[FR Doc. 99-31219 Filed 11-30-99; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigations Nos. AA1921-143, 731-TA-341, 731-TA-343-345, 731-TA-391-397, and 731-TA-399 (Review)]

**Certain Bearings From China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom**

**AGENCY:** United States International Trade Commission.

**ACTION:** Revised schedule for the subject investigation.

**EFFECTIVE DATE:** November 22, 1999.

**FOR FURTHER INFORMATION CONTACT:** Sioban Maguire (202-708-4721), 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:** Effective August 23, 1999, the Commission established a schedule for the conduct of the subject reviews (64 FR 46949, August 27, 1999). 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), and is hereby revising its schedule.

The Commission's new schedule for the reviews is as follows: the prehearing staff report will be placed in the nonpublic record on March 1, 2000; the deadline for filing prehearing briefs is March 10, 2000; requests to appear at the hearing must be filed with the Secretary to the Commission not later than March 13, 2000; the prehearing conference will be held at the U.S. International Trade Commission Building at 9:30 a.m. on March 16, 2000; the hearing will be held at the U.S. International Trade Commission Building at 9:30 a.m. on March 21, 2000; the deadline for filing posthearing briefs is March 30, 2000; the Commission will make its final release of information on May 18, 2000; and final party comments are due on May 22, 2000.

For further information concerning these 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 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: November 23, 1999.

By order of the Commission.

**Donna R. Koehnke,**  
*Secretary.*

[FR Doc. 99-31195 Filed 11-30-99; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-669 (Review)]

**Cased Pencils From China**

**AGENCY:** United States International Trade Commission.

## DEPARTMENT OF COMMERCE

## International Trade Administration

[A-588-604]

**Amended Final Results of Expedited Sunset Review: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of amended final results of expedited sunset review: Tapered roller bearings and parts thereof, finished and unfinished, from Japan.

**SUMMARY:** On November 4, 1999, the Department of Commerce ("the Department") issued its final results of the sunset review of the antidumping duty order on tapered roller bearings and parts thereof, finished and unfinished ("TRBs"), over four inches, from Japan (64 FR 60266). On November 3, 1999, Koyo Corporation U.S.A.-Manufacturing Division, Koyo Seiko Co., Ltd., and Koyo Corporation U.S.A. (collectively, "Koyo") timely alleged that the Department made a ministerial error in its final results. The domestic interested parties did not respond to the ministerial error comments. We agree with Koyo and, therefore, are amending the final results.

**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 & Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 30, 1999.

**Background**

On April 1, 1999, the Department initiated a sunset review of the antidumping duty order on TRBs, over four inches, from Japan (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On November 4, 1999, the Department issued its final results of the sunset review of the antidumping duty order on TRBs, over four inches, from Japan (64 FR 60266), in which we determined that there was a likelihood of continuation or recurrence of dumping if the order were revoked. In this determination, the Department forwarded to the Commission two company-specific weighted-average dumping margins and the "all others" rate from the original investigation.

On November 3, 1999, the Department received allegations, timely filed

pursuant to 19 CFR 351.224(c)(2), from Koyo that the Department made a ministerial error in its final results. Koyo alleged that the Department, in its final results of the sunset review for this case, reported to the Commission the margin for Koyo from the original less than fair value ("LTFV") determination, but overlooked the fact that this margin had been amended due to the correction of clerical errors.<sup>1</sup> Koyo therefore urged the Department to report the corrected margin to the Commission.

After analyzing Koyo's November 3, 1999, submission, we have determined, in accordance with 19 CFR 351.224, that a ministerial error was made in the final determination of this sunset review. The Department notes that the definition of a ministerial error provides not only for the correction of errors in arithmetic but also for "any other similar type of unintentional error which the Secretary considers ministerial" (see 19 CFR 351.224(f)). In the Department's final results of the sunset review for this case, we inadvertently overlooked the fact that the original LTFV determination had been subsequently amended. The Department's reliance on the original unamended margins from the final determination in the sunset review was in error.

**Amended Final Results of Review**

For the reasons stated above and in our November 4, 1999, final results of expedited sunset review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the amended margins listed below.

Manufacturer/exporter	Margin (percent)
Koyo Seiko Co., Ltd .....	36.21
NTN Toyo Bearing Co., Ltd .....	36.53
All Others .....	36.52

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 22, 1999.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-30969 Filed 11-29-99; 8:45 am]

**BILLING CODE 3510-DS-P**

<sup>1</sup> See *Amendment to Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan*, 52 FR 47955 (December 17, 1987).

## DEPARTMENT OF COMMERCE

## International Trade Administration

[A-588-604]

**Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan: Final Court Decisions and Amended Final Results of Antidumping Duty Administrative Reviews**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final court decisions and amended final results of antidumping duty administrative reviews.

**SUMMARY:** On February 11, 1992, the Department of Commerce (the Department) published the final results of its administrative review of the antidumping finding on tapered roller bearings (TRBs), finished and unfinished, and parts thereof, from Japan during the period October 1, 1989 through September 30, 1990. See *Tapered Roller Bearings, Finished and Unfinished, From Japan; Final Results of Antidumping Duty Administrative Review* 57 FR 4960. Subsequent to our publication of these final results, parties to the proceeding challenged certain aspects of our final results determinations before the United States Court of International Trade (CIT) and, in certain instances, before the United States Court of Appeals for the Federal Circuit (CAFC).

The CIT recently affirmed final remand results with respect to the 1989-90 final results. On April 10, 1998, we amended our final results of review with respect to certain respondents for which litigation was completed. See *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan, and Tapered Roller Bearings, Finished and Unfinished, and Parts Thereof, from Japan: Final Court Decisions and Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 17815 (1998-90 TRB Final Results). As there is now a final and conclusive court decision with respect to litigation for the remaining respondent, we are hereby amending our final results of review and will subsequently instruct Customs to liquidate entries subject to these reviews.

**EFFECTIVE DATE:** November 30, 1999.

**FOR FURTHER INFORMATION CONTACT:** Deborah Scott or Robert James, Import Administration, International Trade

Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-2657 or (202) 482-5222, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

Below is a summary of the litigation for the 1989-90 final results for which the CIT and CAFC have issued final and conclusive decisions. It is important to note that, due to the fact that litigation for each TRBs final results was unconsolidated, the CIT issued two or more orders throughout the course of litigation, which required us to recalculate a respondent's final results margin several times. To ensure the accurate calculation of amended final results, any recalculation we performed for a given respondent pursuant to a specific order reflected all recalculations we performed for that respondent pursuant to earlier orders. As a result, the last CIT order requiring a recalculation of a respondent's margin reflects the final amended margin for the respondent, provided that final and conclusive decisions have been made by the CIT and CAFC with respect to litigation which affected the respondent's final results.

On February 11, 1992, we published in the **Federal Register** our notice of the final results of administrative reviews for the 1989-90 period of review (POR). This notice covered the administrative reviews for Koyo Seiko Co., Ltd. (Koyo), NSK Ltd. (NSK), Nachi-Fujikoshi Corporation, and NTN Toyo Bearing Co., Ltd (NTN). Subsequent to the publication of these final results, three respondents "NTN, Koyo, and NSK" and The Timken Company (Timken), the petitioner in this case, challenged certain issues before the CIT. The CIT and CAFC issued final and conclusive decisions with respect to the NSK and Timken litigation; on April 10, 1998, we published in the **Federal Register** our notice of final court decisions and amended final results for NSK. See *1989-90 TRB Final Results* at 17818. The CIT has now issued a final and conclusive decision with respect to the NTN litigation (CIT Ct. Nos. 92-03-00168 and 92-04-00257). We are hereby amending our final results of the 1989-90 administrative review for NTN.

The decisions issued by the CIT and CAFC with respect to the Department's final results for NTN were:

- *NTN v. U.S.*, Slip Ops. 94-200 (December 29, 1994) and 95-1 (January 3, 1995) (The CIT ordered the Department to apply the 10 percent cap for the model match methodology, explain its disregard of NTN's credit

expense calculation methodology, and correct the margin calculation program for errors in the deduction of discounts from home market price for the cost of production test).

- *NTN v. U.S.*, Slip Op. 95-104 (June 7, 1995) (The CIT affirmed the remand results and dismissed the 92-03-00168 and 92-04-00257 litigation).

- *NTN v. U.S.*, Slip Op. 95-1477 and -1479 (July 10, 1996) (The CAFC overturned the CIT on its decision regarding the 10 percent cap for the model match methodology used for the final results for NTN.)

- *NTN v. U.S.*, Slip Ops. 96-150 (August 28, 1996) and 96-151 (August 29, 1996) (In light of the CAFC's decision in Slip Op. 95-1479, the CIT ordered the Department to recalculate the dumping margin for NTN without imposing the 10 percent cap under the 92-03-00168 and 92-04-00257 litigation.)

- *NTN v. U.S.*, Slip Op. 98-90 (June 30, 1998) (The CIT affirmed the remand results and dismissed the 92-03-00168 and 92-04-00257 litigation).

As there are now final and conclusive court decisions with respect to the 92-03-000168 and -04-00257 (NTN) litigation, we are amending our final results of review for NTN based on the last court order which required a recalculation of NTN's rate (*NTN v. U.S.*, CIT Slip Ops. 96-150 and -151). The amended final results margin for NTN is 29.63 percent. We will issue instructions to Customs to liquidate entries of subject merchandise made by NTN during this period pursuant to these amended final results.

**Amendment to Final Determinations**

Pursuant to 19 U.S.C. 1516(f), we are now amending the final results of the 1989-90 administrative review of the antidumping finding on TRBs from Japan. The weighted-average margin is:

Manufacturer/exporter	Margin (percent)
NTN Toyo Bearing Co., Ltd. ....	29.63

Accordingly, the Department will determine and Customs will assess appropriate antidumping duties on entries of the subject merchandise made by firms covered by the review of the period listed above. The Department will issue appraisal instructions directly to Customs.

Dated: November 22, 1999.

**Joseph A. Spetrini**,  
Acting Assistant Secretary for Import Administration.

[FR Doc. 99-31097 Filed 11-29-99; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-588-854]

**Initiation of Antidumping Duty Investigation: Certain Tin Mill Products From Japan**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**EFFECTIVE DATE:** November 30, 1999.

**FOR FURTHER INFORMATION CONTACT:** Samantha Denenberg at (202) 482-1386 or Linda Ludwig at (202) 482-3833, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

**Initiation of Investigations**

*The Applicable Statute and Regulations*

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (1998).

*The Petition*

On October 28, 1999, the Department of Commerce ("the Department") received a petition filed in proper form by Weirton Steel Corporation, Independent Steelworkers Union, and United Steelworkers of America, AFL-CIO (collectively petitioners). The Department received supplemental information to the petition on November 8, 1999.

In accordance with section 732(b) of the Act, petitioners allege that imports of certain tin mill products ("TMP") from Japan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring an industry in the United States.

The Department finds that petitioners filed these petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act and they have demonstrated sufficient industry support with respect to the antidumping investigation they are requesting the Department to initiate (see *Determination of Industry Support for the Petition* below).

# Federal Register

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Thursday  
November 4, 1999

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## Part II

# Department of Commerce

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International Trade Administration

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Final Results of Expedited Sunset  
Review: Bearings; Notices

**DEPARTMENT OF COMMERCE****International Trade Administration**

[A-588-604]

**Final Results of Expedited Sunset Review: Tapered Roller Bearings, Over Four Inches, and Parts Thereof, Finished and Unfinished, From Japan**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Expedited Sunset Review: Tapered Roller Bearings, Over Four Inches, and Parts Thereof, Finished and Unfinished, from Japan.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping order on tapered roller bearings from Japan (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, a waiver) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping order 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, DC 20230; telephone: (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was 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") and 19 CFR 351 (1998) in general. 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 this antidumping order is tapered roller bearings ("TRBs") and parts thereof, finished and unfinished, which are flange, take-up cartridge, and hanger units incorporating tapered roller bearings, and tapered roller housings (except pillow blocks), incorporating tapered rollers, with or without spindles, whether or not for automotive use. Products subject to the finding on TRBs, four inches or less in outside diameter (A-588-054) are not included in the scope of this order, except for those manufactured by NTN Corporation. The subject merchandise is currently classifiable under HTS items 8482.20.20, 8482.91.00, 8482.99.30, 8483.20.40, 8483.20.80, 8483.90.20, 8483.90.30, 8483.90.60, and 8484.30.80. While the HTS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

The Department has made two scope rulings with respect to the order. In the first ruling, the Department ruled that green rings which had not been heat-treated are within the scope of the order.<sup>1</sup> The Department also ruled that Koyo's rough forgings, including hot forgings, cold forgings, and tower forgings are within the scope of the order.<sup>2</sup>

**History of the Order**

On August 17, 1987, the Department published its final determination of sales at less than fair value ("LTFV") with respect to TRBs from Japan (52 FR 30700). The Department published the antidumping duty order on October 6, 1987 (52 FR 37352).

Over the life of the order, the Department has conducted several administrative reviews.<sup>3</sup>

<sup>1</sup> See unpublished scope ruling dated May 16, 1989.

<sup>2</sup> See *Final Affirmative Determination in Scope Inquiry on Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof from Japan*, 60 FR 6519 (February 2, 1995).

<sup>3</sup> See *Tapered Roller Bearings, Finished and Unfinished, and Parts Thereof, from Japan; Final Results of Antidumping Duty Administrative Review*, 56 FR 41508 (August 21, 1991); *Tapered Roller Bearings, Finished and Unfinished, and Parts Thereof, from Japan; Final Results of Antidumping Duty Administrative Review*, 57 FR 4951 (February 11, 1992); *Tapered Roller Bearings, and Parts Thereof, Finished and Unfinished, from Japan; Final Results of Antidumping Duty Administrative Review*, 57 FR 4960 (February 11, 1992); as amended, *Tapered Roller Bearings, and Parts Thereof, Finished and Unfinished, from Japan; Amendment to Final Results of Antidumping Duty Administrative Review*, 57 FR 9104 (March 16, 1992); *Final Results of Antidumping Duty*

This sunset review covers imports from all known Japanese producers/exporters.

The Department made a duty absorption finding in the final results of the 1995-96 administrative review.<sup>4</sup>

**Background**

On April 1, 1999, the Department initiated a sunset review of the antidumping order on TRBs from Japan (64 FR 15727), pursuant to section 751(c) of the Act. The Department received notices of intent to participate on behalf of the Timken Company ("Timken") and the Torrington

*Administrative Reviews; Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan*, 58 FR 64720 (December 9, 1993); as amended, *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan*, 59 FR 2594 (January 18, 1994); *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from Japan; Affirmation of the Results of Redetermination Pursuant to Court Remand*, 59 FR 23828 (May 9, 1994); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Revocation Unfinished, from Japan in Part of an Antidumping Finding*, 61 FR 57629 (November 7, 1996); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 2558 (January 15, 1998); as amended, *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 13391 (March 19, 1998); *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan, and Tapered Roller Bearings, Finished and Unfinished, and Parts Thereof, from Japan; Final Court Decisions and Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 17815 (April 10, 1998); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 63 FR 20585 (April 27, 1998); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 63860 (November 17, 1998).

<sup>4</sup> See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 2558 (January 15, 1998).

Company ("Torrington"), American NTN Bearing Manufacturing Corporation ("ANBM") and the NTN Bower Corporation, and Koyo Corporation of the U.S.A.— Manufacturing Division ("KCUM") on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received complete substantive responses on behalf of Timken and Torrington, ANBM and NTN Bower, and KCUM on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i).

Timken and Torrington claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of TRBs. Timken stated that it filed the original petition that led to the antidumping order. In addition, Timken stated that it has participated in all administrative reviews of the order. Torrington, however, stated that it did not participate in the original investigation nor any of the administrative reviews. ANBM and NTN Bower also claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of a domestic like product. Additionally, ANBM and NTN Bower stated that they are related to a foreign producer/exporter and are importers of subject merchandise. ANBM and/or NTN Bower state that they have participated in every administrative review of the order, with the exception of the 1994–95 annual review. KCUM also claimed interested party status under 19 U.S.C. 1677(9)(C) as a U.S. manufacturer of a domestic like product. KCUM stated that it is a division of Koyo Corporation of U.S.A., a wholly-owned subsidiary of Koyo Seiko Co., Ltd., a producer in Japan of subject merchandise and an importer of subject merchandise. Moreover, KCUM stated that it has participated in all administrative reviews conducted by the Department.

On May 3, 1999, the Department received a waiver from Koyo Seiko Corp., Ltd. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this order.

On May 12, 1999, the Department received rebuttal comments from ANBM and NTN Bower and Timken and Torrington.<sup>5</sup>

<sup>5</sup> On May 6, 1999, the Department received and granted a request from Timken and Torrington for a two working-day extension of the deadline for filing rebuttal comments in this sunset review. This extension was granted for all participants eligible to file rebuttal comments in this review. The deadline for filing rebuttals to the substantive comments therefore became May 12, 1999.

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). On August 5, 1999, the Department determined that the sunset review of the antidumping duty order on TRBs from Japan is extraordinarily complicated, and extended the time limit for completion of the final results of this review until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>6</sup>

#### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin 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*

<sup>6</sup> *See Tapered Roller Bearings, 4 Inches and Under From Japan, et al.; Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

section II.A.3). In addition, the Department indicated that normally it will determine that revocation of an antidumping 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 an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In this instant review, the Department received a waiver from Koyo and did not receive a substantive response from any other respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive response, Timken and Torrington argue that revocation of the order on TRBs from Japan would be likely to lead to continuation or recurrence of dumping due, in part, to the fact that there has been continuous dumping of subject TRBs for more than twelve years (*see* May 3, 1999, substantive response of Timken and Torrington at 8). Timken and Torrington further argue that the Asian financial and economic crisis has had the effect of limiting the market for TRBs in Japan and the rest of Asia, leaving Japanese TRB producers with excess capacity and the need to export more than they have in the past, specifically to non-Asian countries. Timken and Torrington maintain that the result of the Asian crisis has been a forty percent increase of exports of TRBs to the U.S. from 1997 to 1998 (*see id.* at 12). Moreover, Timken and Torrington argue that Japanese selling patterns in such non-Asian countries as Canada and Mexico indicate that absent the order, Japanese producers would increase exports to the U.S. by lowering prices. Timken and Torrington conclude that since the Japanese are presently selling in the U.S. at LTFV, even lower prices would mean greater levels of dumping (*see id.* at 13). In sum, Timken and Torrington argue that the consistent history of dumping with the discipline of the order in place, together with the impact of the Asian crisis and Japanese sales activity in other countries demonstrate

that dumping would continue or recur if the order were revoked.

In their substantive response, ANBM and NTN Bower (collectively, "NTN") argue that revocation of the order would have minimal, or no, impact upon the U.S. market for the following reasons. First, they maintain that producers in Japan have invested in production facilities in the U.S. since the imposition of the order, thereby decreasing the need to import subject merchandise from Japan. They further claim that imports from non-subject countries will continue to increase, therefore reducing the competitive threat from the subject country to the U.S. market. Finally, they argue that the U.S. bearing industry is financially secure (see May 3, 1999, substantive response of NTN at 3).

KCUM, in its substantive response, argues that revocation of the antidumping order would not have much of an effect on the U.S. market, prices, or the industry for two reasons. First, KCUM maintains that the U.S. market and the role of imports in the market have changed substantially over the past twenty years, and foreign producers whose imports have been subject to the order have moved substantial production facilities to the U.S. Therefore, KCUM argues, if the order is revoked, KCUM will continue to produce significant quantities of bearings in the U.S. because companies would not abandon their U.S. production facilities solely in response to the revocation of the order. Second, KCUM argues that foreign producers subject to the order have much smaller market shares with limited ability to influence prices in the market. The conclusion KCUM draws is that the TRB market in the U.S. is subject to conditions that affect prices to which the existence or revocation of the antidumping order is irrelevant (see May 3, 1999, substantive response of KCUM at 4-5).

In their rebuttal comments, Timken and Torrington maintain that the existence of manufacturing facilities in the U.S. is not relevant to the likelihood determination because despite the fact that such facilities have been in operation for many years, dumping of subject merchandise from Japan in substantial amounts has continued for many years (see May 12, 1999, rebuttal of Timken and Torrington at 3-4). Timken and Torrington further argue that any significant effect that onshore production was going to have on dumped imports would have demonstrated itself by now (see *id.* at 5). Moreover, Timken and Torrington rebut NTN's assertion that revocation will not

have any effect because non-subject imports of TRBs will increase. Timken and Torrington argue that there is no evidence that, should the order be revoked, NTN or any other Japanese producer would raise its import prices. Timken and Torrington maintain that since Japanese producers currently sell at LTFV prices or lower, there is little likelihood that foreign producers of non-subject merchandise would be able to increase their market share (see *id.* at 5). Finally, Timken and Torrington rebut KCUM's argument that the U.S. market and the role of imports in the market have changed substantially over the past twenty years. Timken and Torrington maintain that since KCUM does not affirm that market conditions will change in any significant way, on the surface, KCUM's assertion supports the proposition that dumping will continue if the order were revoked because dumping occurs at present (see *id.* at 4-5).

NTN, in its rebuttal, argues that Timken and Torrington rely heavily on the assumption that the Asian economic situation will continue as it has for the foreseeable future. NTN, however, states that more recent economic trends indicate that the Japanese, and Asian, economies are on the verge of recovery (see May 12, 1999, rebuttal of NTN at 2). Finally, NTN maintains that Timken and Torrington also heavily rely on the duty absorption rates in arguing likely dumping levels. However, NTN points out that the rates cited by Timken and Torrington, as well as the order of duty absorption itself, are the subject of litigation before the Court of International Trade (see *id.* at 2).

The Department agrees, based on an examination of the final results of administrative reviews, that dumping margins above de minimis levels have continued throughout the life of the order for at least one Japanese producer/exporter.<sup>7</sup> 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 dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. The Department also agrees that imports of the subject merchandise have continued throughout the life of the order. Since the imposition of the order, imports of TRBs from Japan have fluctuated greatly, showing no overall trend.<sup>8</sup>

<sup>7</sup> See footnote 3.

<sup>8</sup> The Department bases this determination on information submitted by Timken and Torrington in its May 3, 1999, submission, as well as U.S. IM146 Reports, U.S. Department of Commerce statistics,

Based on this analysis, the Department finds that the existence of dumping margins after the issuance of the order 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 for at least one known Japan producer/exporter. Therefore, given that dumping has continued over the life of the order and respondent interested parties waived their right to participate in this review before the Department, we determine that dumping is likely to continue or recur if the order were revoked. Whatever relevance the arguments of those parties in support of revocation might have had concerning possible disincentives for producers and/or exporters to dump in the U.S. market, those arguments are mooted by the evidence that dumping continues and has continued over the life of the order.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally 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*.)

In their substantive response, Timken and Torrington suggest that the Department deviate from its general practice of selecting the margins from the original investigation due to the fact that two major Japanese producers were found to be absorbing duties (see May 3, 1999, substantive response of Timken and Torrington at 18). Timken and Torrington also point out that where the Department has found duty absorption, for companies that were absorbing duties, it will report the greater of the margin it would normally report or the most recent margin for that company adjusted to account for the Department's findings on duty absorption (see *id.* at 16 and *Sunset Policy Bulletin*). In sum, Timken and Torrington recommend that

if the Department conducts an expedited review, it should rely on the evidence from the 1995-96 administrative review and forward the margins, as adjusted for duty absorption, for the companies from this review (see *id.* at 17).

NTN, in its substantive response, maintains that the dumping margin likely to prevail if the order were revoked is 0.00 percent. However, NTN alternatively requests that the Department employ margins that were determined during one of the more recent administrative reviews of the subject merchandise (see May 3, 1999, substantive response of NTN at 3-4).

In its substantive response, KCUM states that it cannot predict the likely effect of revocation of the order since the existence of the order does not have much of an effect on the prices at which bearings are sold in the United States, and, hence, on the margins generated on those sales (see May 3, 1999, substantive response of KCUM at 5). Moreover, KCUM argues that fluctuations in the exchange rate between the dollar and the Japanese yen have a significant impact on dumping margins (see *id.* at 6). They argue that the results of past administrative reviews reveal that antidumping margins tend to increase in periods in which the yen appreciates against the dollar and vice versa. As a result, KCUM argues, the margins that would prevail if the order were revoked cannot be determined because they are dependent on an entirely exogenous factor (see *id.* at 6). In any case, KCUM strenuously objects to the use of the margins calculated in the LTFV determination, arguing that the order is hopelessly obsolete and cannot serve as a realistic indicator of the market and pricing conditions that would exist today if the order were revoked (see *id.* at 6). Therefore, KCUM concludes that the Department should use the results of more recent administrative reviews when determining the margins that would exist for Koyo (see *id.* at 7).

As noted above, the Department determined in the final results of the 1995-96 administrative review that two Japanese producers/exporters, Koyo Seiko and NSK, were absorbing duties.<sup>9</sup> Consistent with the statute and the *Sunset Policy Bulletin*, the Department will notify the Commission of its findings regarding duty absorption when conducting a sunset review.

Additionally, the *Sunset Policy Bulletin* refers to the SAA at 885 and the House Report at 60, and provides that where the Department has found duty absorption, the Department normally will report to the Commission the higher of the margin that the Department otherwise would have reported or the most recent margin for that company, adjusted to account for the Department's findings on duty absorption.

In this case, the margins adjusted to account for the Department's duty absorption findings are less than the margins we would otherwise report to the Commission. As such, the Department will report to the Commission the company-specific and "all others" rates from the original investigation as contained in the Final Results of Review section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/ Exporter	Margin (percent)
Koyo Seiko Co., Ltd. ....	70.44
NTN Toyo Bearing Co., Ltd. ....	47.05
All Others .....	47.57

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**  
*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28767 Filed 11-3-99; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**  
**[A-485-602]**

**Final Results of Expedited Sunset Review: Tapered Roller Bearings From Romania**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset review: tapered roller bearings from Romania.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on tapered roller bearings from Romania (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, a waiver) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order 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, DC 20230; telephone: (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was 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*") and 19 CFR Part 351 (1998) in general. 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*").

<sup>9</sup> See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 2558 (January 15, 1998).

### Scope

The merchandise subject to this antidumping duty order is tapered roller bearings and parts thereof ("TRBs") from Romania. These include flange, take-up cartridge, and hanger units incorporating TRBs, and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use.

This merchandise is currently classifiable under the Harmonized Tariff Schedule ("HTS") item numbers 8482.20.00.10, 8482.20.00.20, 8482.20.00.30, 8482.20.00.40, 8482.20.00.50, 8482.20.00.60, 8482.20.00.70, 8482.20.00.80, 8482.91.00.50, 8482.99.15.00, 8482.99.15.40, 8482.99.15.80, 8483.20.40.80, 8483.20.80.80, 8483.30.80.20, 8708.99.80.15, and 8708.99.80.80.<sup>1</sup> The HTS item numbers are provided for convenience and U.S. Customs purposes. The written description remains dispositive.

The Timken Company ("Timken") and the Torrington Company ("Torrington"), in their substantive response, argue that two scope clarifications the Department made with regard to the antidumping order on TRBs, over four inches, from Japan are relevant to this order (see May 3, 1999, Substantive Response of Timken & Torrington at 12). Timken and Torrington argue that since the product description for that order is included in the Romanian order, the two Japanese rulings are relevant to the scope of the Romanian order. In the first ruling, the Department ruled that green rings which had not been heat-treated were within the scope of the order.<sup>2</sup> The Department also ruled that unfinished green forged rings and tower forgings were within the scope of the order.<sup>3</sup>

The Department makes its scope determinations on an order-specific basis. Therefore, we conclude that the two scope clarifications the Department made on the antidumping order on TRBs, over four inches, from Japan cannot be applied to this order.

### History of the Order

The Department, in its final determination of sales at less than fair

<sup>1</sup> Per phone conversation with United States Customs officials, the HTS numbers listed above are those that Customs uses for official duty collection. See memo to file dated June 8, 1999, re. HTS numbers for TRBs.

<sup>2</sup> See unpublished scope ruling dated May 16, 1989.

<sup>3</sup> See *Final Affirmative Determination In Scope Inquiry on Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof from Japan*, 60 FR 6519 (February 2, 1995).

value ("LTFV"), published a country-wide weighted-average dumping margin for Romania (52 FR 17433, May 8, 1987). The antidumping duty order on TRBs from Romania was published in the *Federal Register* on June 19, 1987 (52 FR 23320). Since that time, the Department has conducted several administrative reviews.<sup>4</sup> This sunset review covers imports from all known Romanian producers/exporters. To date, the Department has issued no duty absorption findings in this case.

### Background

On April 1, 1999, the Department initiated a sunset review of the antidumping order on TRBs from Romania (64 FR 15727), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of Timken and Torrington on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received a complete substantive response from Timken and Torrington on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* in section 351.218(d)(3)(i). Both Timken and Torrington claimed interested party status pursuant to section 771(9)(C) of the Act as U.S. manufacturers of TRBs. In addition, Timken stated that it participated in the original investigation and all administrative reviews of the order. Torrington, on the other hand, stated that it did not participate in the original investigation. On May 3, 1999, we received a waiver of participation from one respondent interested party to this proceeding, Tehnoimportexport S.A. As a result, pursuant to section 351.218(e)(1)(ii)(C) of the *Sunset Regulations*, the Department determined to conduct an expedited, 120-day, review of this order.

<sup>4</sup> See *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 56 FR 1169 (January 11, 1991); as amended, *Tapered Roller Bearings from Romania; Amended Final Results of Antidumping Duty Administrative Review*, 57 FR 29288 (July 1, 1992); *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 56 FR 41518 (August 21, 1991); *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 61 FR 51427 (October 2, 1996); as amended, *Tapered Roller Bearings from Romania; Amended Final Results of Antidumping Duty Administrative Review*, 61 FR 59416 (November 22, 1996); *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 62 FR 37194 (July 11, 1997); *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 62 FR 31075 (June 6, 1997); and *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 63 FR 36390 (July 6, 1998).

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). On August 5, 1999, the Department determined that the sunset review of the antidumping duty order on TRBs from Romania is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>5</sup>

### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin 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

<sup>5</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et al.; Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping 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 of the *Sunset Policy Bulletin*).

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 an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did receive a waiver of participation from one respondent interested party and did not receive a response from any other respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive response, Timken and Torrington argue that revocation of the order on TRBs from Romania would be likely to lead to continuation or recurrence of dumping due to the fact that dumping margins above *de minimis* have been calculated after the issuance of the order. Timken and Torrington argue that the zero margins determined in the 1988–89 and 1993–94 reviews are not representative of the behavior of Romanian producers of TRBs because Romania lost its most-favored-nation (MFN) status from 1989–1993 (see May 3, 1999, Substantive Response of Timken & Torrington at 7–8). During that time, imports declined sharply. Whenever there have been significant imports of TRBs from Romania, argue Timken and Torrington, they have been sold at less than fair value (see *id.* at 8).

Timken and Torrington further assert that one major Japanese producer of TRBs, Koyo Seiko, has majority ownership of one of the Romanian bearing companies, Rulmenti Alexandria. Timken and Torrington suggest that since Koyo Seiko has a history of exporting TRBs from Japan to the U.S. at less than fair value, Koyo will not hesitate to sell its Romanian products at less than fair value, given the opportunity (see *id.* at 9).

With respect to whether imports of the subject merchandise ceased immediately following the issuance of the order, Timken and Torrington do

not provide any information in their substantive response. They do, however, maintain that in the years during which Romania lost its MFN status (1989–93), imports declined significantly (see *id.* at 8).

In sum, Timken and Torrington maintain that Romania's focus on exports, history of sales in the U.S., the continuing importance of the U.S. market, and enhanced corporate resources provide Romanian producers with incentives to dump the subject merchandise in the U.S. if the order is revoked (see *id.* at 9). They conclude that the Department should determine that there is a likelihood that dumping would continue or recur if the order is revoked because above *de minimis* margins have existed throughout the life of the order.

The Department agrees, based on an examination of the final results of administrative reviews, that dumping margins above *de minimis* levels, with the exception of one country-wide margin of zero<sup>6</sup> and one company-specific margin of zero,<sup>7</sup> have continued throughout the life of the order.<sup>8</sup> Currently, dumping margins above *de minimis* exist on both a country-wide and company-specific basis. 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 dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed.

With respect to import levels, the Department agrees that imports of the subject merchandise decreased in 1988, the year following the imposition of the order. However, since that time, imports of TRBs from Romania have fluctuated greatly, showing no overall trend.<sup>9</sup>

Based on this analysis, the Department finds that the existence of dumping margins after the issuance of the order 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 for at least one known Romanian producer/exporter. Given that dumping has

continued over the life of the order and respondent interested parties waived their right to participate in this review before the Department, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue or recur if the order were revoked.

Because the Department based this determination on the continued existence of margins above *de minimis* and respondent interested parties' waiver of participation, it is not necessary to address Timken and Torrington's arguments concerning the Japanese bearing producer's ownership of one Romanian company.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally 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*.)

As noted above, the Department, in its final determination of sales at LTFV, published a country-wide weighted-average dumping margin for Romania (52 FR 17433, May 8, 1987). To date, the Department has not made any duty absorption findings in this case.

In their substantive response, Timken and Torrington suggest that if economic conditions in Romania were normal, the Department should forward to the Commission the margin from the original investigation. However, they suggest that the Department deviate from its general practice of selecting the margin from the original investigation. They argue that the current economic conditions in Romania are not "normal" conditions, and therefore, these abnormal circumstances warrant the use of a newly-calculated margin. They elaborate on their argument by stating that the Romanian economy is in a state of flux, such that industries, including the bearing industries, are undergoing significant change and responding to constantly changing circumstances (see May 3, 1999, Substantive Response of Timken & Torrington at 10–11). They suggest that Koyo Seiko's twenty-five year history of dumping, at an average

<sup>6</sup> See *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 62 FR 31075 (June 6, 1997).

<sup>7</sup> See *Tapered Roller Bearings from Romania; Final Results of Antidumping Duty Administrative Review*, 56 FR 41518 (August 21, 1991).

<sup>8</sup> See footnote 4.

<sup>9</sup> The Department bases this determination on information submitted by Timken and Torrington in their May 3, 1999, submission, as well as U.S. IM146 Reports, U.S. Department of Commerce statistics, U.S. Department of Treasury statistics, and information obtained from the U.S. International Trade Commission.

margin above 25 percent, coupled with its majority ownership of Rulmenti Alexandria, makes it reasonable to conclude that this company would export TRBs to the United States with dumping margins significantly higher than the original Romania rate. Finally, they note that per kilogram values of Romanian exports of the subject merchandise dropped by over 25 percent between the 1994-95 and 1998-99 review periods (see *id.* at 11-12). In conclusion, Timken and Torrington urge the Department to identify a margin, based on the most recent data available, other than the calculated one for forwarding to the Commission (see *id.* at 11).

As noted in the *Sunset Regulations* and *Sunset Policy Bulletin*, only under the most extraordinary circumstances will the Department rely on dumping margins other than those it calculated and published in its prior determinations. The *Sunset Regulations*, at section 351.218(e)(2)(i), explain that "extraordinary circumstances" may be considered by the Department in the context of a full sunset review, where the substantive response from both domestic and respondent interested parties are adequate. In this case, however, the Department determined to conduct an expedited review because of a waiver of participation from respondent interested parties.

Further, we are not persuaded that calculation of a new margin is appropriate based on the assertions by Timken and Torrington concerning the state of the Romanian economy, alleged changes in the Romanian bearings industry, Koyo Seiko's ownership of one of the Romanian companies, and whether per kilogram values of exports to the United States have radically declined.

As explained above, the Department may consider the calculation of new margins only in full reviews. However, even if the Department had determined to conduct a full review of this order, Timken's and Torrington's assertions do not give rise to extraordinary circumstances that would warrant the calculation of a new dumping margin.

Therefore, consistent with the *Sunset Policy Bulletin*, the Department determines that the margin calculated in the original investigation is probative of the behavior of Romanian producers/exporters if the order were revoked as it is the only rate that reflects the behavior of these producers and exporters without the discipline of the order. As such, the Department will report to the Commission the country-wide rate from the original investigation as contained

in the Final Results of Review section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margin listed below:

Manufacturer/ Exporter	Margin (percent)
Country-wide rate .....	8.70

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**  
*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28768 Filed 11-3-99; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**  
**[A-437-601]**

**Final Results of Expedited Sunset Review: Tapered Roller Bearings From Hungary**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset review: Tapered roller bearings from Hungary.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping order on tapered roller bearings from Hungary (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department

determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping order 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, DC 20230; telephone: (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was 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*") and 19 CFR Part 351 (1998) in general. 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 products covered by this review are tapered roller bearings ("TRBs"), finished and unfinished, from Hungary. This merchandise includes tapered roller bearings and parts thereof, flange, take-up cartridge, and hanger units incorporating tapered roller bearings and tapered roller housings (excluding pillow block) incorporating tapered rollers, with or without spindles, whether or not for automotive use.

The Timken Company ("Timken") and the Torrington Company ("Torrington"), in their substantive response, argue that two scope clarifications the Department made with regard to the antidumping order on TRBs, over four inches, from Japan are relevant to this order (see May 3, 1999, Substantive Response of Timken & Torrington at 12). Timken and Torrington argue that since the product description for that order is included in the Hungarian order, the two Japanese rulings are relevant to the scope of the Hungarian order. In the first ruling, the

Department ruled that green rings which had not been heat-treated were within the scope of the order.<sup>1</sup> The Department also ruled that unfinished green forged rings and tower forgings were within the scope of the order.<sup>2</sup>

The Department makes its scope determinations on an order-specific basis. Therefore, we conclude that the two scope clarifications the Department made on the antidumping order on TRBs, over four inches, from Japan cannot be applied to this order.

Tapered roller bearings are currently classified under the following item numbers of the Harmonized Tariff Schedule ("HTS") of the United States: 8482.20.00.10, 8482.20.00.20, 8482.20.00.30, 8482.20.00.40, 8482.20.00.50, 8482.20.00.60, 8482.20.00.70, 8482.20.00.80, 8483.20.40.80, 8483.20.80.80, 8483.30.80.20, 8482.91.00.50, 8482.99.15.00, 8482.99.15.40, 8482.99.15.80, 8708.99.80.15, and 8708.99.80.80.<sup>3</sup> The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

#### History of the Order

The Department, in its final determination of sales at less than fair value ("LTFV"), published a country-wide weighted-average dumping margin for all exports from Hungary of 7.42 percent *ad valorem*.<sup>4</sup> The antidumping duty order on TRBs was published in the **Federal Register** on June 19, 1987, and, in the order, the dumping margins that were found in the final determination were confirmed. Since the imposition of this order, the Department has conducted four administrative reviews.<sup>5</sup> The order

remains in effect for all manufacturers and exporters of the subject merchandise. To date, the Department has issued no duty absorption findings in this case.

This review covers all producers and exporters of TRBs from Hungary.

#### Background

On April 1, 1999, the Department initiated a sunset review of the antidumping order on TRBs from Hungary (64 FR 15727), pursuant to section 751(c) of the Act. The Department received a notice of intent to participate on behalf of Timken and Torrington (collectively "the domestic parties") on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We then received a complete substantive response from the domestic parties on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). The domestic parties claimed interested party status under section 771(9)(C) of the Act as U.S. manufacturers of TRBs. Timken stated that it was the petitioner in the original LTFV investigation and has participated in all of the subsequent reviews of this order. Torrington stated that it has not participated in any of the proceedings before the Department regarding this order, but that it supports preservation of this order and will participate in this proceeding. We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this order.

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). Therefore, on August 5, 1999, the Department determined that the sunset review of the antidumping duty order on TRBs from Hungary is extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>6</sup>

41819); and *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the Republic of Hungary; Final Results of Antidumping Duty Administrative Review*, September 13, 1993 (58 FR 47861).

<sup>6</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et al.; Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

#### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin 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 normally it will determine that revocation of an antidumping 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 an order would be likely

<sup>1</sup> See unpublished scope ruling dated May 16, 1989.

<sup>2</sup> See *Final Affirmative Determination in Scope Inquiry on Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof from Japan*, 60 FR 6519 (February 2, 1995).

<sup>3</sup> Per phone conversation with United States Customs officials, the HTS numbers listed above are those that customs uses for official duty collection. See Memorandum to File regarding HTS numbers for tapered roller bearings, dated June 8, 1999.

<sup>4</sup> See *Final Determination of Sales at Less Than Fair Value; Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the Hungarian People's Republic*, 52 FR 17428 (May 8, 1987).

<sup>5</sup> See *Final Results of Antidumping Duty Administrative Review; Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the Republic of Hungary*, May 22, 1990 (55 FR 21066); *Final Results of Antidumping Duty Administrative Review; Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the Republic of Hungary*, November 19, 1990 (55 FR 48146); *Final Results of Antidumping Duty Administrative Review; Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the Republic of Hungary*, August 23, 1991 (56 FR

to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In this instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive response, the domestic parties argue that revocation of the order will likely lead to continuation or recurrence of dumping of TRBs from Hungary. Citing the SAA at 889, the domestic parties argue that the continued existence of dumping margins above *de minimis* over the life of the order is indicative of the fact that foreign producers would have to dump in order to compete in the U.S. market. The domestic parties argue that dumping margins above *de minimis* levels have been in existence throughout the entire life of the order on TRBs from Hungary and, therefore, dumping would likely continue if the order were revoked (see May 3, 1999, Substantive Response of the domestic parties at 7).

With respect to whether imports of the subject merchandise declined significantly or ceased after the issuance of the order, the domestic parties maintain that imports of TRBs began to decline with the succession of confirmed dumping determinations in November 1990 and August 1991. The domestic parties assert that these determinations resulted in a decline in imports of TRBs from \$1.8 million in 1992 to less than \$400,000 in 1993, with import volumes falling from over 5 million units in 1992 to less than 1 million units. Moreover, they argue that import volumes of TRBs from Hungary have remained at low levels since 1993. The domestic parties argue that, while in the years immediately following the imposition of the order, from 1988 to 1991, import volumes remained high and even increased in 1988, the year immediately following the order, the low level of imports that has existed since 1993 is probative of the fact that Hungarian producers/exporters are unable to sell at high volumes in the U.S. without dumping (see *id.* at 8-9).

In addition to arguments regarding dumping margins and import volumes, the domestic parties also argue that there are other outside pressures on Hungarian producers and exporters that would lead to continuation or recurrence of dumping of TRBs from Hungary if the order were revoked. Specifically, the domestic parties argue that since most of the TRBs produced in Hungary are exported and Hungary has limited export markets, it is likely that

TRBs from Hungary would be dumped in the U.S. market. Additionally, the domestic parties assert that it is likely that dumping would continue or recur if the order were to be revoked because of the openness of the U.S. market and because the current low level of imports of TRBs from Hungary is due primarily to the existence of the antidumping duty order, rather than any changes in the market for this product (see *id.* at 9-10).

In conclusion, the domestic parties argue that the Department should determine that there is a likelihood that dumping of imports of TRBs from Hungary would continue or recur if the antidumping duty order were revoked. The domestic parties argue that the continued existence of dumping margins above *de minimis* over the life of the order, the decline in import volumes following imposition of the order, and the accessibility of the U.S. market compared to other countries indicate that dumping of TRBs from Hungary is likely to continue or recur if the order were revoked.

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 dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. Since the imposition of the antidumping duty order in 1987, dumping margins above *de minimis* have been in existence for all producers and exporters of TRBs from Hungary.

With respect to whether imports of the subject merchandise declined significantly or ceased after the imposition of the order, it is evident from the data provided by the domestic parties, and confirmed by the Department using U.S. Census Bureau IM146s, that imports did not cease or decline significantly immediately following the imposition of the order. While imports of TRBs from Hungary have decreased over the life of the order, recently declining to minimal levels, in the years immediately following the order, imports remained fairly constant. The domestic parties recognize this fact, as stated in their response, that Hungarian exports did not immediately decline after the imposition of the order (see May 3, 1999, Substantive Response of the domestic parties at 8). Therefore, the Department determines that, while imports did not decline immediately following the imposition of the order, they have fallen over the life of the order.

According to the *Sunset Policy Bulletin*, the Department will normally find that revocation of the antidumping

duty order will likely lead to continuation or recurrence of dumping where dumping margins continued at any level after the issuance of the order or where dumping was eliminated after the issuance of the order and import volumes of the subject merchandise declined significantly. (See *Sunset Policy Bulletin* at section II.A.3.) Therefore, given the continued existence of dumping margins, as well as the fact that respondent parties waived participation, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue or recur if the order 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*.)

The Department, in its final determination of sales at LTFV, published a weighted-average country-wide dumping margin of 7.42 percent for all producers/exporters of TRBs from Hungary (55 FR 21066, May 22, 1987). Since the original investigation, as noted above, there have been four administrative reviews of this order.

The domestic parties, in their substantive response, citing the *Sunset Policy Bulletin*, argue that, absent a finding of unusual circumstances, the Department should suggest to the Commission the country-wide rate from the original investigation as the rate that is likely to prevail if the order were to be revoked. However, the domestic parties argue that the Department should find that unusual circumstances exist in Hungary and, on that basis, should calculate a new rate to provide to the Commission. The domestic parties argue that the economic conditions in Hungary are not "normal" conditions since the Hungarian economy is in the process of changing from a state-run economy to a free-market economy. Because of this change, the domestic parties argue that more recent information is more likely

to be accurate than older information based on economic conditions that no longer exist. Therefore, it is the opinion of the domestic parties that a newly calculated dumping margin based on exports of Hungarian TRBs to the European Union should be used to determine a new rate. Without explanation, the domestic parties project the new dumping margin to be 45.96 percent (see May 3, 1999, Substantive Response of the domestic parties at 11-12).

As noted in the *Sunset Regulations* and *Sunset Policy Bulletin*, only under the most extraordinary circumstances will the Department rely on dumping margins other than those it calculated and published in its prior determinations. The *Sunset Regulations* at 19 CFR 351.218(e)(2)(i) explain that "extraordinary circumstances" may be considered by the Department in the context of a full sunset review, where the substantive response from both domestic and respondent interested parties are adequate. In this case, however, the Department determined to conduct an expedited review because respondent interested parties waived participation. While only in full reviews will the Department consider the calculation of new margins, it must be further noted that even if the Department had determined to conduct a full review of this order, we are not persuaded by the evidence presented by the domestic parties that such extraordinary circumstances exist in this case as to warrant the calculation of a new dumping margin.

Further, we are not persuaded that calculation of a new margin is appropriate based on the assertions by the domestic parties concerning the state of the Hungarian economy, alleged changes in the Hungarian bearings industry, and the accessibility of the U.S. market for Hungarian producers/exporters.

Therefore, consistent with the *Sunset Policy Bulletin*, the Department determines that the margin calculated in the original investigation is probative of the behavior of Hungarian producers/exporters if the order were revoked as it is the only rate that reflects the behavior of these producers and exporters without the discipline of the order. As such, the Department will report to the Commission the country-wide rate from the original investigation as contained in the Final Results of Review section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping order would likely lead to

continuation or recurrence of dumping at the margins listed below.

Manufacturer/ Exporter	Margin (percent)
Country-wide rate .....	7.42

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**  
*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28769 Filed 11-3-99; 8:45 am]

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-588-804]

**Final Results of Expedited Sunset Reviews: Antifriction Bearings From Japan**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset reviews: antifriction bearings from Japan.

**SUMMARY:** On April 1, 1999, the U.S. Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on ball bearings ("BBs"), cylindrical roller bearings ("CRBs"), and spherical plain bearings ("SPBs") (collectively, antifriction bearings) from Japan pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and inadequate response from respondent interested parties in each of these reviews, the Department conducted expedited sunset 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 Result of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:** Scott E. Smith 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) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 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"), and 19 CFR 351(1998) in general. 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 products covered by these orders, antifriction bearings (other than tapered roller bearings), mounted or unmounted, and parts thereof (AFBs), constitute the following three types of subject merchandise:

**Ball Bearings and Parts Thereof:** These products include all AFBs that employ balls as the roller element. Imports of these products are classified under the following categories: antifriction balls, ball bearings with integral shafts, ball bearings (including radial ball bearings) and parts thereof, and housed or mounted ball bearing units and parts thereof. Imports of these products are classified under the following Harmonized Tariff Schedule (HTS) subheadings: 3926.90.45, 4016.93.00, 4016.93.10, 4016.93.50, 6909.19.5010, 8431.20.00, 8431.39.0010, 8482.10.10, 8482.10.50, 8482.80.00, 8482.91.00, 8482.99.05, 8482.99.35, 8482.99.2580, 8482.99.6595, 8483.20.40, 8483.20.80, 8483.50.8040, 8483.50.90, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.60.80, 8708.70.6060, 8708.70.8050, 8708.93.30, 8708.93.5000, 8708.93.6000, 8708.93.75, 8708.99.06, 8708.99.31, 8708.99.4960,

8708.99.50, 8708.99.5800, 8708.99.8080, 8803.10.00, 8803.20.00, 8803.30.00, 8803.90.30, and 8803.90.90.

*Cylindrical Roller Bearings, Mounted or Unmounted, and Parts Thereof:*

These products include all AFBs that employ cylindrical rollers as the rolling element. Imports of these products are classified under the following categories: antifriction rollers, all cylindrical roller bearings (including split cylindrical roller bearings) and parts thereof, housed or mounted cylindrical roller bearing units and parts thereof. Imports of these products are classified under the following HTS subheadings: 3926.90.45, 4016.93.00, 4016.93.10, 4016.93.50, 6909.19.5010, 8431.20.00, 8431.39.0010, 8482.40.00, 8482.50.00, 8482.80.00, 8482.91.00, 8482.99.25, 8482.99.35, 8482.99.6530, 8482.99.6560, 8482.99.70, 8483.20.40, 8483.20.80, 8483.50.8040, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.93.5000, 8708.99.4000, 8708.99.4960, 8708.99.50, 8708.99.8080, 8803.10.00, 8803.20.00, 8803.30.00, 8803.90.30, and 8803.90.90.

*Spherical Plain Bearings, Mounted or Unmounted, and Parts Thereof:*

These products include all spherical plain bearings that employ a spherically shaped sliding element and include spherical plain rod ends. Imports of these products are classified under the following HTS subheadings: 3926.90.45, 4016.93.00, 4016.93.10, 4016.93.50, 6909.50.10, 8483.30.80, 8483.90.30, 8485.90.00, 8708.93.5000, 8708.99.50, 8803.10.00, 8803.10.00, 8803.20.00, 8803.30.00, and 8803.90.90.

The Department notes that the HTS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive. Furthermore, we note that the size or precision grade of a bearing does not influence whether the bearing is covered by the orders. These orders cover all the subject bearings and parts thereof (inner race, outer race, cage, rollers, balls, seals, shields, etc.) outlined above with certain limitations. With regard to finished parts, all such parts are included in the scope of these orders. For unfinished parts, such parts are included if (1) they have been heat-treated, or (2) heat treatment is not required to be performed on the part. Thus, the only unfinished parts that are not covered by these orders are those that will be subject to heat treatment after importation.

The ultimate application of a bearing also does not influence whether the bearing is covered by the orders. Bearings designed for highly specialized applications are not excluded. Any of

the subject bearings, regardless of whether they may ultimately be utilized in aircraft, automobiles, or other equipment, are within the scopes of these orders.<sup>1</sup>

### History of the Orders

The Department published its less-than-fair-value ("LTFV") determination of antifriction bearings from Japan on May 3, 1989.<sup>2</sup> In this determination, the Department published the following weighted-average dumping margins for these companies with respect to BBs: 73.55 for Koyo; 106.61 for Minebea; 48.69 for Nachi; 42.99 for NSK; 21.36 for NTN; and 45.83 for all other producers and/or exporters. The Department also published the following weighted-average dumping margins for these companies with respect to CRBs: 51.21 for Koyo; 4.00 for Nachi; 12.28 for NSK; 9.30 for NTN; and 25.80 for all other producers and/or exporters. In addition, the Department published the following weighted-average dumping margins for these companies with respect to SPBs: 84.26 for Minebea; 92.00 for NTN; and 84.33 for all other producers and/or exporters. Since that time, the Department has conducted nine administrative reviews.<sup>3</sup> With respect to

<sup>1</sup> There have been a number of clarifications to the scopes of these orders. For a complete listing, see Appendix A.

<sup>2</sup> See *Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Japan*, 54 FR 19101 (May 3, 1989).

<sup>3</sup> See *Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Japan*, 54 FR 19101 (May 3, 1989); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Japan; Final Results of Antidumping Duty Administrative Reviews*, 56 FR 31754 (July 11, 1991); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany; et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 32755 (June 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France; et al.; Final Results of Antidumping Duty Administrative Reviews*, 57 FR 28360 (June 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Sweden, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 59080 (December 14, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 8908 (February 23, 1998); *Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 58 FR 39729 (July 26, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 58 FR 42288 (August 9, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Japan; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 59 FR

duty absorption, the Department issued duty absorption findings in the 1995-1996 and 1997-1998 administrative reviews.<sup>4</sup>

### Background

On April 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on AFBs from Japan, pursuant to section 751(c) of the Act. By April 16, 1999, within the deadline specified in section

9469 (February 28, 1994); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 18877 (April 16, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders*, 60 FR 10900 (February 28, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Japan and Germany; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 60 FR 10967 (February 28, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Japan; Amended Final Results of Antidumping Duty Administrative Review*, 60 FR 65264 (December 19, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 66472 (December 17, 1996); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany, Italy, Japan, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 3003 (January 21, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 2081 (January 15, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, and Singapore; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 14391 (March 26, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Japan and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 45795 (August 29, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore; Sweden and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 61963 (November 20, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 33320 (June 18, 1998); *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

<sup>4</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

351.218(d)(1)(i) of the *Sunset Regulation*, we received notices of intent to participate from the following: Link-Belt Bearing Division ("Link-Belt"); The Torrington Company ("Torrington") and MPB Corporation ("MPB"); Koyo Corporation of U.S.A.—Manufacturing Division ("KCUM"); NTN Bearing Corporation of America ("NBCA"), American NTN Bearing Manufacturing Corporation ("ANBM") and NTN-BCA Corporation ("NTN-BCA") (collectively ("NTN")); Roller Bearing Company of America, Inc. ("RBC"); New Hampshire Ball Bearings, Inc. ("NHBB"), and NSK Corporation. Each of these parties claimed status as domestic interested parties on the basis that they are a domestic producer, manufacturer, or wholesaler of one or more of the products subject to these orders.<sup>5</sup>

Within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i), on May 3, 1999, the Department received complete substantive responses from each of these domestic interested parties, with the exception of Link-Belt. In addition, Koyo Seiko Corp. Ltd., and Koyo Corporation of the U.S.A. (collectively "Koyo") notified the Department that they would not file a substantive response in the reviews of the AFB orders. Finally, we received a complete substantive response on behalf of Nippon Pillow Block Manufacturing Company Limited, Nippon Pillow Block Sales Company Limited, and FYH Bearing Units USA, Inc. (collectively "Nippon Pillow Block"). Nippon Pillow Block asserts that it is a foreign manufacturer and exporter of BBs and is, therefore, an interested party within the meaning of section 771(9)(A) of the Act. We received rebuttal comments from Torrington and MPB (collectively "the companies") and from NTN on May 12, 1999, within the deadline.

On May 21, 1999, we informed the International Trade Commission ("Commission") that, on the basis of inadequate response from respondent interested parties, we were conducting expedited sunset reviews of these orders consistent with 19 CFR

351.218(e)(1)(ii)(C)(2). (See Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

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). Therefore, on August 5, 1999, the Department determined that the sunset reviews of the antidumping duty orders on AFBs from Japan are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>6</sup>

#### 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 this determination, the Department shall consider the weighted-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 duty order. Pursuant to section 752(c)(3) of the Act, the Department shall provide to the Commission the magnitude of the margin likely to prevail if the order is revoked.

The Department's determinations concerning adequacy, continuation or recurrence of dumping, and magnitude of the margin are discussed below. In addition, the parties' comments with respect to adequacy, the continuation or recurrence of dumping, and the magnitude of the margin are addressed within the respective sections below.

#### Adequacy

As noted above, we notified the Commission that we intended to conduct expedited reviews of these orders. On June 10, 1999, we received comments on behalf of MPB and Torrington supporting our determination to conduct expedited reviews. NHBB and NSK Corporation also submitted comments on whether expedited sunsets review were warranted. In their submissions, both parties assert that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the orders. These parties also offered new argument regarding the likely effect of revocation of the orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy

of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic interested party would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that, if there is *no* domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at Rep. No. 103-412 at 46 (2nd Session)) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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 basis 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 normally it 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

<sup>5</sup> Torrington, RBC, and NHBB filed with respect to BBs, CRBs, and SPBs. Link-Belt, MPB, and NTN filed with respect to BBs and CRBs. KCUM and NSK filed with respect to BBs only.

<sup>6</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et. al.: Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

subject merchandise declined significantly (see section II.A.3).

In their substantive response, Torrington and MPB argue that revocation of the antidumping duty orders on the subject merchandise would be likely to lead to continuation of dumping. They base this conclusion on the fact that dumping continued at levels above *de minimis* levels after the issuance of the orders. RBC also argues that given that dumping margins continue to exist after the issuance of the orders, the Department must conclude that dumping would be likely to continue or recur if the orders were revoked. Torrington and MPB also assert that an examination of import volumes is not necessary because dumping continued. Using pre- and post-order statistics for complete unmounted BBs, which Torrington and MPB assert is the only category for which statistics are available on a consistent basis, they nonetheless argue that post-order declines in import volume provide strong additional support for a determination the dumping is likely to continue or recur were the orders revoked. In conclusion, Torrington and MPB assert that no "good cause" exists to consider other factors, such as sales below the cost of production. However, if the Department were to consider other factors, it should acknowledge that, in each review period, it has found that home market sales by Japanese producers were below the cost of production, requiring that such sales be disregarded for purposes of determining foreign market value or normal value.

NHBB and NSK Corporation assert that revocation of the orders is not likely to result in continuation or recurrence of dumping. NHBB bases its assertion on the fact that dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part. NSK Corporation appears to support its assertion on the basis that the margin of dumping would be no higher than the margin found in the most recent administrative review (*i.e.*, 2.30 percent). KCUM and NTN argue that revocation of the antidumping duty orders would not be likely to have much of an effect on the U.S. market, prices, or the industry, or would it result in no or minimal impact upon the U.S. market. In addition, the respondent interested party in the review of Bbs, Nippon Pillow Block, asserts that revocation of the order would have minimal or *de minimis* effects on the BB market in the United States and the operations of the domestic producers. Further, Nippon Pillow Block argues that dumping would not be likely to

continue or resume, although it also suggests that, if the order were revoked, the antidumping duty margin likely to prevail is 2.30 percent.

In their rebuttal comment, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Further, citing to Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances Countervailing Duty Review and Revocation of Countervailing Duty Order, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the order. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which, in these reviews, they have not done.

In its rebuttal comments, NTN argues that the factors discussed in Torrington's, MPB's, and RBC's responses do not indicate that revocation of the orders would be likely to lead to the continuation or recurrence of dumping. NTN asserts that the inclusion by RBC of margins from companies which do not currently ship to the United States and which have not been the subject of recent reviews is distortive of the current situation. Further, NTN asserts that the responses rely heavily on duty absorption determinations that are the subject of litigation before the Court of International Trade.

As discussed in section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence of dumping. 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 of the order were removed. Thus, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the investigation and subsequent administrative reviews and the volume of imports. Whatever relevance the arguments of NHBB, NSK Corporation, KCUM, and NTN concerning possible disincentives for producers and/or exporters to dump in the U.S. market

might have had is mooted by the evidence that dumping continues and has continued over the lives of the orders.

In the instant proceedings, dumping margins above *de minimis* continue to exist with respect to each of the orders. Therefore, given that dumping has continued over the life of the orders, the Department determines that dumping is likely to continue if the orders were revoked. Because we have based this determination on the fact that dumping continued at levels above *de minimis*, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause," nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that, consistent with the SAA and House Report, the Department will normally provide to the Commission a margin from the investigation because that is the only calculated rate that reflects the behavior or exporters without the discipline of an order in place. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department will normally 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.)

In their substantive response, Torrington and MPB argue that the margins that are likely to prevail should the orders be revoked are the dumping margins found for each company in the original investigation (as opposed to margins calculated in succeeding annual administrative reviews), including margins based on best information available, except where the most current margin, increased by the Department's duty absorption determination, exceeds the original investigation margin. With respect to BBs, RBC argues that the margins from the original investigation are the margins likely to prevail were the order revoked.

NHBB argues that the dumping margins likely to prevail if the orders were revoked are *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In

addition, NHBB argues that the Department should not report margins from the original investigation, asserting that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB also asserts that one such instance is where, as in the AFB cases, dumping margins have declined over the lives of the orders and imports have remained steady or increased. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and would be contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Similarly, NSK Corporation argues that the margins likely to prevail are *de minimis*. As support, NSK Corporation argues that, were the orders not in existence, the Department would apply the average-to-average methodology used in an investigation as opposed to the transaction-to-average methodology common to administrative reviews to measure the extent of any dumping. In such a case, NSK Corporation states that it believes any margin found would be below the two percent *de minimis* level applicable in investigations. NSK Corporation argues that further that the Department's unorthodox approach during the original investigation, plus the liberal use of best information available, skewed the results of the original investigation seriously, rendering those results inappropriate indicators of the magnitude of the margin likely to prevail were the orders revoked. Finally, NSK Corporation also argues that dumping margins have declined over time with respect to importations of BBs while, at the same time, importations have remained at or around 20 percent of the U.S. market. As support, it cites to *The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements*, USITC Pub. 2900, Inv. No. 332-334, at 14-26-14-31 (June 1995).

KCUM argues that it cannot predict the effect revocation would have on the margins because the existence of the orders does not have much of an effect on prices. Further, KCUM states that any likely margins are dependent on an entirely exogenous factor, such as the fluctuation in the exchange rate between the dollar and the Japanese yen. KCUM asserts that the Department cannot rely on the margins from the original investigation as (1) the final determinations were almost 10 years ago

and thus are far too old to serve as realistic indicators, and (2) Koyo's rate was based in large part on best information available and thus is enormously inflated when compared to actual margins from administrative reviews. KCUM argues that, therefore, the Department must use the results of more recent administrative reviews to determine the margins likely to prevail for Koyo.

NTN argues that, were the orders revoked, the dumping margins that would likely prevail would be zero percent. In the alternative, NTN requests that the Department employ margins that were determined during the more recent administrative reviews.

Nippon Pillow Block argues that, in cases where imports have increased and the magnitude of dumping has declined since the imposition of the order, as is the case with respect to exports of BBs by Nippon Pillow Block, consistent with the Sunset Policy Bulletin the Department should find that a dumping margin no higher than the margin found in the most recent review is likely to prevail. Therefore, Nippon Pillow Block suggests that the magnitude of the margin likely to prevail with respect to its exports if the order on BBs were revoked is the 2.30 percent margin from the administrative review covering May 1, 1996, through April 30, 1997.

In their rebuttal comments, Torrington and MPB argue that other parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail and ignore the Department's duty absorption findings. Citing to the Sunset Policy Bulletin, Torrington and MPB argue that the Department's policies are clear—normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order and rejection of margins from administrative reviews in which the Department found duty absorption. Torrington and MPB argue that the two percent *de minimis* standard is not applicable to sunset reviews. Further, they contend that there is no authority which would authorize or justify the rejection of the investigation rates on the basis of the particular methodology used at the time of the investigation. Additionally, they argue that, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, Torrington and MPB argue that it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided, the

Department should not accept these assertions. In fact, imports of certain BBs have actually declined since the imposition of the order.

In their rebuttal comments NTN asserts that the inclusion by RBC of margins from companies which do not currently ship to the United States and which have not been the subject of recent reviews is distortive of the current situation. Further, NTN asserts that the responses rely heavily on duty absorption determinations that are the subject of litigation before the Court of International Trade.

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above, exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations.

With respect to NSK's argument concerning the magnitude of the margin likely to prevail, we disagree. As discussed above, we do find that there is a likelihood of continuation or recurrence of dumping. Furthermore, we find the level of dumping likely to prevail is best reflected by our dumping margins calculated in the original investigations. Specifically, the Department finds that there is no basis to reject margins calculated in an investigation because of subsequent changes in methodology. Such changes do not invalidate margins calculated under the prior methodology. Therefore, the dumping margins from the original investigation are the only rates which reflect the behavior of exporters without the discipline of the order, regardless of the methodology used to calculate that margin or the use of best information available (see section 752(c)(3) of the Act).

With respect to NHBB's argument concerning the dumping margin likely to prevail, the Department disagrees. First, NHBB claims that dumping margins have declined over the lives of the orders and imports have remained steady or increased. However, NHBB provided no evidence to support these claims. Nothing submitted in the course of this sunset proceeding indicates that imports have remained steady or increased. In fact, evidence submitted by Torrington and MPB indicate that imports of the subject merchandise have decreased. Regardless of the level of imports, dumping margins above *de minimis* levels continue as do imports of the subject merchandise; dumping continues to exist.

In the Sunset Policy Bulletin we indicated that, consistent with the SAA at 889-90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The Sunset Policy Bulletin provides that we will entertain such considerations in response to argument from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporter's behavior absent the discipline of an order, we will normally consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market share information, in past sunset reviews where market share information was not available, the Department relied on changes in import volumes between the periods before and after the issuance of the order. See, e.g., Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden, 63 FR 67658 (December 8, 1998), and Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China, 64 FR 30310 (June 7, 1999).

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that our determinations regarding the magnitude of the margin likely to prevail be based on company-specific information. Generic arguments that margins decreased over the life of the orders while, at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic argument may disguise company-specific behavior

demonstrating increased dumping coupled with increased market share.

In these reviews, only Nippon Pillow Block provided statistics regarding its company-specific exports of BBs both prior to the issuance of the order and for the most recent five years. We reviewed the statistics provided and found that, although its export volume and values fluctuated during the period 1994 through 1998, its exports during 1996 were at an all-time high. Coinciding with this increase, the Department calculated margins for Nippon Pillow Block of 7.87 percent for the May 1995 through April 1996 review and 2.30 percent for the May 1996 through April 1997 review. Further, the Department calculated a margin of 1.20 percent for Nippon Pillow Block during the most recently completed review covering the period May 1997 through April 1998. Given the correlation between increased exports and the decreased margin in the 1996/97 administrative review, we agree with Nippon Pillow Block that a more recently calculated margin may be an appropriate indicator of the magnitude of margin likely to prevail were the order revoked.

The SAA at 885 and the House Report at 60 provide, however, that duty absorption is a strong indicator that the current dumping margins calculated in reviews may not be indicative of the margins that would exist in the absence of an order. Once an order is revoked, the importer could achieve the same pre-revocation return on its sales by lowering its prices in the United States in the amount of the duty that was previously being absorbed. Therefore, in the Sunset Policy Bulletin the Department indicated that it normally will determine that a company's current dumping margin is not indicative of the margin likely to prevail were the order revoked. Further, we indicated that we normally will provide to the Commission the higher of the margin that we would otherwise have reported to the Commission or the most recent margin for that company adjusted to account for our findings on duty absorption.

In their comments, Torrington and MPB argue that the Sunset Policy Bulletin requires that the Department report to the Commission the higher of the margin from the original investigation or the margin from a more recent administrative review adjusted to reflect duty absorption findings. We do not agree. As noted above, the Sunset Policy Bulletin provides that, where we have found duty absorption in an administrative review initiated in 1998 (for transition orders such as these) we will normally select the higher of the

margin we would otherwise have reported or the margin adjusted to account for duty absorption findings. With respect to Nippon Pillow Block, as noted above, we would otherwise report to the Commission the margin from the 1996/97 administrative review. The Department was not required to investigate duty absorption during the 1996/97 administrative review; in the 1995/96 and the 1997/98 administrative reviews, the Department found that Nippon Pillow Block was absorbing duties on 55.46 and 9.75 percent of its U.S. affiliate's sales, respectively. Because all of Nippon Pillow Block's U.S. sales were constructed export price sales, total sales and U.S. affiliate's sales are the same. Therefore, for purposes of considering duty absorption, we relied on the level of duty absorption found in the administrative review initiated in 1998. Consistent with the methodology described in the Sunset Policy Bulletin and we used in Preliminary Results of Sunset Review: Porcelain-on-Steel Cooking Ware from Mexico, 64 FR 46651 (August 26, 1999), and Final Results of Expedited Sunset Review: Brass Sheet and Strip from Germany, 64 FR 49767 (September 14, 1999), we adjusted Nippon Pillow Block's margin from the 1996/97 administrative review (the year corresponding to the highest volume of imports) to account for duty absorption. Because the result is higher than the rate we would otherwise report to the Commission, we will report the adjusted rate.

With respect to all other producers/exporters of the subject merchandise, as noted above, there is no evidence on the record to indicate that the margin of dumping for any particular producer/exporter decreased at the same time that it was increasing or maintaining U.S. market share nor is there evidence on the record to indicate corresponding increases in dumping margins and exports. Therefore, we are relying on the margins from the original investigations as probative of the behavior of producers/exporters without the discipline of the orders.

Based on the above analysis, we will report to the Commission the margins indicated in the Final Results of the 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 be likely to lead to continuation or recurrence of dumping at the margins listed below:

Manufacturers/Exporters	Margin (Percent)
<b>Ball Bearings:</b>	
Nippon Pillow Block .....	2.55
Koyo .....	73.55
Minebea .....	106.61
Nachi .....	48.69
NSK .....	42.99
NTN .....	21.36
All Other Producers/Exporters .....	45.83
<b>Cylindrical Roller Bearings:</b>	
Koyo .....	51.21
Nachi .....	4.00
NSK .....	12.28
NTN .....	9.30
All Other Producers/Exporters .....	25.80
<b>Spherical Plain Bearings:</b>	
Minebea .....	84.26
NTN .....	92.00
All Other Producers/Exporters .....	84.33

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 section 19 CFR 351.305 of the Department's regulation. 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 sanctionable violation.

This five-year ("sunset") review and notice are published in accordance with sections 751(c) 777(i)(1) of the Act.

Dated: October 28, 1999.

Richard W. Moreland,  
Acting Assistant Secretary for Import Administration.

## Appendix A

\*The following includes clarifications to the scopes of the Department's various antidumping duty orders on antifriction bearings.

**Scope Determinations Made in the Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany, 54 FR 19006, 19019 (May 3, 1989):**

Products covered:

- Rod end bearings and parts thereof
- AFBs used in aviation applications
- Aerospace engine bearings
- Split cylindrical roller bearings
- Wheel hub units
- Slewing rings and slewing bearings (slewing rings and slewing bearings were subsequently excluded by the International Trade Commission's negative injury determination (See *International Trade Commission: Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts*

*Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand and the United Kingdom, 54 FR 21488 (May 18, 1989))*

- Wave generator bearings
- Bearings (including mounted or housed units and flanged or enhanced bearings) ultimately utilized in textile machinery

Products excluded:

- Plain bearings other than spherical plain bearings
- Airframe components unrelated to the reduction of friction
- Linear motion devices
- Split pillow block housings
- Nuts, bolts, and sleeves that are not integral parts of a bearing or attached to a bearing under review
- Thermoplastic bearings
- Stainless steel hollow balls
- Textile machinery components that are substantially advanced in function(s) or value
- Wheel hub units imported as part of front and rear axle assemblies; wheel hub units that include tapered roller bearings; and clutch release bearings that are already assembled as parts of transmissions

**Scope Rulings Completed Between April 1, 1990, and June 30, 1990 (See Scope Rulings, 55 FR 42750 (October 23, 1990))**

Products excluded:

- Antifriction bearings, including integral shaft ball bearings, used in textile machinery and imported with attachments and augmentations sufficient to advance their function beyond load-bearing/friction-reducing capability

**Scope Rulings Completed Between July 1, 1990, and September 30, 1990 (See Scope Rulings, 55 FR 43020 (October 25, 1990))**

Products covered:

- Rod ends
- Clutch release bearings
- Ball bearings used in the manufacture of helicopters
- Ball bearings used in the manufacture of disk drives

**Scope Rulings Published in Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof; Final Results of Antidumping Administrative Review (AFBs I), 56 FR 31692, 31696 (July 11, 1991)**

Products covered:

- Load rollers and thrust rollers, also called mast guide bearings
- Conveyor system trolley wheels and chain wheels

**Scope Rulings Completed Between April 1, 1991, and June 30, 1991 (See Notice of Scope Rulings, 56 FR 36774 (August 1, 1991))**

Products excluded:

- Textile machinery components including false twist spindles, belt guide rollers, separator rollers, damping units, rotor units, and tension pulleys

**Scope Rulings Completed Between July 1, 1991, and September 30, 1991 (See Scope Rulings, 56 FR 57320 (November 8, 1991)):**

Products covered:

- Snap rings and wire races
- Bearings imported as spare parts
- Custom-made specialty bearings

Products excluded:

- Certain rotor assembly textile machinery components
- Linear motion bearings

**Scope Rulings Completed Between October 1, 1991, and December 31, 1991 (See Notice of Scope Rulings, 57 FR 4597 (February 6, 1992))**

Products covered:

- Chain sheaves (forklift truck mast components)
- Loose boss rollers used in textile drafting machinery, also called top rollers
- Certain engine main shaft pilot bearings and engine crank shaft bearings

**Scope Rulings Completed Between January 1, 1992, and March 31, 1992 (See Scope Rulings, 57 FR 19602 (May 7, 1992))**

Products covered:

- Ceramic bearings
- Roller turn rollers
- Clutch release systems that contain rolling elements

Products excluded:

- Clutch release systems that do not contain rolling elements
- Chrome steel balls for use as check valves in hydraulic valve systems

**Scope Rulings Completed Between April 1, 1992, and June 30, 1992 (See Scope Rulings, 57 FR 32973 (July 24, 1992))**

Products excluded:

- Finished, semiground stainless steel balls
- Stainless steel balls for non-bearing use (in an optical polishing process)

**Scope Rulings Completed Between July 1, 1992, and September 30, 1992 (See Scope Rulings, 57 FR 57420 (December 4, 1992))**

Products covered:

- Certain flexible roller bearings whose component rollers have a length-to-diameter ratio of less than 4:1
- Model 15BM2110 bearings

Products excluded:

- Certain textile machinery components

**Scope Rulings Completed Between October 1, 1992, and December 31, 1992 (See Scope Rulings, 58 FR 11209 (February 24, 1993))**

Products covered:

- Certain cylindrical bearings with a length-to-diameter ratio of less than 4:1
- Products excluded:
- Certain cartridge assemblies comprised of a machine shaft, a machined housing and two standard bearings

**Scope Rulings Completed Between January 1, 1993, and March 31, 1993 (See Scope Rulings, 58 FR 27542 (May 10, 1993))**

Products covered:

- Certain cylindrical bearings with a length-to-diameter ratio of less than 4:1

**Scope Rulings Completed Between April 1, 1993, and June 30, 1993 (See Scope Rulings, 58 FR 47124 (September 7, 1993))**

**Products covered:**

- Certain series of INA bearings

**Products excluded:**

- SAR series of ball bearings
- Certain eccentric locking collars that are part of housed bearing units

**Scope Rulings Completed Between October 1, 1993, and December 31, 1993 (See Scope Rulings, 59 FR 8910 (February 24, 1994))**

**Products excluded:**

- Certain textile machinery components

**Scope Rulings Completed Between January 1, 1994, and March 31, 1994**

**Products excluded:**

- Certain textile machinery components

**Scope Rulings Completed Between October 1, 1994 and December 31, 1994 (See Scope Rulings, 60 FR 12196 (March 6, 1995))**

**Products excluded:**

- Rotek and Kaydon—Rotek bearings, models M4 and L6, are slewing rings outside the scope of the order.

**Scope Rulings Completed Between April 1, 1995 and June 30, 1995 (See Scope Rulings, 60 FR 36782 (July 18, 1995))**

**Products covered:**

- Consolidated Saw Mill International (CSMI) Inc.—Cambio bearings contained in CSMI's sawmill debarker are within the scope of the order.
- Nakanishi Manufacturing Corp.—Nakanishi's stamped steel washer with a zinc phosphate and adhesive coating used in the manufacture of a ball bearing is within the scope of the order.

**Scope Rulings Completed Between January 1, 1996 and March 31, 1996 (See Scope Rulings, 61 FR 18381 (April 25, 1996))**

**Products covered:**

- Marquardt Switches—Medium carbon steel balls imported by Marquardt are outside the scope of the order.

**Scope Rulings Completed Between April 1, 1996 and June 30, 1996 (See Scope Rulings, 61 FR 40194 (August 1, 1996))**

**Products excluded:**

- Dana Corporation—Automotive component, known variously as a center bracket assembly, center bearings assembly, support bracket, or shaft support bearing, is outside the scope of the order.
- Rockwell International Corporation—Automotive component, known variously as a cushion suspension unit, cushion assembly unit, or center bearing assembly, is outside the scope of the order.
- Enkotec Company, Inc.—“Main bearings” imported for incorporation into Enkotec Rotary Nail Machines are slewing rings and, therefore, are outside the scope of the order.

[FR Doc. 99-28770 Filed 11-3-99; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-401-801]

**Final Results of Expedited Sunset Review: Antifriction Bearings From Sweden**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset review: antifriction bearings from Sweden.

**SUMMARY:** On April 1, 1999, the Department of Commerce (“the Department”) initiated sunset reviews of the antidumping duty orders on ball bearings (“BBs”) and cylindrical roller bearings (“CRBs”) (collectively, antifriction bearings) from Sweden (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”).<sup>1</sup> On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in these cases, no response) from respondent interested parties, the Department determined to conduct expedited sunset reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders on antifriction bearings from Sweden 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:** Scott E. Smith 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) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 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*”), and 19 CFR Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of

<sup>1</sup> The orders on antifriction bearings from Sweden include CRBs and BBs. The Department has no antidumping duty order on spherical plain bearings from Sweden.

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 products covered by these orders are CRBs and BBs and parts thereof from Sweden. For a detailed description of the products covered by these orders, including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset review on antifriction bearings from Japan (A-588-804), publishing concurrently with this notice.

**History of the Order**

The Department published its less-than-fair-value (“LTFV”) determination of antifriction bearings from Sweden on May 3, 1989.<sup>2</sup> In this determination, the Department published a weighted-average dumping margin of 105.92 percent for BBs for SKF Sverige AB (“SKF”) and 105.92 percent for all other producers and/or exporters of Swedish BBs. The Department also published a weighted-average dumping margin of 13.69 percent for CRBs for SKF and 13.69 percent for all other producers and/or exporters of Swedish CRBs. Since that time, the Department has conducted eight administrative reviews.<sup>3</sup> These sunset reviews cover

<sup>2</sup> See *Final Determinations of Sales at Less Than Fair Value: Antifriction Bearings (Other Than Needle Roller Bearings, Spherical Plain Bearings, and Tapered Roller Bearings) and Parts Thereof From Sweden; and Final Determinations of Sales at Not Less Than Fair Value: Needle Roller Bearings and Spherical Plain Bearings, and Parts Thereof, From Sweden*, 54 FR 19114 (May 3, 1989); *Notice of Redetermination of Final Margin of Sales at Less Than Fair Value, Pursuant to Court Remand: Ball Bearings and Parts Thereof From Italy and Sweden*, 58 FR 12932 (March 8, 1993).

<sup>3</sup> See *Final Determinations of Sales at Less Than Fair Value: Antifriction Bearings (Other Than Needle Roller Bearings, Spherical Plain Bearings, and Tapered Roller Bearings) and Parts Thereof From Sweden; and Final Determinations of Sales at Not Less Than Fair Value: Needle Roller Bearings and Spherical Plain Bearings, and Parts Thereof, From Sweden*, 54 FR 19114 (May 3, 1989); *Notice of Redetermination of Final Margin of Sales at Less Than Fair Value, Pursuant to Court Remand: Ball Bearings and Parts Thereof From Italy and Sweden*, 58 FR 12932 (March 8, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Sweden; Final Results of Antidumping Duty Administrative Review*, 56 FR 31762 (July 11, 1991); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany; et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 32755 (June 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France; et al.; Final Results of Antidumping Duty Administrative Reviews*, 57 FR 28360 (June 24, 1992); *Antifriction Bearings (Other Than Tapered*

imports from all Swedish producers and/or exporters of antifriction bearings. With respect to duty absorption, the Department issued a duty-absorption finding for SKF for BBs from Sweden in the 1995-1996 administrative review. In addition, the Department determined that SKF was absorbing duties with respect to BBs and CRBs in the 1997-1998 administrative review.<sup>4</sup>

### Background

On April 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on antifriction bearings from Sweden (64 FR 15727), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate on behalf of The Torrington Company ("Torrington"), MPB Corp. ("MPB"), the Roller Bearing Company of America ("RBC"), the NSK Corp. ("NSK"), New Hampshire Ball

Bearings, Inc. ("NHBB"), and Link-Belt Bearing Division ("Link-Belt") on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received complete substantive responses from Torrington, MPB, RBC and NHBB on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). The Department also received the complete substantive response from NSK on April 30, 1999. The Department did not receive a complete substantive response from Link-Belt.<sup>5</sup>

Torrington, MPB, RBC and NHBB claimed interested-party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of bearings. NSK claimed interested-party status under 19 U.S.C. 1677(9). In addition, Torrington stated that it was the petitioner in the original investigations and has participated actively in all administrative reviews of these orders. MPB stated that it had participated in the International Trade Commission's ("the Commission") injury investigations. RBC and NHBB stated that they have not participated previously in any segment of these proceedings before the Department.

On May 3, 1999, the Department received a waiver of participation on behalf of SKF. We did not receive a response from any other respondent interested party to these proceedings. 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.<sup>6</sup>

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). On August 5, 1999, the Department determined that the sunset reviews of the antidumping duty orders on antifriction bearings from Sweden are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than October 28, 1999, in

accordance with section 751(c)(5)(B) of the Act.<sup>7</sup>

### 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 this determination, the Department shall consider the weighted-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 duty order, and shall provide to the Commission the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

### Adequacy

As noted above, we notified the Commission that we intended to conduct expedited reviews of these orders. On June 10, 1999, we received comments on behalf of MPB and Torrington supporting our determination to conduct expedited reviews. NHBB and NSK also submitted comments on whether expedited sunset review were warranted. In their submissions, both parties assert that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the orders. These parties also offered new arguments regarding the likely effect of revocation of the orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic interested party would be considered adequate for purpose of continuing a sunset review (*see* section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry

*Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 32969 (July 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Sweden, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 59080 (December 14, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 8908 (February 23, 1998); *Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 58 FR 39729 (July 26, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany, Italy, and Sweden; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 38369 (July 16, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders*, 60 FR 10900 (February 28, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 66472 (December 17, 1996); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 33320 (June 18, 1998); *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

<sup>4</sup> *See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997), and *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

<sup>5</sup> All participants, except Link-Belt and NSK, filed substantive responses on both CRBs and BBs from Sweden. Link-Belt did not file a substantive response to the notice of initiation for either of these sunset reviews. NSK filed a substantive response on only BBs from Sweden.

<sup>6</sup> On May 24, 1999, we informed the Commission that, on the basis of inadequate response from respondent interested parties, we were conducting expedited sunset reviews of these orders consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (*See* Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

<sup>7</sup> *See Tapered Roller Bearings, 4 Inches and Under From Japan, et al.; Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

support during the course of a sunset review (other than the statutory provision that if there is no domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at Rep. No. 103-412 at 46 (2nd Session 1994)) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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.3). In addition, the Department indicated that normally it 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 an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant reviews,

the Department received a waiver of participation on behalf of SKF and did not receive a response from any other respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive response, Torrington and MPB argue that revocation of the antidumping duty orders on the subject merchandise would be likely to lead to continuation of dumping. They base this conclusion on the fact that dumping continued at above *de minimis* levels after the issuance of the orders. RBC also argues that, given that dumping margins continue to exist after the issuance of the orders, the Department must conclude that dumping would be likely to continue or recur if the orders were revoked. Torrington and MPB assert further that an examination of import volumes is not necessary because dumping continued.

Torrington and MPB contend, however, that should the Department decide to consider import volumes, Torrington and MPB assert that the data will demonstrate that 1998 import volumes are significantly below the 1988 pre-order volumes. Moreover, according to Torrington and MPB, post-order import volumes are lower than pre-order volumes in every year since the imposition of the orders. Using pre- and post-order statistics for complete unmounted BBs, which Torrington and MPB assert is the only category for which statistics are available on a consistent basis, they argue that post-order declines in import volumes provide strong additional support for a determination that dumping is likely to continue or recur were the orders revoked. In conclusion, Torrington and MPB assert that no "good cause" exists to consider other factors, such as sales below the cost of production.

NHBB and NSK assert that revocation of the orders is not likely to result in continuation or recurrence of dumping. NHBB bases its assertion on the fact that dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part. NSK appears to support its assertion on the basis that the margin of dumping has fallen during the life of the order.

In their rebuttal comments, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Further, citing to *Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances*

*Countervailing Duty Review and Revocation of Countervailing Duty Order*, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the order. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which, in these reviews, they have not done.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence of dumping. 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 of the order were removed. Thus, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the investigation and subsequent administrative reviews and the volume of imports. Whatever relevance the arguments of NHBB and NSK concerning possible disincentives for producers and/or exporters to dump in the U.S. market might have had is mooted by the evidence that dumping continues and has continued over the life of the order.

In the instant proceedings, dumping margins above *de minimis* continue to exist with respect to each of the orders. Therefore, given that dumping has continued over the life of the orders and respondent interested parties have waived their right to participate in this review before the Department, we determine that dumping is likely to continue if the orders were revoked. Because we have based this determination on the fact that dumping continued at levels above *de minimis*, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause," nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally 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*.)

The Department, in its LTFV determinations, published a weighted-average dumping margin of 105.92 percent for BBs for SKF and 105.92 percent for all other producers and/or exporters of Swedish BBs. The Department also published a weighted-average dumping margin of 13.69 percent for CRBs for SKF and 13.69 percent for all other producers and/or exporters of Swedish CRBs. As noted above, the Department issued duty-absorption findings for SKF for BBs from Sweden in the 1995–1996 administrative review and for BBs and CRBs in the 1997–1998 administrative review.<sup>8</sup>

In their substantive responses, Torrington and MPB argue that the margins likely to prevail are those from the Department's original investigations. They also note that the Department issued a duty-absorption finding with respect to BBs from Sweden in the 1995–1996 administrative review and should consider this in determining the margin likely to prevail. Specifically, Torrington and MPB argue that the dumping margins found for each company in the original investigation (as opposed to margins calculated in succeeding annual administrative reviews) are the dumping margins likely to prevail, including margins based on best information available, except where the most current margin, increased by the Department's duty-absorption determination, exceeds the original investigation margin. RBC states that the margins from the original investigations are most probative of the rates likely to prevail as they are the only calculated rates that reflect the behavior of exporters without the discipline of the orders in place.

NHBB argues that the dumping margins likely to prevail if the orders

were revoked would be *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In addition, NHBB argues that the Department should not report margins from the original investigation. In support of this argument, NHBB notes that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB asserts that one such instance is where, as in the antifriction bearings cases, dumping margins have declined over the life of the order and imports have remained steady or increased. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and would be contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Similarly, NSK argues that the margins likely to prevail would be *de minimis*. As support, NSK argues that, were the order not in existence, the Department would apply the average-to-average methodology used in an investigation, as opposed to the transaction-to-average methodology common to administrative reviews, to measure the extent of any dumping. In such a case, NSK states that it believes any margin found would be below the 2.0 percent *de minimis* level applicable in investigations. NSK argues further that the Department's unorthodox approach during the original investigation, plus the liberal use of best information available, skewed the results of the original investigation seriously, rendering those results inappropriate indicators of the magnitude of the margin likely to prevail were the orders revoked. Finally, NSK also argues that dumping margins have declined over time with respect to BBs while, at the same time, imports have remained at or around 20 percent of the U.S. market. As support, NSK cites to *The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements*, USITC Pub. 2900, Inv. No. 332–334, at 14–26—14–31 (June 1995).

In their rebuttal comments, Torrington and MPB argue that other parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail and ignore the Department's duty-absorption findings. Citing to the *Sunset Policy Bulletin*, Torrington and MPB argue that the Department's policies are

clear—normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order and rejection of margins from administrative reviews in which the Department found duty absorption. Torrington and MPB argue that the two-percent *de minimis* standard is not applicable to sunset reviews. Further, they contend that there is no authority which would authorize or justify the rejection of the investigation rate on the basis of the particular methodology used at the time of the investigation. Additionally, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, Torrington and MPB argue that it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided, they contend, the Department should not accept these assertions. In fact, they assert, imports of BBs have actually declined since the imposition of the orders.

We agree with Torrington, MPB, and RBC that, normally, we will provide the Commission with a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above, exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations.

With respect to NSK's argument concerning the magnitude of the margin likely to prevail, we disagree. As discussed above, we do find that there is a likelihood of continuation or recurrence of dumping. Furthermore, we find the level of dumping likely to prevail is best reflected by the dumping margins calculated in the original investigations. Specifically, the Department finds that there is no basis to reject margins calculated in an investigation due to subsequent changes in methodology because such changes do not invalidate margins calculated under the prior methodology. Therefore, the dumping margins from the original investigations are the only rates which reflect the behavior of exporters without the discipline of the orders, regardless of the methodology used to calculate those margins or the use of best information available (see section 752(c)(3) of the Act).

With respect to NHBB's argument concerning the dumping margin likely to prevail, the Department disagrees. First, NHBB claims that dumping margins have declined over the lives of

<sup>8</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

the orders and imports have remained steady or increased. However, NHBB provided no evidence to support these claims. Nothing submitted in the course of these sunset proceedings indicates that imports have remained steady or increased. In fact, evidence submitted by Torrington and MPB indicate that post-order import volumes (1989–1998) are lower than pre-order volumes (1989) in each year. Furthermore, the Department finds no consistent downward trend in dumping margins over the lives of the orders with respect to either BBs or CRBs from Sweden. Regardless of the level of imports, dumping margins above *de minimis* levels continue as do imports of the subject merchandise; dumping continues to exist.

In the *Sunset Policy Bulletin* we indicated that, consistent with the SAA at 889–90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The *Sunset Policy Bulletin* provides that we will entertain such considerations in response to arguments from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporters behavior absent the discipline of an order, we normally will consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market-share information, in past sunset reviews where market-share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the order. (See, e.g., *Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden*, 63 FR 67658 (December 8, 1998), and *Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil*,

*Canada, and the People's Republic of China*, 64 FR 30310 (June 7, 1999).)

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that our determinations regarding the magnitude of the margin likely to prevail be based on company-specific information. Generic arguments that margins decreased over the life of the orders while, at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic arguments may disguise company-specific behavior demonstrating increased dumping coupled with increased market share. In these reviews, we did not receive any such company-specific arguments.

In their comments, Torrington and MPB argue that the Department should report to the Commission the higher of the margin from the original investigation or the margin from a more recent final results of administrative review, adjusted to reflect the finding of duty absorption. In the instant cases, the Department agrees. As noted above, the Department determined in the final results of the 1995–96 administrative review of BBs that SKF was absorbing duties.<sup>9</sup> Furthermore, the Department determined in the final results of the 1997–1998 administrative review of BBs and CRBs that SKF was absorbing duties.<sup>10</sup> Therefore, consistent with the statute and the *Sunset Policy Bulletin*, the Department will notify the Commission of its findings regarding duty absorption when conducting a sunset review.

Additionally, the *Sunset Policy Bulletin* refers to the SAA at 885 and the House Report at 60 and provides that, where the Department has found duty absorption, the Department normally will provide to the Commission the higher of the margin that the Department otherwise would have reported or the most recent margin for that company, adjusted to account for the Department's findings on duty absorption. In the case of BBs from Sweden in both the 1995–1996 and 1997–1998 administrative reviews, the margins adjusted to account for duty-

<sup>9</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997).

<sup>10</sup> See *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

absorption findings are less than the margins we would otherwise report to the Commission. In the case of CRBs from Sweden in the 1997–1998 administrative review, SKF's margins adjusted to account for duty-absorption findings are higher than the margins we would otherwise report to the Commission.

Therefore, the Department agrees with the domestic interested parties concerning the margins likely to prevail. We find that the dumping margin calculated in the original investigation for BBs is the only calculated rate that reflects the behavior of exporters without the discipline of the order. With respect to CRBs produced and/or exported by SKF, the Department finds that the margin adjusted for the Department's duty-absorption findings from the 1997–1998 administrative review is the most appropriate to report to the Commission. Consistent with the *Sunset Policy Bulletin*, we will report to the Commission the company-specific and "all others" rates for BBs from the original investigation and the adjusted margin from the 1997–1998 administrative review for CRBs produced and/or exported by SKF. These margins are 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 duty orders would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/ Exporter	Margin (percent)
For BBs:	
SKF .....	105.92
All Other Producers/Exporters .....	105.92
For CRBs:	
SKF .....	27.38
All Other Producers/Exporters .....	13.69

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28771 Filed 11-3-99; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-559-801]

#### Final Results of Expedited Sunset Review: Ball Bearings From Singapore

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce

**ACTION:** Notice of final Results of expedited sunset review: ball bearings from Singapore.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on ball bearings ("BBs") from Singapore (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order 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:** Scott E. Smith 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) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

#### Statute and Regulations

This review was 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"), and 19 CFR Part 351

(1998) in general. 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 products covered by this order are BBs and parts thereof from Singapore. For a detailed description of the products covered by this order, including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset review on antifriction bearings from Japan (A-588-804), publishing concurrently with this notice.

#### History of the Order

The Department published its less-than-fair-value ("LTFV") determination of BBs from Singapore on May 3, 1989.<sup>1</sup> In this determination, the Department published a weighted-average dumping margin of 25.08 percent for NMB/Pelmecc Singapore ("NMB/Pelmecc"). The Department also published an all others rate of 25.08. Since that time, the Department has conducted eight administrative reviews.<sup>2</sup> This sunset

<sup>1</sup> See *Final Determination of Sales at Less Than Fair Value: Ball Bearings and Parts Thereof From Singapore*, 52 FR 19112 (May 3, 1989).

<sup>2</sup> See *Final Determination of Sales at Less Than Fair Value: Ball Bearings and Parts Thereof From Singapore*, 52 FR 19112 (May 3, 1989); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Singapore*; *Final Results of Antidumping Duty Administrative Review*, 56 FR 31759 (July 11, 1991); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany*; *et al.*; *Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 32755 (June 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France*; *et al.*; *Final Results of Antidumping Duty Administrative Reviews*, 57 FR 28360 (June 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom*; *Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 32969 (July 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.*; *Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 8908 (February 23, 1998); *Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 58 FR 39729 (July 26, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.*; *Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 18877 (April 16, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.*; *Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of*

review covers imports from all Singaporean producers and/or exporters of BBs. With respect to duty absorption, the Department issued a duty absorption finding for NMB/Pelmecc in the 1995-1996 administrative review.<sup>3</sup>

#### Background

On April 1, 1999, the Department initiated a sunset review of the antidumping duty order on BBs from Singapore (64 FR 15727), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate on behalf of The Torrington Company ("Torrington"), MPB Corp. ("MPB"), the Roller Bearing Company of America ("RBC"), NSK Corp. ("NSK"), New Hampshire Ball Bearings, Inc. ("NHBB") and Link-Belt Bearing Division ("Link-Belt") on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received a complete substantive response from Torrington, MPB, RBC, and NHBB on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). The Department received the complete substantive response from NSK on April 30, 1999. The Department did not receive a

*Antidumping Duty Orders*, 60 FR 10900 (February 28, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.*; *Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders*, 61 FR 66472 (December 17, 1996); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Singapore: Amended Final Results of Antidumping Duty Administrative Review*, 61 FR 68228 (December 27, 1996); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews*, 62 FR 2081 (January 15, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, and Singapore*; *Amended Final Results of Antidumping Duty Administrative Reviews*; 62 FR 14391 (March 26, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom: Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 61963 (November 20, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews*, 63 FR 33320 (June 18, 1998).

<sup>3</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews*, 61 FR 54043 (October 17, 1997).

complete substantive response from Link-Belt.

Torrington, MPB, RBC, and NHBB claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of BBs. NSK claimed interested party status under 19 U.S.C. 1677(9). In addition, Torrington stated that it was the petitioner in the original investigation and has participated actively in all administrative reviews of this order. MPB stated that it had participated in the International Trade Commission's (the "Commission") injury investigation. RBC and NHBB stated that they have not participated previously in any segment of this proceeding before the Department. We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this order.<sup>4</sup>

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). Therefore, on August 5, 1999, the Department determined that the sunset review of the antidumping duty order on BBs from Singapore is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>5</sup>

#### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 duty order, and it shall provide to the Commission the

magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

#### Adequacy

As noted above, we notified the Commission that we intended to conduct an expedited review of this order. On June 10, 1999, we received comments on behalf of MPB and Torrington supporting our determination to conduct an expedited review. NHBB and NSK also submitted comments on whether an expedited sunset review was warranted. In their submissions, both parties assert that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the Department's various antidumping duty orders on antifriction bearings. These parties also offered new argument regarding the likely effect of revocation of these orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic interested party would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that if there is *no* domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at Rep. No. 103-412 at 46 (2nd Session 1994)) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted average dumping margins determined in the investigation and subsequent

reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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.3). In addition, the Department indicated that normally it 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 an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive response, Torrington and MPB argue that revocation of the antidumping duty order on the subject merchandise would be likely to lead to continuation of dumping. They base this conclusion on the fact that dumping continued at levels above *de minimis* after the issuance of the order. RBC also argues that, given that dumping margins continue to exist after the issuance of the order, the Department must conclude that dumping would be likely to continue or recur if the order were revoked. Torrington and MPB assert, further that an examination of import

<sup>4</sup> On May 21, 1999, we informed the Commission that, on the basis of inadequate response from respondent interested parties, we were conducting an expedited sunset review of this order consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (See Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

<sup>5</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et al.*; *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

volumes is not necessary because dumping continued.

Should the Department decide to consider import volumes, Torrington and MPB assert that the data will demonstrate that 1998 import volumes of the subject merchandise are more than nineteen percent below the 1988 pre-order volumes. Using pre-and post-order statistics for complete unmounted BBs, which Torrington and MPB assert is the only category for which statistics are available on a consistent basis, they argue that post-order declines in import volumes provide strong additional support for a determination that dumping is likely to continue or recur were the order revoked. In conclusion, Torrington and MPB assert that no "good cause" exists to consider other factors, such as sales below the cost of production.

NHBB and NSK assert that revocation of the order is not likely to result in continuation or recurrence of dumping. NHBB bases its assertion on the fact that dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part. NSK appears to support its assertion on the basis that the margin of dumping has fallen during the life of the order.

In their rebuttal comments, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Further, citing to *Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances Countervailing Duty Review and Revocation of Countervailing Duty Order*, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the order. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which, in these reviews, they have not done.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence of dumping. 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 of the order were removed. Thus, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the investigation and subsequent administrative reviews and the volume of imports. Whatever relevance the arguments of NHBB and NSK concerning possible disincentives for producers and/or exporters to dump in the U.S. market might have had is mooted by the evidence that dumping continues and has continued over the life of the order.

Dumping margins above *de minimis* continue to exist. Therefore, given that dumping has continued over the life of the order and respondent interested parties have waived their right to participate in this review before the Department, we determine that dumping is likely to continue if the order were revoked. Because we have based this determination on the fact that dumping has continued at levels above *de minimis*, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause," nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally 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*.)

The Department, in the LTFV determination of BBs from Singapore, published a weighted-average dumping margin of 25.08 for NMB/Pelmec. In addition, the Department also published a weighted-average dumping margin of 25.08 percent on all other imports of the subject merchandise from Singapore.<sup>6</sup> As noted above, the Department issued a duty absorption finding for NMB/Pelmec in the 1995-1996 administrative

review with respect to BBs from Singapore.

In their substantive response, Torrington and MPB argue that the margins likely to prevail are those from the Department's original investigation. They also note that the Department issued a duty absorption finding with respect to BBs from Singapore in the 1995-1996 administrative review and should consider this in determining the margin likely to prevail. Specifically, Torrington and MPB argue that the dumping margins found for each company in the original investigation (as opposed to margins calculated in succeeding annual administrative reviews) are the dumping margins likely to prevail, including margins based on best information available, except where the most current margin, increased by the Department's duty absorption determination, exceeds the original investigation margin. Furthermore, RBC states that the margins from the original investigation are most probative of the rates likely to prevail as they are the only calculated rates that reflect the behavior of exporters without the discipline of the order in place.

NHBB argues that the dumping margins likely to prevail if the order were revoked would be *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In addition, NHBB argues that the Department should not report margins from the original investigation to the Commission. In support of this argument, NHBB notes that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB asserts that one such instance is where, as in the antifriction bearings cases, dumping margins have declined over the life of the order and imports have remained steady or increased. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and would be contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Similarly, NSK argues that the margins likely to prevail would be *de minimis*. As support, NSK argues that, were the order not in existence, the Department would apply the average-to-average methodology used in an investigation, as opposed to the transaction-to-average methodology,<sup>3</sup> common to administrative reviews, to

<sup>6</sup> See *Final Determination of Sales at Less Than Fair Value: Ball Bearings and Parts Thereof From Singapore*, 52 FR 19112 (May 3, 1989).

measure the extent of any dumping. In such a case, NSK states that it believes any margin found would be below the two percent *de minimis* level applicable in investigations. NSK argues further that, the Department's unorthodox approach during the original investigation, plus the liberal use of best information available, skewed the results of the original investigation seriously, rendering those results inappropriate indicators of the magnitude of the margin likely to prevail were the order revoked. Finally, NSK also argues that dumping margins have declined over time with respect to BBs while, at the same time, imports have remained at or around 20 percent of the U.S. market. As support, it cites to *The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements*, USITC Pub. 2900, Inv. No. 332-334, at 14-26-14-31 (June 1995).

In their rebuttal comments, Torrington and MPB argue that other parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail and ignore the Department's duty absorption findings. Citing to the *Sunset Policy Bulletin*, Torrington and MPB argue that the Department's policies are clear—normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order and rejection of margins from administrative reviews in which the Department found duty absorption. Torrington and MPB argue that the two percent *de minimis* standard is not applicable to sunset reviews. Further, they contend that there is no authority which would authorize or justify the rejection of the investigation rate on the basis of the particular methodology used at the time of the investigation.

Additionally, they argue that, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, Torrington and MPB argue that it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided, they assert that the Department should not accept these assertions, given that, imports BBs from Singapore have actually declined since the imposition of the order.

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above,

exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations.

With respect to NSK's argument concerning the magnitude of the margin likely to prevail, we disagree. As discussed above, we do find that there is a likelihood of continuation or recurrence of dumping. Furthermore, we find the level of dumping likely to prevail is best reflected by the Department's dumping margins we calculated in the original investigation. Specifically, the Department finds that there is no basis to reject margins calculated in an investigation because of subsequent changes in methodology. Such changes do not invalidate margins calculated under the prior methodology. Therefore, the dumping margins from the original investigation are the only rates which reflect the behavior of exporters without the discipline of the order, regardless of the methodology used to calculate that margin or the use of best information available (see section 752(c)(3) of the Act).

With respect to NHBB's argument concerning the dumping margin likely to prevail, the Department disagrees. First, NHBB claims that dumping margins have declined over the life of the order and imports have remained steady or increased. However, NHBB provided no evidence to support these claims. Nothing submitted in the course of this sunset proceeding indicates that imports have remained steady or increased. In fact, evidence submitted by Torrington and MPB indicate that 1998 import volumes of the subject merchandise are more than nineteen percent below pre-order volumes. Regardless of the level of imports, dumping margins above *de minimis* levels continue as do imports of the subject merchandise; dumping continues to exist.

In the *Sunset Policy Bulletin* we indicated that, consistent with the SAA at 889-90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The *Sunset Policy Bulletin* provides that we will entertain such considerations in response to arguments

from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporters behavior absent the discipline of an order, we will normally consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market share information, in past sunset reviews where market share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the order. (See, e.g., *Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden*, 63 FR 67658 (December 8, 1998), and *Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China*, 64 FR 30310 (June 7, 1999).)

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that we base our determinations regarding the magnitude of the margin likely to prevail on company-specific information. Generic arguments that margins decreased over the life of the orders while, at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic argument may disguise company-specific behavior demonstrating increased dumping coupled with increased market share. In this review, we did not receive any such company-specific arguments.

As noted above, the Department determined in the final results of the 1995-1996 administrative review that NMB/Pelmeac was absorbing duties.<sup>7</sup> Consistent with the statute and the *Sunset Policy Bulletin*, the Department will notify the Commission of its findings regarding duty absorption when conducting a sunset review.

Additionally, the *Sunset Policy Bulletin* refers to the SAA at 885 and the House Report at 60 and provides that,

<sup>7</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997).

where the Department has found duty absorption, the Department will normally provide to the Commission the higher of the margin that the Department otherwise would have reported or the most recent margin for that company, adjusted to account for our findings on duty absorption. In this case, the margins adjusted to account for the Department's duty absorption findings are less than the margins we would otherwise report to the Commission.

Therefore, the Department agrees with the domestic interested parties concerning the margin likely to prevail if the order were to be revoked. We find that the dumping margins calculated in the original investigation are the only calculated rates that reflect the behavior of exporters without the discipline of the order. Consistent with the *Sunset Policy Bulletin*, we determine that the margin calculated in the Department's original investigation is probative of the behavior of Singaporean producers and exporters of BBs if the order were revoked. Therefore, we will report to the Commission the company-specific and "all others" rates from the original investigation contained in the Final Results of Review section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margin listed below:

Manufacturer/ Exporter	Margin (percent)
NMB/Pelmec .....	25.08
All Other Producers/Exporters ..	25.08

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28772 Filed 11-3-99; 8:45 am]

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-475-801]

**Final Results of Expedited Sunset Review: Cylindrical Roller Bearings From Italy**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset review: cylindrical roller bearings from Italy.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on cylindrical roller bearings ("CRBs") from Italy (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order 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:** Scott E. Smith 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) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was 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*"), and 19 CFR Part 351(1998) in general. 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 products covered by this order are CRBs and parts thereof from Italy. For a detailed description of the products covered by this order, including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset reviews on antifriction bearings from Japan (A-588-804), publishing concurrently with this notice.

**History of the Order**

The Department published its less-than-fair-value ("LTFV") determination on CRBs from Italy on May 3, 1989.<sup>1</sup> In this determination, the Department published a weighted-average dumping margin of 212.45 percent for SKF Industrie S.p.A. ("SKF"). The Department also published an all others rate of 212.45 percent. Since that time, the Department has conducted nine administrative reviews.<sup>2</sup> This sunset

<sup>1</sup> See *Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Spherical Plain and Tapered Roller Bearings) and Parts Thereof From Italy; and Final Determination of Sales at Not Less Than Fair Value; Spherical Plain Bearings and Parts Thereof, From Italy*, 54 FR 19096 (May 3, 1989). This determination was subsequently amended. See *Notice of Redetermination of Final Margin of Sales at Less Than Fair Value, Pursuant to Court Remand: Ball Bearings and Parts Thereof From Italy and Sweden*, 54 FR 20910 (March 8, 1993).

<sup>2</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Final Results of Antidumping Duty Administrative Reviews*, 56 FR 31751 (July 11, 1991); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany; et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 32755 (June 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France; et al.; Final Results of Antidumping Duty Administrative Reviews*, 57 FR 28360 (June 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 32969 (July 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Sweden, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 59080 (December 14, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France; et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 8908 (February 23, 1998); *Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 58 FR 39729 (July 26, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Amendment to Final Results of Antidumping Duty Administrative Review*, 58 FR 53914 (October 19, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France and Italy; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 58 FR 65576 (December 15, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of*

Continued

review covers imports from all Italian producers and/or exporters of CRBs, excluding those imports from SKF.<sup>3</sup> We note that, to date, we have made no duty absorption findings with regards to CRBs from Italy.<sup>4</sup>

*Antidumping Duty Administrative Reviews*, 63 FR 18877 (April 16, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany, Italy, and Sweden; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 38369 (July 16, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 70100 (December 18, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 60 FR 10959 (February 28, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany and Italy; Amended Final Results of Antidumping Duty Administrative Reviews*, 60 FR 31142 (June 13, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from Italy; Amended Final Results of Antidumping Duty Administrative Review*, 60 FR 33791 (June 29, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 66472 (December 17, 1996); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany, Italy, Japan, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 3003 (January 21, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 2081 (January 15, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, and Singapore; Amended Final Results of Antidumping Duty Administrative Reviews*, (March 26, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 33320 (June 18, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy, Romania, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 40878 (July 31, 1998).

<sup>3</sup> The order was revoked with respect to SKF. See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Final Results of Administrative Reviews and Revocation in Part of Antidumping Duty Order*, 60 FR 10959 (February 28, 1995).

<sup>4</sup> The Department has issued duty absorption findings for two producers and/or exporters of ball bearings from Italy in the 1995-1996 and 1997-1998 administrative reviews. However, no duty absorption findings have been issued with respect to CRBs from Italy. See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

## Background

On April 1, 1999, the Department initiated a sunset review of the antidumping duty order on CRBs from Italy (64 FR 15727), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate on behalf of The Torrington Company ("Torrington") and MPB Corp. ("MPB"), and on behalf of the Roller Bearing Company of America ("RBC"), New Hampshire Ball Bearings, Inc. ("NHBB"), and Link-Belt Bearing Division ("Link-Belt") on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received a complete substantive response from the domestic interested parties on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). We did not receive a complete substantive response from Link-Belt.

Torrington, MPB, RBC, and NHBB claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of CRBs. In addition, Torrington stated that it was the petitioner in the original investigation and has participated actively in all administrative reviews of this order. MPB stated that it participated in the Commission's injury investigation. RBC and NHBB stated that they had not previously participated in any segment of this proceeding before the Department.

The Department also received a complete substantive response from FAG Italia S.p.A and FAG Bearings Corporation (collectively, "FAG") on May 3, 1999. FAG stated that it participated in the original investigation and each subsequent administrative review of the Department's proceeding on CRBs from Italy.

Based on the information submitted by FAG concerning the volume and value of its exports and volume of imports as reported in U.S. Census Bureau IM146 Reports, the Department determined that FAG's exports of subject merchandise to the United States accounted for less than 50 percent of the total volume of subject merchandise to the United States over the five calendar years preceding the initiation of this sunset review.<sup>5</sup> Therefore, respondent interested parties provided inadequate response to the notice of initiation and, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this order.<sup>6</sup>

<sup>5</sup> FAG stated that it has not sold any CRBs in the United States over the past five years.

<sup>6</sup> On May 24, 1999, the Department informed the Commission that, on the basis of inadequate

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). Therefore, on August 5, 1999, the Department determined that the sunset review of the antidumping duty order on CRBs from Italy is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>7</sup>

## Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 duty order, and it shall provide to the Commission the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

## Adequacy

As noted above, we notified the Commission that we intended to conduct an expedited review of this order. On June 10, 1999, we received comments on behalf of MPB and Torrington supporting our determination to conduct an expedited review. NHBB also submitted comments on whether an expedited sunset review was warranted. In its submission, it asserts that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the Department's various

response from respondent interested parties, it was conducting an expedited sunset review of this order consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (See Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

<sup>7</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et al.; Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

antidumping duty orders on antifriction bearings. NHBB also offered new argument regarding the likely effect of revocation of these orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic interested party would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that if there is no domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at Rep. No. 103-412 at 46 (2nd Session 1994)) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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.3). In addition, the Department indicated that it will normally 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 their substantive responses, Torrington and MPB argue that revocation of the antidumping duty order on the subject merchandise would be likely to lead to continuation of dumping. They base this conclusion on the fact that dumping continued at levels above *de minimis* after the issuance of the order. RBC also argues that, given that dumping margins continue to exist after the issuance of the order, the Department must conclude that dumping would be likely to continue or recur if the order were revoked. Torrington and MPB assert further that an examination of import volumes is not necessary because dumping continued.

Arguing that the Department's import statistics do not permit a comparison of pre- and post-order import volumes of CRBs, Torrington and MPB suggest that the Department examine data regarding the import value of all roller bearings, the narrowest category of products for which a consistent set of data is available regarding pre- and post-order imports. Torrington and MPB suggest that these data are conservative because declines in import volumes could be obscured by increases in import values and inclusion of non-covered products. They argue that the data will demonstrate that total import value of CRBs dropped dramatically following the order, from more than \$6 million in 1988 to less than \$1 million in 1993 and import values were below 1988 totals in every year until (and including) 1995.<sup>8</sup> This data, they argue, provides strong additional support for a determination that dumping is likely to continue or recur were the order revoked. In conclusion, Torrington and MPB assert that no "good cause" exists to consider other factors, such as sales below the cost of production.

NHBB assert that revocation of the order is not likely to result in continuation or recurrence of dumping. NHBB bases its assertion on the fact that

<sup>8</sup> Torrington and MPB note that imports of CRBs from Italy increased sharply after 1995, coincident with the revocation of the order on CRBs exported by SKF. See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Final Results of Administrative Reviews and Revocation in Part of Antidumping Duty Order*, 60 FR 10959 (February 28, 1995).

dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part.

FAG asserts that the dumping margin likely to prevail if the order were to be revoked would be 0.00 percent, the dumping margin it has maintained since the 1993-1994 administrative review. With respect to whether import volumes ceased following the imposition of the order, FAG states that it has not shipped subject merchandise to the United States over the past five years. In addition, FAG indicates that total exports of the subject merchandise from Italy have continued throughout the life of the order (see May 3, 1999, substantive response of FAG, Appendix 2).

Torrington and MPB, in their rebuttal comments, state that the cessation of imports from FAG strongly supports an affirmative determination of likelihood of dumping in this case. Further, Torrington and MPB note that the Department's sunset determinations are made on an order-wide basis.

In addition, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Further, citing to *Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances Countervailing Duty Review and Revocation of Countervailing Duty Order*, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the order. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which, in these reviews, they have not done.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence of dumping. 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 of the order were removed. Further, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the

investigation and subsequent administrative reviews and the volume of imports. Therefore, the arguments of NHBB with respect to the effect revocation would have on the U.S. market, even if correct, do not rebut the fact that dumping continues and has continued over the life of the order.

In the instant proceeding, dumping margins above *de minimis* continue to exist for at least one known producer and/or exporter. Therefore, given that dumping has continued over the life of the order, the Department determines that dumping is likely to continue if the order were revoked. Because we have based this determination on the fact that dumping continued at levels above *de minimis*, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause," nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally 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*.)

The Department, in its LTFV investigation of CRBs from Italy, published a weighted-average dumping margin of 212.45 percent for SKF. In addition, the Department also published a weighted-average dumping margin of 212.45 percent on all other imports of the subject merchandise from Italy.<sup>9</sup> As noted above, the Department has not issued any duty absorption findings with respect to CRBs from Italy.

In their substantive response, Torrington and MPB argue that the

margins likely to prevail are those from the Department's original investigation. Specifically, Torrington and MPB argue that the dumping margins found for each company in the original investigation (as opposed to margins calculated in succeeding annual administrative reviews) are the dumping margins likely to prevail, including margins based on best information available, except where the most current margin, increased by the Department's duty absorption determination, exceeds the original investigation margin. Furthermore, RBC states that the margins from the original investigation are most probative of the rates likely to prevail as they are the only calculated rates that reflect the behavior of exporters without the discipline of the order in place.

NHBB argues that the dumping margins likely to prevail if the order were revoked would be *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In addition, NHBB argues that the Department should not report margins from the original investigation. In support of this argument, NHBB notes that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB asserts that one such instance is where, as in the antifriction bearings cases, dumping margins have declined over the life of the order and imports have remained steady or increased. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and would be contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

As noted above, FAG argues that the dumping margin likely to prevail if the order were revoked is its current dumping margin of 0.00 percent. FAG states that it has remained at a 0.00 percent dumping level since the 1993–1994 administrative review period. FAG states further that this is due principally to the absence of any imports of Italian CRBs by FAG Bearings Company. Lastly, FAG states that, were the dumping order revoked, there would be no change in FAG's current sourcing and resale patterns of Italian CRBs.

Torrington and MPB, in their rebuttal comments, stated that FAG's reliance on its current rate ignores the fact that current rates do not reflect the behavior of producers and/or exporters without

the discipline of the antidumping duty order. As such, they contend, the Department should not rely on this current rate.

Additionally, in their rebuttal comments, Torrington and MPB argue that other parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail and ignore the Department's duty absorption findings. Citing to the *Sunset Policy Bulletin*, Torrington and MPB argue that the Department's policies are clear—normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order and rejection of margins from administrative reviews in which the Department found duty absorption. Torrington and MPB argue that there is no authority which would authorize or justify the rejection of the investigation rate on the basis of the particular methodology used at the time of the investigation. Additionally, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, Torrington and MPB argue that it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided, they contend the Department should not accept these assertions since imports of CRBs from Italy have actually declined since the imposition of the order.

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above, exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations.

With respect to NSK's argument concerning the magnitude of the margin likely to prevail, we disagree. As discussed above, we do find that there is a likelihood of continuation or recurrence of dumping. Furthermore, we find the level of dumping likely to prevail is best reflected by the Department's dumping margins we calculated in the original investigation. Specifically, the Department finds that there is no basis to reject margins calculated in an investigation because of subsequent changes in methodology since such changes do not invalidate margins calculated under the prior methodology. Therefore, the dumping margins from the original investigation are the only rates which reflect the behavior of exporters without the

<sup>9</sup> See *Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Spherical Plain and Tapered Roller Bearings) and Parts Thereof From Italy; and Final Determination of Sales at Not Less Than Fair Value; Spherical Plain Bearings and Parts Thereof, From Italy*, 54 FR 19096 (May 3, 1989). This determination was subsequently amended. See *Notice of Redetermination of Final Margin of Sales at Less Than Fair Value, Pursuant to Court Remand: Ball Bearings and Parts Thereof From Italy and Sweden*, 54 FR 20910 (March 8, 1993).

discipline of the order, regardless of the methodology used to calculate that margin or the use of best information available (see section 752(c)(3) of the Act).

With respect to NHBB's argument concerning the dumping margin likely to prevail, the Department disagrees. First, NHBB claims that dumping margins have declined over the life of the order and imports have remained steady or increased. However, NHBB provided no evidence to support these claims and nothing submitted in the course of this sunset proceeding indicates that imports have remained steady or increased. In fact, FAG submitted information claiming that it ceased exporting subject merchandise, indicating that import volumes may have decreased. Furthermore, evidence submitted by Torrington and MPB indicate that post-order import volumes (1989-1998) are lower than pre-order volumes (1989) in each year.

In the *Sunset Policy Bulletin* we indicated that, consistent with the SAA at 889-90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The *Sunset Policy Bulletin* provides that we will entertain such considerations in response to arguments from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporters behavior absent the discipline of an order, we normally will consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market share information, in past sunset reviews where market share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the order. (See, e.g., *Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden*, 63 FR 67658

(December 8, 1998), and *Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China*, 64 FR 30310 (June 7, 1999).)

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that our determinations regarding the magnitude of the margin likely to prevail be based on company-specific information. Generic arguments that margins decreased over the life of the orders while, at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic argument may disguise company-specific behavior demonstrating increased dumping coupled with increased market share.

With respect to FAG's arguments concerning the dumping margin likely to prevail, the Department disagrees. FAG participated in and had shipments during both the 1991-1992 and 1993-1994 administrative reviews. The SAA at 890 and the House Report at 63-64 state that the cessation of imports after the order is highly probative of the likelihood of continuation or recurrence of dumping. Furthermore, if imports ceased after the order is issued, it is reasonable to assume that exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping. As such, we find that the 0.00 percent dumping margin we calculated for FAG for the 1993-1994 administrative review is not probative of the dumping margin likely to prevail if the order were to be revoked. The cessation of imports by FAG following the establishment of this margin strongly suggests to the Department that FAG cannot sell subject merchandise in the United States without dumping. Consequently, we find that the dumping margins calculated in the original investigation are the only calculated rates that reflect the behavior of exporters without the discipline of the order. Consistent with the *Sunset Policy Bulletin*, we determine that the margins we calculated in the Department's original investigation is probative of the behavior of Italian producers and exporters of CRBs if the order were revoked. Therefore, we will report to the Commission the "all others" rate from the original investigation contained in

the Final Results of Review section of this notice.<sup>10</sup>

### Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margin listed below:

Manufacturer/ Exporter	Margin (percent)
SKF .....	Revoked
All Other Producers/Exporters ....	212.45

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28773 Filed 11-3-99; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-475-801]

### Final Results of Expedited Sunset Review: Ball Bearings From Italy

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce

**ACTION:** Notice of final results of expedited sunset review: ball bearings from Italy.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on ball

<sup>10</sup> The Department calculated only one company-specific rate in the original investigation. The order was subsequently revoked with respect to this one company, SKF (see *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Final Results of Administrative Reviews and Revocation in Part of Antidumping Duty Order*, 60 FR 10959 (February 28, 1995)). Because of this, the Department will report to the Commission only the "all others" rate from the original investigation.

bearings ("BBs") from Italy (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order 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:**

Scott E. Smith 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, DC 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was 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*"), and 19 CFR part 351(1998) in general. 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 products covered by this order are BBs and parts thereof from Italy. For a detailed description of the products covered by this order, including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset reviews on antifriction bearings from Japan (A-588-804), publishing concurrently with this notice.

**History of the Order**

The Department published its less-than-fair-value ("LTFV") determination on BBs from Italy on May 3, 1989.<sup>1</sup> In

this determination, the Department published weighted-average dumping margins of 68.29 percent for FAG Italia S.p.A. ("FAG") and 69.99 percent for SKF Industrie S.p.A. ("SKF"). The Department also published an all others rate of 155.57 percent. Since that time, the Department has conducted nine administrative reviews.<sup>2</sup> This sunset

Parts Thereof From Italy; and Final Determination of Sales at Not Less Than Fair Value; Spherical Plain Bearings and Parts Thereof, From Italy, 54 FR 19096 (May 3, 1989). This determination was subsequently amended. See *Notice of Redetermination of Final Margin of Sales at Less Than Fair Value, Pursuant to Court Remand: Ball Bearings and Parts Thereof From Italy and Sweden*, 54 FR 20910 (March 8, 1993).

<sup>2</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Final Results of Antidumping Duty Administrative Reviews*, 56 FR 31751 (July 11, 1991); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany; et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 32755 (June 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France; et al.; Final Results of Antidumping Duty Administrative Reviews*, 57 FR 28360 (June 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 32969 (July 24, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Sweden, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 57 FR 59080 (December 14, 1992); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 8908 (February 23, 1998); *Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 58 FR 39729 (July 26, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Amendment to Final Results of Antidumping Duty Administrative Review*, 58 FR 53914 (October 19, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France and Italy; Amendment to Final Results of Antidumping Duty Administrative Reviews*, 58 FR 65576 (December 15, 1993); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 18877 (April 16, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany, Italy, and Sweden; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 38369 (July 16, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 70100 (December 18, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 60 FR 10959 (February 28, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany and Italy; Amended Final Results of Antidumping Duty Administrative Reviews*, 60 FR 31142 (June 13, 1995); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy; Amended Final Results of Antidumping Duty Administrative Review*, 60 FR 33791 (June 29, 1995); *Antifriction Bearings (Other Than Tapered*

review covers imports from all Italian producers and/or exporters of BBs. With respect to duty absorption, the Department issued duty absorption findings for two producers and/or exporters of ball bearings from Italy in the 1995-1996 and 1997-1998 administrative reviews.<sup>3</sup>

**Background**

On April 1, 1999, the Department initiated a sunset review of the antidumping duty order on BBs from Italy (64 FR 15727), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate on behalf of The Torrington Company ("Torrington"), MPB Corp. ("MPB"), the Roller Bearing Company of America ("RBC"), the NSK Corp. ("NSK"), New Hampshire Ball Bearings, Inc. ("NHBB"), and Link-Belt Bearing Division ("Link-Belt") on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received a complete substantive response from Torrington, MPB, RBC, and NHBB on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). The Department received the complete substantive

*Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 66472 (December 17, 1996); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany, Italy, Japan, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 3003 (January 21, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 2081 (January 15, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, and Singapore; Amended Final Results of Antidumping Duty Administrative Reviews*, (March 26, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 33320 (June 18, 1998); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy, Romania, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 40878 (July 31, 1998); *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

<sup>3</sup> The two companies were SKF and FAG. See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

<sup>1</sup> See *Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Spherical Plain and Tapered Roller Bearings) and*

response from NSK on April 30, 1999. The Department did not receive a complete substantive response from Link-Belt. In addition, the Department received a complete substantive response from a respondent interested party, FAG, on May 3, 1999.

Torrington, MPB, RBC, and NHBB claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of BBs. NSK claimed interested party status under 19 U.S.C. 1677(9). In addition, Torrington stated that it was the petitioner in the original investigation and has actively participated in all administrative reviews of this order. MPB stated that it had participated in the International Trade Commission's ("the Commission") injury investigation. RBC and NHBB stated that they have not participated in any segment of this proceeding before the Department.

The foreign interested party, FAG, claimed interested party status under 19 U.S.C. 1677(9). FAG stated that it participated in the original investigation and each subsequent administrative review of this proceeding. In addition, the Department received a waiver of participation from another respondent interested party, SKF, on May 3, 1999.

Based on the information submitted by FAG concerning the volume and value of its exports and volume of imports as reported in U.S. Census Bureau IM146 Reports, FAG's exports of subject merchandise to the United States accounted for less than 50 percent of the total volume of subject merchandise to the United States over the five calendar years preceding the initiation of this sunset review. Therefore, based on the information submitted by FAG and the waiver of participation submitted on behalf of SKF, respondent interested parties have provided an inadequate response to the notice of initiation and, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department has determined to conduct an expedited, 120-day, review of this order.<sup>4</sup>

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). Therefore, on August 5, 1999, the Department determined that the sunset review of the antidumping duty order

on BBs from Italy is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>5</sup>

#### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 duty order, and it shall provide to the Commission the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

#### Adequacy

As noted above, we notified the Commission that we intended to conduct an expedited review of this order. On June 10, 1999, we received comments on behalf of MPB and Torrington supporting our determination to conduct an expedited review. NHBB and NSK also submitted comments on whether an expedited sunset review was warranted. In their submissions, both parties assert that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the Department's various antidumping duty orders on antifriction bearings. These parties also offered new argument regarding the likely effect of revocation of these orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic

interested party would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that, if there is *no* domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at Rep. No. 103-412 at 46 (2nd Session 1994)) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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.3). In addition, the Department indicated that normally it will determine that revocation of an antidumping 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 their substantive response, Torrington and MPB argue that revocation of the antidumping duty

<sup>4</sup> On May 24, 1999, we informed the Commission that, on the basis of inadequate response from respondent interested parties, we were conducting an expedited sunset review of this order consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (See Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

<sup>5</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et al.; Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

order on the subject merchandise would be likely to lead to continuation of dumping. They base this conclusion on the fact that dumping continued at levels above *de minimis* after the issuance of the order. RBC also argues that given that, dumping margins continue to exist after the issuance of the order, the Department must conclude that dumping would be likely to continue or recur if the order were revoked. Torrington and MPB assert further that an examination of import volumes is not necessary because dumping continued.

Should the Department decide to consider import volumes, Torrington and MPB assert that the data will demonstrate that 1998 import volumes of the subject merchandise are significantly below the 1988 pre-order volumes. Using pre-and post-order statistics for complete unmounted BBs, which Torrington and MPB assert is the only category for which statistics are available on a consistent basis, they argue that post-order declines in import volumes provide strong additional support for a determination that dumping is likely to continue or recur were the order revoked. In conclusion, Torrington and MPB assert that no "good cause" exists to consider other factors, such as sales below the cost of production.

NHBB and NSK assert that revocation of the order is not likely to result in continuation or recurrence of dumping. NHBB bases its assertion on the fact that dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part. NSK appears to support its assertion on the basis that the margin of dumping has fallen during the life of the order.

FAG indicates that revocation of the antidumping duty order on BBs from Italy will likely result in a statistically insignificant dumping margin for itself or a reduction in its dumping margin to a *de minimis* level. With respect to whether dumping continued at any level above *de minimis* after the issuance of the order, FAG indicates, in its Summary of Case History, that it has continued to dump subject merchandise at a level above *de minimis* throughout the life of the order (see May 3, 1999, substantive response of FAG, Appendix 2). With respect to whether imports of the subject merchandise ceased after the issuance of the order, FAG indicates that imports of the subject merchandise have continued throughout the life of the order. FAG argues that value and volume of subject merchandise has generally decreased since the inception of this case in 1987. Further, it contends

this trend has continued into the current review period with a further reduction in FAG's exports of the subject merchandise over the last two quarters.

In its rebuttal comments, FAG states that the dumping margins for producers and/or exporters of the subject merchandise have not only steadily declined in recent review periods but the levels of imports have remained steady. Specifically, FAG states that import levels of the subject merchandise remained relatively stable, decreasing by 25 percent between fiscal year 1993 and fiscal year 1997.

In their rebuttal comments, Torrington and MPB disagree with FAG. They state that FAG's admission that its imports and sales decreased strongly supports a determination that FAG cannot resume selling at pre-order volumes without resorting to dumping. Furthermore, according to Torrington and MPB, FAG disregards the Department's duty absorption findings when it suggests that the Department rely upon FAG's 0.95 percent dumping margin found in the most recent administrative review.

In addition, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Citing to *Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances Countervailing Duty Review and Revocation of Countervailing Duty Order*, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the order. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which, in these reviews, they have not done.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence of dumping. 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 of the order were removed. Thus, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department

considers the margins determined in the investigation and subsequent administrative reviews and the volume of imports. Whatever relevance the arguments of NHBB and NSK concerning possible disincentives for producers and/or exporters to dump in the U.S. market might have had is mooted by the evidence that dumping continues and has continued over the life of the order.

In the instant proceeding, dumping margins above *de minimis* continue to exist. Therefore, given that dumping has continued over the life of the order, the Department determines that dumping is likely to continue if the order were revoked. Because we have based this determination on the fact that dumping continued at levels above *de minimis*, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause," nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally 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*.)

The Department, in the LTFV determination of BBs from Italy, published a weighted-average dumping margin of 69.99 percent for SKF and a weighted-average dumping margin of 68.29 for FAG. In addition, the Department published a weighted-average dumping margin of 155.57 percent on all other imports of the subject merchandise from Italy.<sup>6</sup> As noted above, the Department issued

<sup>6</sup> See *Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Spherical Plain and Tapered Roller Bearings) and Parts Thereof From Italy; and Final Determination of Sales at Not Less Than Fair Value; Spherical Plain Bearings and Parts Thereof, From Italy*, 54 FR 19096 (May 3, 1989). This determination was subsequently amended. See *Notice of Redetermination of Final Margin of Sales at Less Than Fair Value, Pursuant to Court Remand: Ball Bearings and Parts Thereof From Italy and Sweden*, 54 FR 20910 (March 8, 1993).

duty absorption findings in the 1995–1996 administrative review for SKF and FAG with respect to BBs from Italy.

In their substantive response, Torrington and MPB argue that the margins likely to prevail are those from the Department's original investigation. They also note that the Department issued a duty absorption finding with respect to BBs from Italy in the 1995–1996 administrative review and should consider this in determining the margin likely to prevail. Specifically, Torrington and MPB argue that the dumping margins found for each company in the original investigation (as opposed to margins calculated in succeeding annual administrative reviews) are the dumping margins likely to prevail, including margins based on best information available, except where the most current margin, increased by the Department's duty absorption determination, exceeds the original investigation margin. Furthermore, RBC states that the margins from the original investigation are most probative of the rates likely to prevail as they are the only calculated rates that reflect the behavior of exporters without the discipline of the order in place.

NHBB argues that the dumping margins likely to prevail if the order were revoked would be *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In addition, NHBB argues that the Department should not report margins from the original investigation. In support of this argument, NHBB notes that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB asserts that one such instance is where, as in the antifriction bearings cases, dumping margins have declined over the life of the order and imports have remained steady or increased. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and would be contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Similarly, NSK argues that the margins likely to prevail would be *de minimis*. As support, NSK argues that, were the order not in existence, the Department would apply the average-to-average methodology used in an investigation, as opposed to the transaction-to-average methodology common to administrative reviews, to

measure the extent of any dumping. In such a case, NSK states that it believes any margin found would be below the two percent *de minimis* level applicable in investigations. NSK further argues that the Department's unorthodox approach during the original investigation, plus the liberal use of best information available, skewed the results of the original investigation seriously, rendering those results inappropriate indicators of the magnitude of the margin likely to prevail were the orders revoked. Finally, NSK also argues that dumping margins have declined over time with respect to BBs while at the same time, imports have remained at or around 20 percent of the U.S. market. As support, it cites to *The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements*, USITC Pub. 2900, Inv. No. 332–334, at 14–26—14–31 (June 1995).

FAG states the dumping margin likely to prevail for itself is its current dumping margin of 0.95 percent or even a lower dumping margin, given its current importing and pricing trends. FAG claims that its dumping margin may actually be lowered in the future because it has fundamentally changed its sourcing patterns to rely more heavily on domestic (*i.e.*, U.S.) or third country purchase of certain ranges of BBs. Furthermore, FAG claims that it has implemented price monitoring programs with respect to its sales of subject merchandise. FAG also argues that it has attained a 0.95 percent dumping margin in the face of what it considers the "arbitrary, capricious and commercially absurd" methodology used by the Department in the calculation of constructed value. Finally, FAG states it is a large producer of a highly differentiated, mature industrial product and that because of this, and the Department's sampling methodology, a certain inevitable percentage of dumping does recur from year to year.

In their rebuttal comments, Torrington and MPB argue that other parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail and ignore the Department's duty absorption findings. Citing to the *Sunset Policy Bulletin*, Torrington and MPB argue that the Department's policies are clear—normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order and rejection of margins from administrative reviews in which the Department found duty absorption. Torrington and MPB argue that the two

percent *de minimis* standard is not applicable to sunset reviews. Further, they contend there is no authority which would authorize or justify the rejection of the investigation rate on the basis of the particular methodology used at the time of the investigation. Additionally, they assert that, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided, Torrington and MPB argue, the Department should not accept these assertions since imports BBs from Italy have actually declined since the imposition of the order.

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above, exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations.

With respect to NSK's argument concerning the magnitude of the margin likely to prevail, we disagree. As discussed above, we do find that there is a likelihood of continuation or recurrence of dumping. Furthermore, we find the level of dumping likely to prevail is best reflected by the Department's dumping margins we calculated in the original investigation. Specifically, the Department finds that there is no basis to reject margins calculated in an investigation because of subsequent changes in methodology since such changes do not invalidate margins calculated under the prior methodology. Therefore, the dumping margins from the original investigation are the only rates which reflect the behavior of exporters without the discipline of the order, regardless of the methodology used to calculate that margin or the use of best information available (see section 752(c)(3) of the Act).

With respect to NHBB's argument concerning the dumping margin likely to prevail, the Department disagrees. First, NHBB claims that dumping margins have declined over the life of the order and imports have remained steady or increased. However, NHBB provided no evidence to support these claims and nothing submitted in the course of this sunset proceeding indicates that imports have remained steady or increased. In fact, evidence submitted by Torrington and MPB

indicate that post-order import volumes (1989–1998) are lower than pre-order volumes (1989) in each year. Regardless of the level of imports, dumping margins above *de minimis* levels continue as do imports of the subject merchandise; dumping continues to exist.

In the *Sunset Policy Bulletin* we indicated that, consistent with the SAA at 889–90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The *Sunset Policy Bulletin* provides that we will entertain such considerations in response to arguments from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporters behavior absent the discipline of an order, we will normally consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market share information, in past sunset reviews where market share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the order. (See, e.g., *Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden*, 63 FR 67658 (December 8, 1998), and *Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China*, 64 FR 30310 (June 7, 1999).)

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that our determinations regarding the magnitude of the margin likely to prevail be based on company-specific information. Generic arguments that margins decreased over the life of the orders while at the same time, exporters' share of the U.S. market remained constant do not address the

question of whether any particular company decreased its margin of dumping while, at the same time maintaining or increasing market share. In fact, such generic argument may disguise company-specific behavior demonstrating increased dumping coupled with increased market share.

With respect to FAG's argument concerning the margin likely to prevail, the Department disagrees. FAG argues that the margin likely to prevail is its current margin of 0.95 percent (or a lower margin). The Department finds this current margin is not reflective of the margin likely to prevail if the order were to be revoked. On the issue of import volumes, the SAA at 889, the House Report at 63, and the Senate Report at 52 state that declining import volumes accompanied by the continued existence of dumping margins after the issuance of the order may provide a strong indication that, absent an order, dumping would be likely to continue because the evidence would indicate that the exporter needs to dump to sell at pre-order volumes.

FAG states that exports of the subject merchandise have generally decreased since the inception of this case in 1987. The Department can confirm that current exports of the subject merchandise are indeed lower than pre-order exports. FAG also claims that it has shifted production to its U.S. facilities and has changed its sourcing patterns to rely more heavily on domestic (*i.e.*, U.S.) or third-country purchases of certain ranges of BBs. FAG also states that it has sourced product from third countries that are not covered by antidumping duty orders. In addition, it states that it has shifted production to its U.S. facilities for certain product ranges and sizes. These moves, coupled with FAG's decrease in exports of the subject merchandise to the United States over the life of the order, indicate to the Department that such action was necessary because FAG was, and is, unable to sell subject merchandise in the United States without dumping. Therefore, absent such evidence, the Department finds no reason to deviate from its standard practice in this matter.

As noted above, the Department determined in the final results of the 1995–1996 and 1997–1998 administrative reviews that two Italian producers/exporters, FAG and SKF, were absorbing duties.<sup>7</sup> Consistent with

<sup>7</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997); *Final Results of*

the statute and the *Sunset Policy Bulletin*, the Department will notify the Commission of its findings regarding duty absorption when conducting a sunset review.

Additionally, the *Sunset Policy Bulletin* refers to the SAA at 885 and the House Report at 60, and provides that where the Department has found duty absorption, the Department normally will provide to the Commission the higher of the margin that the Department otherwise would have reported or the most recent margin for that company, adjusted to account for the Department's findings on duty absorption. In this case, the margins adjusted to account for the Department's duty absorption findings are less than the margins we would otherwise report to the Commission.

Therefore, the Department agrees with the domestic interested parties concerning the margin likely to prevail if the order were to be revoked. We find that the dumping margins calculated in the original investigation are the only calculated rates that reflect the behavior of exporters without the discipline of the order. Consistent with the *Sunset Policy Bulletin*, we determine that the margins calculated in the Department's original investigation is probative of the behavior of Italian producers and exporters of BBs if the order were revoked. Therefore, we will report to the Commission the company-specific and "all others" rates from the original investigation contained in the Final Results of Review section of this notice.

#### Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margin listed below:

Manufacturer/ Exporter	Margin (percent)
SKF .....	69.99
FAG .....	68.29
All Other Producers/Exporters ..	155.57

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28774 Filed 11-3-99; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-122-404]

#### Final Results of Full Sunset Review: Live Swine From Canada

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of full sunset review: live swine from Canada.

**SUMMARY:** On June 25, 1999, the Department of Commerce ("the Department") published a notice of preliminary results of the full sunset review of the countervailing duty order on live swine from Canada (64 FR 34209) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results. We received comments from both domestic and respondent interested parties and held a public hearing. As a result of this review, the Department finds that revocation of this order would not be likely to lead to continuation or recurrence of a countervailable subsidy.

**FOR FURTHER INFORMATION CONTACT:** Scott E. Smith 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, DC 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

#### Statute and Regulations

This review was 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") and in 19 CFR part 351 (1998) in general. 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 this countervailing duty order is shipments of live swine, except U.S. Department of Agriculture ("USDA") certified purebred breeding swine, slaughter sows and boars, and weanlings from Canada.<sup>1</sup> Weanlings are swine weighing up to 27 kilograms or 59.5 pounds.<sup>2</sup> This merchandise is currently classifiable under the Harmonized Tariff Schedule ("HTS") item numbers 0103.91.00 and 0103.92.00. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

#### Background

On June 25, 1999, the Department issued the *Preliminary Results of Full Sunset Review: Live Swine from Canada* (64 FR 34209) ("Preliminary Results"). In our preliminary results, we found that revocation of the order would likely result in the continuation or recurrence of a countervailable subsidy. In addition, we preliminarily determined that the net countervailable subsidy likely to prevail if the order were revoked would be Can\$0.01802234/lb.

On August 9, 1999, within the deadline specified in 19 CFR 351.209(c)(1)(i), we received comments on behalf of National Pork Producers Council ("NPPC").<sup>3</sup> We also received comments from the Gouvernement du Quebec ("GOQ"), the Government of Canada ("GOC") and the Canadian Pork

<sup>1</sup> On August 29, 1996, the Department issued the final results of a changed circumstances review revoking the order, in part, with respect to slaughter sows and boars. The revocation became effective on April 1, 1991 (see *Live Swine from Canada; Final Results of Changed Circumstances Countervailing Duty Administrative Review, and Partial Revocation In Part of Countervailing Duty Order*, 61 FR 45402 (August 29, 1996)).

<sup>2</sup> In the *Final Affirmative Countervailing Duty Determination; Live Swine and Fresh, Chilled and Frozen Pork Products from Canada*, 50 FR 25097 (June 17, 1985), the Department also calculated a net subsidy for dressed-weight swine. However, the Department terminated its investigation with respect to fresh, chilled, and frozen pork products from Canada based on a finding by the Commission that no material injury, threat of material injury, or retardation of an infant industry existed.

<sup>3</sup> The NPPC is a trade organization representing U.S. hog and pork producers through a federation of 44 affiliated state pork producer associations with a total membership of 85,000. NPPC's membership consists of small family farms and large hog operations.

Council and its Members ("CPC"), the Canadian respondents in this proceeding (collectively, "the Canadian respondents"). On August 16, 1999, within the deadline specified in 19 CFR 351.309(d), the Department received rebuttal comments from the NPPC and each of the Canadian respondents. On August 18, 1999, the Department held a public hearing. We have addressed the comments received below.

As a result of our reconsideration, we find that the net subsidy rate likely to prevail were the order revoked is *de minimis*. Because any subsidy rate would be *de minimis*, we find that it is not likely that revocation would result in the continuation or recurrence of a countervailable subsidy.

#### Comments

**Comment 1:** The NPPC states that it agrees with the Department's preliminary finding that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The NPPC argues that given the extensive federal and provincial programs available, there can be little question that the Department properly found that subsidization would be likely to continue if the order were revoked.

The Canadian respondents argue that, when corrected for errors in the *Preliminary Results*, any net countervailable subsidy likely to prevail is zero or *de minimis*. As such, the Department should find that subsidization would not be likely to continue or recur if the order were revoked.

**Department Response:** Based on comments received, we have recalculated the net countervailable subsidy likely to prevail were the order revoked. Because, as discussed below, we find that the subsidy likely to prevail is *de minimis*, for our final results of full sunset review we determine that revocation of this countervailing duty order would not be likely to result in the continuation or recurrence of a countervailable subsidy.

**Comment 2:** The NPPC argues that although, in the *Preliminary Results*, the Department identified the Newfoundland Hog Price Stabilization Program as a program that was created after the imposition of the order which still exists, the Department failed to include this program in its net subsidy calculation. The NPPC requests the Department correct this error for its final determination.

As discussed in more detail below, the CPC argues that the Newfoundland Hog Price Stabilization Program was terminated on March 31, 1994.

protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-28775 Filed 11-3-99; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-428-801]

#### Final Results of Expedited Sunset Reviews: Antifriction Bearings From Germany

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset reviews: antifriction bearings from Germany.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on ball bearings, cylindrical roller bearings, and spherical plain bearings (collectively, "antifriction bearings") from Germany pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and an inadequate response from respondent interested parties in each of these reviews, the Department decided 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 the continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:**

Mark D. Young 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, DC 20230; telephone: (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

#### Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of

the Act. The Department's procedures for conducting 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"), and 19 CFR part 351 (1999) in general. 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 products covered by these reviews are antifriction bearings ("AFBs") from Germany, which include ball bearings ("BBs"), cylindrical roller bearings ("CRBs"), and spherical plain bearings ("SPBs") and parts thereof. For a detailed description of the products covered by these orders, including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset reviews on AFBs from Japan, published concurrently with this notice.

#### History of the Orders

On May 3, 1989, the Department issued final determinations of sales at less than fair value ("LTFV") with respect to imports of AFBs from Germany.<sup>1</sup> The antidumping duty orders on AFBs were issued by the Department on May 15, 1989, and the dumping margins that were found in the final determinations of sales at LTFV were affirmed.<sup>2</sup> Since the imposition of these orders, the Department has conducted nine administrative reviews.<sup>3</sup> The orders remain in effect for all manufacturers and exporters of the subject merchandise. In the final results of the 1995-1996 and 1997-1998 administrative reviews of these

<sup>1</sup> See Final Determination of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany, May 3, 1989, 54 FR 18992.

<sup>2</sup> See Ball Bearings, Cylindrical Roller Bearings, and Spherical Plain Bearings and Parts Thereof From the Federal Republic of Germany; Antidumping Duty Order, May 15, 1989 54 FR 20900.

<sup>3</sup> See Ball Bearings, Cylindrical Roller Bearings, and Spherical Plain Bearings and Parts Thereof From the Federal Republic of Germany; Final Results of Antidumping Duty Administrative Review, 64 FR 35590 (July 1, 1999); 63 FR 33320 (June 18, 1998); 62 FR 54043 (October 17, 1997); 62 FR 2081 (January 15, 1997); 61 FR 66472 (December 17, 1996); 60 FR 10900 (February 28, 1995); 58 FR 39729 (July 26, 1993); 57 FR 28360 (June 24, 1992); and 56 FR 31692 (July 11, 1991).

antidumping duty orders, the Department found that antidumping duties were being absorbed by German producers of AFBs.<sup>4</sup> This review covers all producers and exporters of AFBs from Germany.

#### Background

On April 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on AFBs from Germany, pursuant to section 751(c) of the Act. By April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulation*, we received notices of intent to participate from the following parties: Link-Belt Bearing Division ("Link-Belt"); The Torrington Company ("Torrington"); MPB Corporation ("MPB"); Roller Bering Company of America ("RBC"); New Hampshire Ball Bearing, Inc. ("NHBB"); and NSK Corporation ("NSK Corporation"). Each of these parties claimed status as domestic interested parties on the basis that they are a domestic producer, manufacturer, or wholesaler of one or more of the products subject to these orders.<sup>5</sup>

Within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i), on May 3, 1999, the Department received complete substantive responses from each of these domestic interested parties with the exception of Link-Belt. In addition, SKF USA and SKF GmbH (collectively "SKF") notified the Department that they would not file a substantive response in the sunset reviews of the AFBs orders. Finally, we received a complete substantive response on behalf of FAG Kugelfischer Georg Schäfer AG and FAG Bearings Corporation (collectively "FAG"). FAG asserts that it is a foreign manufacturer and exporter of BBs and CRBs and is, therefore, an interested party within the meaning of section 771(9)(A) of the Act. We received rebuttal comments from Torrington and MPB, RBC, NHBB, NSK Corporation, and FAG on May 12, 1999, within the deadline. On May 21 and May 24, 1999, we informed the International Trade Commission ("Commission") that, on the basis of inadequate response from respondent interested parties, we were conducting expedited sunset reviews of these orders

<sup>4</sup> See Final Results of Antidumping Duty Administrative Reviews, 62 FR 54043 (October 17, 1997) (1995-96); and Final Results of Antidumping Duty Administrative Reviews, 64 Fed. Reg. 35590 (July 1, 1999) (1997-98).

<sup>5</sup> Torrington, RBC, and NHBB filed with respect to BBs, CRBs, and SPBs. Link-Belt and MPB filed with respect to BBs and CRBs. NSK Corporation filed with respect to BBs only.

consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (See Letters to Lynn Featherstone, Director, Office of Investigations, USITC, from Jeffrey A. May, Director, Office of Policy.)

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). Therefore, on August 5, 1999, the Department determined that the sunset reviews of the antidumping duty orders on AFBs from Germany are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>6</sup>

#### 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 this determination, the Department shall consider the weighted-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 duty order. Pursuant to section 752(c)(3) of the Act, the Department shall provide to the Commission the magnitude of the margin likely to prevail if the order is revoked.

The Department's determinations concerning adequacy, continuation or recurrence of dumping, and the magnitude of the margin are discussed below. In addition, the parties' comments with respect to adequacy, the continuation or recurrence of dumping, and the magnitude of the margin are addressed within the respective sections below.

#### Adequacy

As noted above, we notified the Commission that we intended to conduct expedited reviews of these orders. On June 10, 1999, we received comments on behalf of Torrington and MPB supporting our determination to conduct expedited reviews. NHBB and NSK Corporation also submitted comments on whether expedited sunsets review were warranted. In their

submissions, both parties assert that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the various orders on antifriction bearings. These parties also offered new argument regarding the likely effect of revocation of the orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic interested party would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that, if there is *no* domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at 46) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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 normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when (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 their joint substantive response, Torrington and MPB argue that revocation of the antidumping duty orders on the subject merchandise would be likely to lead to continuation of dumping. They base this conclusion on the fact that dumping continued at levels above *de minimis* levels after the issuance of the orders. RBC also argues that, given that dumping margins continued to exist after the issuance of the orders, the Department must conclude that dumping would be likely to continue or recur if the orders were revoked. Torrington and MPB also assert that an examination of import volumes is not necessary because dumping continued. Using pre- and post-order statistics for complete unmounted BBs, which Torrington and MPB assert is the only category for which statistics are available on a consistent basis, they argue that post-order declines in import volumes provide strong additional support for a determination that dumping is likely to continue or recur were the orders revoked. In conclusion, Torrington and MPB assert that no "good cause" exists to consider other factors. However, if the Department were to consider other factors, they contend, it should acknowledge that, in each review period, it has found that home market sales by German producers were below the cost of production requiring that such sales be disregarded for purposes of determining formal market value or normal value.

NHBB and NSK Corporation assert that revocation of the orders is not likely to result in continuation or recurrence of dumping. NHBB bases its assertion on the fact that dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part. NSK Corporation supports its assertion on the basis that the margin of dumping would be *de minimis*. In addition, the respondent interested party in these sunset reviews of BBs and CRBs, FAG, asserts that revocation of the order would lead to a continued decrease in dumping, as evidenced by the decline in the level of dumping in recent years. FAG bases its conclusion

<sup>6</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et al.: Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

on the following factors: the decrease in value and volume of exports of the subject merchandise; its significant reduction of its U.S. resales of subject merchandise; its shift in production to its U.S. facilities and its ability to source product from third countries that are not covered by the antidumping duty orders; and decreasing dumping margins.

Furthermore, the respondent argues that the range of subject merchandise sold by FAG and other large bearing companies consists of thousands of different models, sold in differing quantities and into many different market sectors, tends to breed a certain percentage of "random dumping." FAG uses charts to support its argument that the analysis of the top ten sales for BBs and CRBs in the 1994-1995 and 1995-1996 reviews alone account for nearly 50 percent of the dumping margins in each case.<sup>7</sup> They argue that these sales were only ten of tens of thousands of sales made during a full review period and this would tend to negate any argument that there was chronic pattern of dumping by FAG. Therefore, it asserts that these dumped sales were extrapolated onto the wider selling and pricing patterns of the company as a whole, which led to arbitrary and unfair results. FAG notes further that the "random dumping" can explain the inevitable percentage of dumping that recurs from year to year, as evidenced by the fact that none of the large bearing manufacturers/exporters have achieved a *de minimis* margin in the past nine reviews.

In their rebuttal comments, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Further, citing to Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances Countervailing Duty Review and Revocation of Countervailing Duty Order, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the orders. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which, in these reviews, they have not done.

Torrington and MPB argue further that FAG's admission that its imports and sales have decreased strongly supports a determination that FAG cannot resume selling at pre-order volumes without resorting to dumping. Torrington and MPB also note that FAG's reliance on current margins to predict likely post-revocation margins ignores the fact that the investigation margins are the only margins which reflect the exporter's behavior without the discipline of the orders. Finally, Torrington and MPB note that if FAG's "random dumping" is in fact "inevitable," then under FAG's own argument dumping will continue.

In its rebuttal comments, FAG concurs with the substantive response of NSK Corporation which pointed out that the Department's methodology for calculating dumping margins in an investigation has fundamentally changed since the original LTFV investigation in AFBs ten years ago. FAG argues further that Torrington, MPB, and RBC erred in their reasoning to use the original investigation margins for purposes of these sunset reviews. According to FAG, the analyses presented by these domestic parties were not supported by empirical data, and that they erroneously presumed that even if dumping continued at levels above *de minimis*, and import volume decreased, there is a *prima facie* assumption of continued dumping at investigation levels and a mandatory requirement that these original margins be adopted.

FAG maintains that import levels for the subject merchandise increased 40 percent between fiscal years 1993 and 1997, and that dumping margins have decreased. Where margins have not declined over time, FAG contends, an explanation exists insofar as the Department changed its methodologies during the 1994-1995 administrative review. In light of the above, FAG argues, the Department should calculate projected dumping rates based on more recent reviews.

As discussed in section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence of dumping. 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 of the order were removed. Further, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the

investigation and subsequent administrative reviews and the volume of imports. Whatever relevance the arguments of NHBB and NSK concerning possible disincentives for producers and/or exporters to dump in the U.S. market might have had is mooted by the evidence that dumping continues and has continued over the life of the orders.

In the instant proceedings, dumping margins above *de minimis* continue to exist with respect to each of the orders. Therefore, given that dumping has continued over the life of the orders, the Department determines that dumping is likely to continue if the orders were revoked. Because we have based this determination on the fact that dumping continued at levels above *de minimis*, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause" and sales below the cost of production, nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that, consistent with the SAA and House Report, the Department will normally provide to the Commission a margin from the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order in place. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department will normally 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.)

In their joint substantive response, Torrington and MPB argue that the margins that are likely to prevail should the orders be revoked are the dumping margins found for each company in the original investigations (as opposed to margins calculated in succeeding annual administrative reviews), including margins based on best information available, except where the most current margin, increased by the Department's duty absorption determination, exceeds the original investigation margin. With respect to BBs, RBC argues that the margins from the original investigation are the margins likely to prevail were the order revoked.

<sup>7</sup> See May 3, 1999, Substantive Response of the Respondent at Appendix 5 Chart 3.

NHBB argues that the dumping margins likely to prevail if the orders were revoked are *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In addition, NHBB argues that the Department should not report margins from the original investigation, asserting that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB also asserts that one such instance is where, as in the AFBs cases, dumping margins have declined over the life of the orders and imports have remained steady or increased. Additionally, NHBB argues that, because the structure of the U.S. domestic industry that exists today bears little resemblance to the industry when the antidumping duty orders were imposed in 1989, the rates from the original investigation are inappropriate as indicators of the rates that would be found upon revocation. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and would be contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Similarly, NSK Corporation and FAG argue that the margins likely to prevail are *de minimis*. As support, NSK Corporation argues that, were the orders not in existence, the Department would apply the average-to-average methodology used in an investigation as opposed to the transaction-to-average methodology common to administrative reviews to measure the extent of any dumping. In such a case, NSK Corporation states that it believes any margin found would be below the two-percent *de minimis* level applicable in investigations. NSK Corporation argues further that the Department's unorthodox approach during the original investigation, plus the liberal use of best information available, skewed the results of the original investigation seriously, rendering those results inappropriate indicators of the magnitude of the margin likely to prevail were the orders revoked. Finally, NSK Corporation also argues that dumping margins have declined over time with respect to importations of BBs while, at the same time, importations have remained at or around 20 percent of the U.S. market. As support, it cites *The Economic Effects of*

Antidumping and Countervailing Duty Orders and Suspension Agreements, USITC Pub. 2900, Inv. No. 332-334, at 14-26-14-31 (June 1995).

FAG points out that 751(a)(4) of the Act permits the Department to conduct a duty absorption inquiry during any administrative review initiated two years or four years after the publication of an antidumping duty order. Notwithstanding this provision, FAG notes that the Department conducted duty absorption inquiries in the 1995-1996 and 1997-1998 administrative reviews, and, therefore, its duty absorption inquiry is unlawful and cannot be used.

In addition to the aforementioned argument, FAG challenges the methodology chosen by the Department to calculate duty absorption rates, stating that it was arbitrary and capricious, as well as contrary to language found in 19 U.S.C. 1675(a)(4). FAG asserts that the Department has merely calculated the percentage of FAG's U.S. affiliate's sales with dumping margins versus total sales and concluded that this figure demonstrates duty absorption within the meaning of the statute. FAG claims that there is no connection between the percentage of sales of a U.S. importer with dumping margins and any alleged duty absorption by the affiliated foreign producer or exporter.

In their rebuttal comments, Torrington and MPB argue that other parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail and ignore the Department's duty absorption findings. Citing to the Sunset Policy Bulletin, Torrington and MPB argue that the Department's policies are clear "normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order and rejection of margins from administrative reviews in which the Department found duty absorption. Torrington and MPB argue that the two-percent *de minimis* standard is not applicable to sunset reviews. Further, they contend that there is no authority which would authorize or justify the rejection of the investigation rates on the basis of the particular methodology used at the time of the investigations. Additionally, they argue that, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided, the

Department should not accept these assertions since imports of certain BBs have actually declined since the imposition of the order.

In its rebuttal comments, FAG notes that Torrington erred in relying on the highest dumping margins calculated in each review period rather than the average. Furthermore, FAG argues that Torrington relied upon margins calculated using facts available. FAG asserts that, if the Department assesses margin levels based on actual calculated dumping rates, taken as averages for each review period, it will determine that, but for changes in calculation methodologies, margins have decreased over time.

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above, exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations.

In the Sunset Policy Bulletin we indicated that, consistent with the SAA at 889-90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The Sunset Policy Bulletin provides that we will entertain such considerations in response to argument from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporters behavior absent the discipline of an order, we will normally consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market share information, in past sunset reviews where market share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the

order. See, e.g., Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden, 63 FR 67658 (December 8, 1998), and Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China, 64 FR 30310 (June 7, 1999).

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that our determinations regarding the magnitude of the margin likely to prevail be based on company-specific information. Generic arguments that margins decreased over the life of the orders while at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic argument may disguise company-specific behavior demonstrating increased dumping coupled with increased market share.

FAG provided company-specific value and volume information concerning its exports of BBs and CRBs, and it argued that exports of the subject merchandise have generally decreased since the inception of this case in 1987. The Department can confirm that current exports of the subject merchandise are indeed lower than pre-order exports. FAG's decrease in exports of the subject merchandise to the United States over the life of the orders indicate that FAG is unable to sell subject merchandise in the United States at pre-order volumes without dumping. Therefore, absent such evidence, we find no reason to deviate from our standard practice of using the margin we calculated in the original investigation.

In the final results of the 1995/96<sup>8</sup> and 1997/98 administrative reviews of these orders, the Department found that antidumping duties have been absorbed by foreign producers. With respect to the 1997/98 administrative reviews we made the following determinations<sup>9</sup>:

Ball bearings	Percent of sales
SKF	3.17
FAG	10.31
INA	9.14
Cylindrical Roller Bearings:	
SKF	33.52

<sup>8</sup> See Final Results of Antidumping Duty Administrative Reviews, 62 FR 54043 (October 17, 1997) (1995-96).

<sup>9</sup> See Final Results of Antidumping Duty Administrative Reviews, 64 FR 35590 (July 1, 1999) (1997-98).

Ball bearings	Percent of sales
FAG	24.59
Torrington Nadellage	0.26
INA	9.24
Spherical Plain Bearings:	
INA	3.53
SKF	20.31

Consistent with the statute and the Sunset Policy Bulletin, the Department will notify the Commission of its findings regarding such duty absorption for the Commission to consider in conducting a sunset review.

Additionally, the *Sunset Policy Bulletin* refers to the SAA at 885 and the House Report at 60 and provides that, where the Department has found duty absorption, the Department normally will provide to the Commission the higher of the margin that the Department otherwise would have reported or the most recent margin for that company, adjusted to account for the Department's findings on duty absorption. In this case, the margins adjusted to account for our duty absorption findings are less than the margins we would otherwise report to the Commission.

Therefore, the Department agrees with Torrington, MPB, and RBC concerning the margin likely to prevail if the order were to be revoked. We find that the dumping margins calculated in the original investigation are the only calculated rates that reflect the behavior of exporters without the discipline of the orders. Consistent with the *Sunset Policy Bulletin*, we determine that the margins we calculated in the original investigation are probative of the behavior of German producers and exporters of BBs, CRBs, and SPBs if the order were revoked. Therefore, we will report to the Commission the company-specific and "all others" rates from the original investigation 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 duty orders would likely lead to continuation or recurrence of dumping at the margins indicated below:

Manufacturer/Exporter	Margin (percent)
Ball Bearings:	
SKF	132.25
FAG	70.41
INA	31.29
GMN	35.43
All Others	68.89
Cylindrical Roller Bearings:	

Manufacturer/Exporter	Margin (percent)
SKF	76.27
FAG	52.43
INA	52.43
All Others	55.65
Spherical Plain Bearings:	
SKF	118.98
FAG	74.88
All Others	114.52

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 notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**  
Acting Assistant Secretary for Import Administration.

[FR Doc. 99-28776 Filed 11-3-99; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-485-801]

**Final Results of Expedited Sunset Review: Ball Bearings From Romania**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Expedited Sunset Review: Ball Bearings from Romania.

**SUMMARY:** On April 1, 1999, the U.S. Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on ball bearings from Romania pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate response filed on behalf of a domestic interested party and inadequate response from respondent interested parties in this review, the Department conducted an expedited sunset review. As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to recurrence of dumping at

the levels indicated in the Final Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:**

Mark D. Young 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, DC 20230; telephone (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for conducting 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"), and 19 CFR part 351 (1999) in general. 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 products covered by this order are ball bearings ("BBs") and parts thereof from Romania. For a detailed description of the products covered by this order, including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset reviews on antifriction bearings from Japan, publishing concurrently with this notice.

**History of the Order**

On May 3, 1989, the Department issued a final determination of sales at less than fair value ("LTFV") with respect to imports of BBs from Romania.<sup>1</sup> The antidumping duty order on BBs was issued by the Department on May 15, 1989, and the dumping margins that were found in the final determination of sales at LTFV were confirmed.<sup>2</sup> Since the imposition of this order, the Department has conducted

several administrative reviews.<sup>3</sup> The order remains in effect for all manufacturers and exporters of the subject merchandise.

This review covers all producers and exporters of BBs from Romania.

**Background**

On April 1, 1999, the Department initiated a sunset review of the antidumping duty order on BBs from Romania pursuant to section 751(c) of the Act. By April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*, we received notices of intent to participate from The Torrington Company ("Torrington") and MPB Corporation ("MPB"), Roller Bearing Company of America ("RBC"), Link-Belt Bearing Division ("Link-Belt"), New Hampshire Ball Bearing, Inc. ("NHBB"), and NSK Corporation ("NSK"). Each of these parties claimed status as domestic interested parties on the basis that they are domestic producers, manufacturers, or wholesalers of BBs.

Within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i), on May 3, 1999, the Department received complete substantive responses from each of these domestic interested parties. In addition, Tehnoimportexport S.A. ("TIE") notified the Department that it would not file a substantive response in the review of the BBs order. We received substantive comments from Torrington and MPB, RBC, NHBB, and NSK, on May 12, 1999, within the deadline. We did not receive a substantive response from Link-Belt.

On May 21, 1999, we informed the International Trade Commission ("Commission") that, on the basis of inadequate response from respondent interested parties, we were conducting an expedited sunset review of this order consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (See Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

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). Therefore, on August 5, 1999, the Department determined that the sunset

review of the antidumping duty order on BBs from Romania is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>4</sup>

**Determination**

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 duty order. Pursuant to section 752(c)(3) of the Act, the Department shall provide to the Commission the magnitude of the margin likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, the parties' comments with respect to the continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

**Adequacy**

As noted above, we notified the Commission that we intended to conduct an expedited review of this order. On June 10, 1999, we received comments on behalf of Torrington and MPB supporting our determination to conduct an expedited review. NHBB and NSK also submitted comments on whether an expedited sunset review was warranted. In both submissions, both parties assert that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the Department's various antidumping duty orders on antifriction bearings. These parties also offered new argument regarding the likely effect of revocation of these orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. We made clear in our

<sup>1</sup> See Final Determination of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Romania, May 3, 1989 54 FR 18992.

<sup>2</sup> See Ball Bearings, Cylindrical Roller Bearings, and Spherical Plain Bearings and Parts Thereof From Romania; Antidumping Duty Order, May 15, 1989 54 FR 20900.

<sup>3</sup> See Ball Bearings, Cylindrical Roller Bearings, and Spherical Plain Bearings and Parts Thereof From Romania; Final Results of Antidumping Duty Administrative Review, 64 FR 35590 (July 1, 1999); 63 FR 33320 (June 18, 1998); 62 FR 54043 (October 17, 1997); 58 FR 39729 (July 26, 1993); 57 FR 28360 (June 24, 1992); and 56 FR 31692 (July 11, 1991).

<sup>4</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et. al.: Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

regulations that a complete substantive response from one domestic interested party, which we have received in this case from Torrington and MPB, RBC, NHBB, and NSK, would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that if there is *no* domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at S. Rep. No. 103-412, at 46 (1994)) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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 normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when (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 their substantive responses, Torrington, MPB, and RBC argue that revocation of the antidumping duty order on the subject merchandise would likely lead to the recurrence of dumping. They base this conclusion on the fact that imports declined significantly while dumping margins remained at *de minimis* levels. Torrington and MPB argue that the post-order volume of imports for complete unmounted BBs, which they assert is the only category for which statistics are available on a consistent basis, have declined significantly since the issuance of the order. They argue further that, since the post-order import volume was 83% lower than the pre-order volume, the Department should conclude that dumping is likely to recur if the order were revoked. In conclusion, Torrington and MPB assert that no "good cause" exists to consider other factors, such as sales below the cost of production.

NHBB and NSK assert that revocation of the order is not likely to result in continuation or recurrence of dumping. NHBB bases its assertion on the fact that dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part. NSK claims that the margin of dumping would be no higher than the margin for TIE found in the most recent administrative review (*i.e.*, 0.02 percent).

In their rebuttal comments, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Further, citing to Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances Countervailing Duty Review and Revocation of Countervailing Duty Order, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the order. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which, in this review, they have not done.

As discussed in section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence

of dumping. 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 of the order were removed. Therefore, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the investigation and subsequent administrative reviews and the volume of imports. Whatever relevance the arguments of NHBB and NSK concerning possible disincentives for producers and/or exporters to dump in the U.S. market might have had is mooted by the evidence that dumping continues and has continued over the life of the order.

As set forth in the Sunset Policy Bulletin (section II.A.3) and consistent with the SAA at 889-90 and the House Report at 63, where dumping was eliminated after the issuance of the order and import volumes from the subject merchandise declined significantly, the Department normally will determine that revocation of the antidumping duty order would be likely to lead to recurrence of dumping. Although dumping has been eliminated, shipments of the subject merchandise have declined dramatically. In addition, respondent interested parties waived participation in this review. Therefore, we determine that, consistent with section II.A.3 of the Sunset Policy Bulletin, dumping is likely to recur if the order were revoked. Because we have based this determination on the fact that import volumes of the subject merchandise declined significantly after the issuance of the order, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause" nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that, consistent with the SAA and House Report, the Department normally will provide to the Commission a margin from the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order in place. 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.)

In their substantive responses, Torrington, MPB, and RBC argue that the margins that are likely to prevail should the order be revoked are the dumping margins found for each company in the original investigation (as opposed to margins calculated in succeeding annual administrative reviews), including margins based on best information available, except where the most current margin, increased by the Department's duty-absorption determination, exceeds the original investigation margin.

NHBB argues that the dumping margins likely to prevail if the order were revoked are *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In addition, NHBB argues that the Department should not report margins from the original investigation. In support of this argument, NHBB notes that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB asserts that one such instance is where, as in the bearings cases, dumping margins have declined over the life of the order and imports have remained steady or increased. Additionally, NHBB argues that, because the structure of the U.S. domestic industry that exists today bears little resemblance to the industry when the antidumping duty order was imposed in 1989, the rates from the original investigation are inappropriate as indicators of the rates that would be found upon revocation. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and would be contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Similarly, NSK argues that the margins likely to prevail are *de minimis*. As support, NSK argues that, were the order not in existence, the Department would apply the average-to-average methodology used in an investigation as opposed to the transaction-to-average methodology common to administrative reviews to measure the extent of any dumping. In such a case, NSK believes any margin found would be below the two percent *de minimis* level applicable

in investigations. NSK argues further that, the Department's unorthodox approach during the original investigation, plus the liberal use of best information available, skewed the results of the original investigation seriously, rendering those results inappropriate indicators of the magnitude of the margin likely to prevail if the order were revoked. Finally, NSK also argues that dumping margins have declined over time while, at the same time, importations have remained at or around 20 percent of the U.S. market. As support, it cites to The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements, USITC Pub. 2900, Inv. No. 332-334, at 14-26-14-31 (June 1995).

In their rebuttal comments, Torrington and MPB argue that other parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail. Citing to the Sunset Policy Bulletin, Torrington and MPB argue that the Department's policies are clear—normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order. Torrington and MPB argue that the two-percent *de minimis* standard is not applicable to sunset reviews. Further, there is no authority which would authorize or justify the rejection of the investigation rate on the basis of the particular methodology used at the time of the investigation. Additionally, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, Torrington and MPB argue that it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided, Torrington and MPB argue that the Department should not accept these assertions.

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above, exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations.

In the Sunset Policy Bulletin we indicated that, consistent with the SAA at 889-90 and the House Report at 63, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have

to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order was revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The Sunset Policy Bulletin provides that we will entertain such considerations in response to argument from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporter's behavior absent the discipline of an order, the Department normally will consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market-share information, in past sunset reviews, where market-share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the order. See, e.g., Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden, 63 FR 67658 (December 8, 1998), and Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China, 64 FR 30310 (June 7, 1999).

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that our determinations regarding the magnitude of the margin likely to prevail be based on company-specific information. Generic arguments that margins decreased over the life of the order while, at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic argument may disguise company-specific behavior demonstrating increased dumping coupled with increased market share.

Our review of import statistics, provided by Torrington and MPB, covering BBs from Romania demonstrates that imports have declined significantly since 1988, dropping from 13.5 million units to 0.7 million units. Although imports increased to 2.5 million units in 1997,

they remain significantly below pre-order volumes. While we acknowledge that we may select a more recently calculated margin when declining (or no) margins are accompanied by steady or increasing imports, we do not agree that the facts of this case support such a determination. Although dumping margins, in the instant case, have remained at levels below *de minimis* levels from 1990 through 1998, the record reflects a dramatic decline in import levels. As mentioned above, the Department normally will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where there is a significant decline in import levels. Therefore, we find that the use of a more recently calculated margin in its report to the Commission would be inappropriate. Rather, we find that the margins from the original investigation reflect the behavior of exporters absent the discipline of the order. Therefore, consistent with the Sunset Policy Bulletin, we will report to the Commission the margins indicated in the Final Results of the Review section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to recurrence of dumping at the margins indicated below:

Manufacturer/ Exporter	Margin (percent)
Ball Bearings:	
TIE .....	39.61
All Others .....	39.61

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard Moreland,**

Acting Assistant Secretary for Import Administration.

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-588-054]

**Final Results of Expedited Sunset Review: Tapered Roller Bearings, Four Inches or Less, from Japan**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset review: Tapered roller bearings, four inches or less, from Japan.

**SUMMARY:** On April 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping finding on tapered roller bearings from Japan (64 FR 15727) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, a waiver) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping finding 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, DC 20230; telephone: (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was 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*") and 19 CFR Part 351 (1998) in general. 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 this antidumping finding is tapered roller bearings ("TRBs"), four inches or less in outside diameter when assembled, including inner race or cone assemblies and outer races or cups, sold either as a unit or separately, from Japan. The scope of the finding was clarified in 1981. At that time, the Department ruled that TRBs that are greater than four inches in outer diameter were outside the scope. Moreover, the Department found that unfinished TRB components (cups, cones, and retainers) that had been forged and rough machined but not finished were outside the scope.<sup>1</sup> The subject merchandise is currently classifiable under HTS items 8482.20.00 and 8482.99.30. While the HTS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

**History of the Finding**

On September 6, 1974, the Treasury Department ("Treasury") published its antidumping determination of sales at less than fair value ("LTFV") (39 FR 32337). On August 18, 1976, Treasury published its Final Affirmative Antidumping Duty Determination, T.D. 76-227 (41 FR 34974). Treasury did not publish any dumping margins in its original finding.

Over the life of the finding, the Department has conducted several administrative reviews.<sup>2</sup> This sunset

<sup>1</sup> See *Tapered Roller Bearings and Certain Components Thereof from Japan; Clarification of Scope of Antidumping Finding*, 46 FR 40350 (August 10, 1981).

<sup>2</sup> See *Tapered Roller Bearings and Certain Components Thereof from Japan; Final Results of Administrative Review and Revocation in Part of Antidumping Finding*, 47 FR 25757 (June 15, 1982); *Tapered Roller Bearings and Certain Components Thereof from Japan; Final Results of Administrative Review of Antidumping Finding*, 49 FR 8976 (March 9, 1984); *Tapered Roller Bearings Four Inches or Less in Outside Diameter from Japan; Final Results of Antidumping Duty Administrative Review*, 55 FR 22369 (June 1, 1990); *Tapered Roller Bearings Four Inches or Less in Outside Diameter from Japan; Final Results of Antidumping Duty Administrative Review*, 55 FR 38720 (September 20, 1990); *Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Certain Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Review*, 56 FR 26054 (June 6, 1991); as amended, *Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Certain Components Thereof, from Japan; Amendment to Final Results of Antidumping Finding Administrative Review*, 56 FR 31113 (July 9, 1991); *Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Certain Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Review*, 56 FR 65228 (December 16, 1991); *Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Certain Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Review*, 57 FR

Continued

review covers imports from all known Japanese producers/exporters, except

4975 (February 11, 1992); as amended, *Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Certain Components Thereof, from Japan; Amended Final Results of Antidumping Duty Administrative Review*, 57 FR 9105 (March 16, 1992); *Final Results of Antidumping Duty Administrative Reviews; Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan*, 58 FR 64720 (December 9, 1993); as amended, *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan*, 59 FR 2594 (January 18, 1994); *Tapered Roller Bearings, Four Inches or Less in Diameter, and Components Thereof, from Japan; Final Results and Partial Termination of Antidumping Duty Administrative Review*, 59 FR 56035 (November 10, 1994); *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Affirmation of the Results of Redetermination Pursuant to Court Remand*, 60 FR 3624 (January 18, 1995); as amended, *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Amendment to Affirmation of the Results of Redetermination Pursuant to Court Remand*, 60 FR 45398 (August 31, 1995); *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Amendment to the Final Results of Review*, 60 FR 62386 (December 6, 1995); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Finding*, 61 FR 57629 (November 7, 1996); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 2558 (January 15, 1998); as amended, *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 13391 (March 19, 1998); *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan, and Tapered Roller Bearings, Finished and Unfinished, and Parts Thereof, from Japan; Final Court Decisions and Amended Final Results of Antidumping Duty Administrative Reviews*, 63 FR 17815 (April 10, 1998); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 63 FR 20585 (April 27, 1998); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 63860 (November 17, 1998); *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Court Decisions and Amended Final Results of Antidumping Duty Administrative Reviews*, 64 FR 15729 (April 1, 1999).

NTN Toyo Bearing Company, Ltd. and NTN Bearing Corporation of America, for which the finding was revoked.<sup>3</sup>

The Department made a duty absorption finding in the final results of the 1995-96 administrative review.<sup>4</sup>

### Background

On April 1, 1999, the Department initiated a sunset review of the antidumping finding on TRBs, four inches and under, from Japan (64 FR 15727), pursuant to section 751(c) of the Act. The Department received Notices of Intent to Participate on behalf of the Timken Company ("Timken") and the Torrington Company ("Torrington"), American NTN Bearing Manufacturing Corporation ("ANBM") and the NTN Bower Corporation, and Koyo Corporation of the U.S.A.—Manufacturing Division ("KCUM") on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received complete substantive responses on behalf of Timken, ANBM and NTN Bower, and KCUM on May 3, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i).

Timken and Torrington claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of TRBs. Timken stated that it filed the original petition that led to the antidumping finding. In addition, Timken stated that it has participated in all administrative reviews of the finding. ANBM and NTN Bower also claimed interested party status under 19 U.S.C. 1677(9)(C) as U.S. manufacturers of a domestic like product. Additionally, ANBM and NTN Bower stated that they are related to a foreign producer/exporter and are importers of subject merchandise. KCUM also claimed interested party status under 19 U.S.C. 1677(9)(C) as a U.S. manufacturer of a domestic like product. KCUM stated that it is a division of Koyo Corporation of U.S.A., a wholly-owned subsidiary of Koyo Seiko Co., Ltd., a producer in Japan of subject merchandise and an importer of subject merchandise. Moreover, KCUM stated that it participated in all administrative reviews by the Department.

On May 3, 1999, the Department received a waiver from Koyo Seiko

<sup>3</sup> See *Tapered Roller Bearings and Certain Components Thereof from Japan; Final Results of Administrative Review and Revocation in Part of Antidumping Finding*, 47 FR 25757 (June 15, 1982).

<sup>4</sup> See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 2558 (January 15, 1998).

Corp., Ltd. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this finding.

On May 12, 1999, the Department received rebuttal comments from ANBM and NTN Bower and Timken.<sup>5</sup>

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). On August 5, 1999, the Department determined that the sunset review of the antidumping duty finding on TRBs, four inches and under, from Japan is extraordinarily complicated, and extended the time limit for completion of the final results of this review until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>6</sup>

### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 finding, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the finding is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

<sup>5</sup> On May 6, 1999, the Department received and granted a request from Timken for a two working-day extension of the deadline for filing rebuttal comments in this sunset review. This extension was granted for all participants eligible to file rebuttal comments in this review. The deadline for filing rebuttals to the substantive comments therefore became May 12, 1999.

<sup>6</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et al.; Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

### 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.3). In addition, the Department indicated that normally it will determine that revocation of an antidumping finding 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 finding, (b) imports of the subject merchandise ceased after the issuance of the finding, or (c) dumping was eliminated after the issuance of the finding 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 a finding is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In this instant review, the Department received a waiver of participation from Koyo and did not receive a substantive response from any other respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In its substantive response, Timken argues that revocation of the finding on TRBs from Japan would be likely to lead to continuation or recurrence of dumping due to the fact that there has been continuous dumping for more than twenty-five years of significant import volumes of subject TRBs and Japanese producers have continued to export significant quantities of subject merchandise to the United States (see May 3, 1999, substantive response of Timken at 7). Timken further argues that the Asian financial crisis has had the effect of limiting the market for TRBs in Japan and the rest of Asia, leaving Japanese TRB producers with excess capacity and the need to export more than they have in the past. Timken

maintains that the result has been a forty percent increase of exports of TRBs to the U.S. from 1997 to 1998 (see *id.* at 10). Moreover, Timken argues that Japanese selling patterns in Canada and Mexico indicate that absent the finding, Japanese producers would increase exports to the U.S. by lowering prices. Timken concludes that since the Japanese are presently selling in the U.S. at LTFV, even lower prices would mean greater levels of dumping (see *id.* at 11). In sum, Timken argues that the consistent history of dumping with the discipline of the finding in place, together with the impact of the Asian financial crisis and Japanese sales behavior in other countries demonstrate that dumping would continue or recur if the finding were revoked.

In their substantive response, ANBM and NTN Bower (collectively, "NTN") argue that revocation of the finding would have a minimal, if any, impact upon the U.S. market for the following reasons. First, they maintain that producers in the subject country have invested in production facilities in the U.S. since the imposition of the finding, thereby decreasing the need to import subject merchandise from Japan. They further claim that imports from non-subject countries will continue to increase, therefore reducing the competitive threat from the subject country to the U.S. market. Finally, they argue that the U.S. bearing industry is financially secure (see May 3, 1999, substantive response of NTN at 3).

KCUM, in its substantive response, argues that revocation of the antidumping finding would not have much of an effect on the U.S. market, prices, or the industry for two reasons. First, KCUM maintains that the U.S. market and the role of imports in the market have changed substantially over the past twenty years, and foreign producers whose imports have been subject to the finding have moved substantial production facilities to the U.S. Therefore, KCUM argues, if the finding is revoked, KCUM will continue to produce significant quantities of bearings in the U.S. Second, KCUM argues that foreign producers subject to the finding have much smaller market shares with limited ability to influence prices in the market. The conclusion KCUM draws is that the TRB market in the U.S. is subject to conditions that affect prices to which the existence or revocation of the antidumping finding is irrelevant (see May 3, 1999, substantive response of KCUM at 4-5).

In its rebuttal comments, Timken states that the existence of manufacturing facilities in the U.S. is not relevant to the likelihood

determination because despite the fact that such facilities have been in operation for many years, dumping of subject merchandise from Japan in substantial amounts has continued (see May 12, 1999, rebuttal of Timken at 3-4). Timken further argues that any significant effect that onshore production was going to have on dumped imports would have demonstrated itself by now (see *id.* at 5). Moreover, Timken rebuts NTN's assertion that revocation will not have an effect because non-subject imports of TRBs will increase. Timken argues that there is no evidence that, should the finding be revoked, NTN or any other Japanese producer would raise its import prices. Timken maintains that since Japanese producers sell at current LTFV prices or lower, there is little likelihood that foreign producers of non-subject merchandise would be able to increase their market share (see *id.* at 5-6). Finally, Timken rebuts KCUM's argument that the U.S. market and the role of imports in the market have changed substantially over the past twenty years. Timken maintains that since KCUM does not affirm that market conditions will change in any significant way, on the surface, KCUM's assertion supports the proposition that dumping will continue if the finding were revoked because dumping occurs at present (see *id.* at 4-5).

NTN, in its rebuttal, argues that Timken relies heavily on the assumption that the Asian economic situation will continue as it has for the foreseeable future. NTN, however, states that more recent economic trends indicate that the Japanese, and Asian economies in general, are on the verge of recovery (see May 12, 1999, rebuttal of NTN at 1-2). Finally, NTN maintains that Timken also heavily relies on the duty absorption rates in arguing likely dumping levels. However, NTN points out that the rates cited by Timken, as well as the finding of duty absorption itself, are the subject of litigation before the Court of International Trade (see *id.* at 1-2).

The Department agrees, based on an examination of the final results of administrative reviews, that dumping margins above *de minimis* levels have continued throughout the life of the finding for many Japanese producers/exporters.<sup>7</sup> 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 dumping with the discipline of a finding in place, the Department may reasonably infer that dumping would continue if the

<sup>7</sup> See footnote 2.

discipline were removed. The Department also agrees that following the imposition of the finding, imports of the subject merchandise have continued throughout the life. Since that time, imports of TRBs from Japan have fluctuated greatly, showing no overall trend.<sup>8</sup>

Based on this analysis, the Department finds that the existence of dumping margins after the issuance of the finding 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 for at least one known Japan producer/exporter. Therefore, given that dumping has continued over the life of the finding and respondent interested parties waived their right to participate in this review before the Department, we determine that dumping is likely to continue or recur if the finding were revoked. Whatever relevance the arguments of those parties in support of revocation might have had concerning possible disincentives for producers and/or exporters to dump in the U.S. market, those arguments are mooted by the evidence that dumping continues and has continued over the life of the order.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally 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 finding 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*.) Further, the *Sunset Policy Bulletin* states that in a sunset review of an antidumping finding where the original investigation was conducted by Treasury and no company-specific margin or "all others" rate was included in the Treasury finding, the Department normally will provide to the Commission the

company-specific margin from the first administrative review published by the Department in the *Federal Register*. For any company not covered in the first administrative review, the Department normally will provide to the Commission, as the margin for any new company not reviewed by Treasury, the first "new shipper" rate established by the Department for that order (see section II.B.1).

As noted above, Treasury, in its original finding, did not publish any dumping margins. Therefore, consistent with section II.B.1 of the *Sunset Policy Bulletin*, the Department normally will select the company-specific margins from the first final results of administrative review conducted by the Department as the magnitude of the margin of dumping likely to prevail if the finding is revoked. Exceptions to this rule include the use of a more recently calculated rate, where appropriate, and consideration of duty absorption findings.

In its substantive response, Timken recommends that the Department report the following dumping margins to the Commission: 20.56 percent for Koyo Seiko, 17.42 percent for NSK, and the new shipper's rate of 18.07 percent for all companies not reviewed in the first review period (see May 3, 1999, substantive response of Timken at 14). Moreover, Timken suggests that the Department deviate from its general practice of selecting the margins from the original investigation due to the fact that two major Japanese producers were found to be absorbing duties (see *id.* at 15-16). Timken also points out that in the *Sunset Policy Bulletin* the Department stated that where it has found company-specific duty absorption, it will report the greater of the margin it would normally report or the most recent margin for that company adjusted to account for the Department's findings on duty absorption (see *id.* at 15 and *Sunset Policy Bulletin*). In sum, Timken recommends that if the Department conducts an expedited review, it should rely on the evidence from the 1995-96 administrative review and forward the margins, as adjusted for duty absorption, for the companies from this review (see *id.* at 16).

NTN, in its substantive response, maintains that the dumping margin likely to prevail if the order is revoked would be 0.00 percent. However, NTN alternatively requests that the Department employ margins that were determined during the more recent administrative reviews of the subject merchandise (see May 3, 1999, substantive response of NTN at 3).

In its substantive response, KCUM states that it cannot predict the likely effect of revocation of the finding since the existence of the finding does not have much of an effect on the prices at which bearings are sold in the United States, and, hence, on the margins generated on those sales (see May 3, 1999, substantive response of KCUM at 5). Moreover, KCUM argues that fluctuations in the exchange rate between the dollar and the Japanese yen have a significant impact on dumping margins (see *id.* at 6). They argue that the results of past administrative reviews reveal that antidumping margins tend to increase in periods in which the yen appreciates against the dollar and vice versa. As a result, KCUM argues, the margins that would prevail if the finding were revoked cannot be determined because they are dependent on an entirely exogenous factor (see *id.* at 6). In any case, KCUM strenuously objects to the use of the margins determined in the first administrative review conducted by the Department, arguing that the finding is hopelessly obsolete and cannot serve as a realistic indicator of the market and pricing conditions that would exist today if the finding were revoked (see *id.* at 6). Therefore, KCUM concludes that the Department should use the results of more recent administrative reviews when determining the margins that would exist for Koyo (see *id.* at 7).

Because no information is available regarding the magnitude of the margins calculated by Treasury, the Department normally would find that the margins calculated in its first administrative review are probative of the behavior of exporters absent the discipline of the order. Although both NTN and KCUM suggest that margins from the more recent administrative reviews are more appropriate than margins from the first administrative review, they merely cite to the age of such margins. They do not demonstrate, based on a pattern of decreasing margins coupled with steady or increasing imports, that the more recent margins are probative of the behavior of exporters absent the discipline of the order. Therefore, the Department finds that the margins from the first administrative review are probative of the behavior of Japanese producers/exporters of subject merchandise absent the discipline of the order.

As noted above, the Department determined in the final results of the 1995-96 administrative review that two Japanese producers/exporters, Koyo

<sup>8</sup> The Department bases this determination on information submitted by Timken in its May 3, 1999, submission, as well as U.S. IM146 Reports, U.S. Department of Commerce statistics, U.S. Department of Treasury statistics, and information obtained from the U.S. International Trade Commission.

Seiko and NSK, were absorbing duties.<sup>9</sup> Consistent with the statute and the *Sunset Policy Bulletin*, the Department will notify the Commission of its findings regarding duty absorption.

Additionally, the *Sunset Policy Bulletin* refers to the SAA at 885 and the House Report at 60, and provides that where the Department has found duty absorption, the Department normally will report to the Commission the higher of the margin that the Department otherwise would have reported or the most recent margin for that company, adjusted to account for the Department's findings on duty absorption.

In this case, the margins adjusted to account for the Department's duty absorption findings are less than the margins we would otherwise report to the Commission. As such, the Department will report to the Commission the margins from the first administrative review as contained in the *Final Results of Review* section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/Exporter	Margin (percent)
Koyo Seiko Co. ....	20.56
Nippon Seiko K.K. Ltd. (NSK) ..	17.42
Auto Dynamics International of Japan .....	18.07
Caterpillar Mitsubishi, Ltd. ....	16.92
Deer Island Industries, Ltd. ....	9.80
Nachi Fujikoshi Corp./ Kanematsu-Gosho, Ltd./ Nachi America .....	8.30
Nachi Fujikoshi Corp./ Kanematsu/Gosho, Ltd./ Nachi Western .....	18.07
Nachi Fujikoshi Corp./ Kanematsu/Gosho, Ltd./ all other purchasers .....	8.30
Kobe Steel .....	18.07
Komatsu, Ltd. ....	18.07
Kubota, Ltd. ....	18.07
Maekawa Bearing Manufacturing Co., Ltd. ....	0.71
Maekawa Bearing Manufacturing Co., Ltd./Daido Enterprises Co., Ltd. ....	16.92
Maekawa Bearing Manufacturing Co., Ltd./Hajime Industries, Ltd. ....	16.92

<sup>9</sup> See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 2558 (January 15, 1998).

Manufacturer/Exporter	Margin (percent)
Maekawa Bearing Manufacturing Co., Ltd./Taisei Industries, Ltd. ....	16.92
Maekawa Bearing Manufacturing Co., Ltd./Schneider Engineering, Ltd. ....	18.07
Marubeni Corp. ....	18.07
Mitsubishi Corp. ....	16.92
Nachi Fujikoshi Corp. ....	18.07
Naniwa Kogyo Co., Ltd. ....	18.07
Nichimen Co. ....	16.92
Nissho-Iwai Co., Ltd. ....	16.92
Sumitomo Shoji Kaisha .....	3.40
Sumitomo Yale Co., Ltd. ....	16.92
Tatsumiya Kogyo Co., Ltd. ....	18.07
Toyo Kogyo Co., Ltd. ....	3.40
Toyosha Co., Ltd. ....	16.92
United Trading Co., Ltd. ....	9.80
All Others .....	18.07

Third country resellers	Margin (percent)
Federal Mogul Canada, Ltd. ....	18.07
Flanders Enterprises, Ltd. ....	16.92
John Deere Welland Works (Canada) .....	18.07
Nachi Canada, Ltd. ....	18.07
Superior Bearing Industrial Supplies, Ltd. (Canada) .....	18.07

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**  
*Acting Assistant Secretary for Import Administration.*  
 [FR Doc. 99-28778 Filed 11-3-99; 8:45 am]  
**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**  
**[A-427-801]**

**Final Results of Expedited Sunset Reviews: Antifriction Bearings From France**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Expedited Sunset Reviews: Antifriction Bearings from France.

**SUMMARY:** On April 1, 1999, the U.S. Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on ball bearings, cylindrical roller bearings, and spherical plain bearings (collectively, "antifriction bearings") from France pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and inadequate responses from respondent interested parties in each of these reviews, the Department conducted expedited sunset reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the levels indicated in the Final Result 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, DC 20230; telephone (202) 482-5050 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 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"), and 19 CFR Part 351 (1998) in general. 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 products covered by these orders are antifriction bearings ("AFBs") from France, which include ball bearings ("BBs"), cylindrical roller bearings ("CRBs"), and spherical plain bearings ("SPBs") and parts thereof from France. For a detailed description of the products covered by these orders,

including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset reviews on AFBs from Japan, publishing concurrently with this notice.

### History of the Orders

On May 3, 1989, the Department issued a final determination of sales at less than fair value on imports of AFB's from France (54 FR 19092). On May 15, 1989, the Department published in the *Federal Register* (54 FR 20902) the antidumping duty orders on the subject merchandise.

As part of these antidumping duty orders, the Department established a estimated weighted-average dumping margin for three respondents, Compagnie d'Applications Mecaniques S.A. (SKF), Societe Nouvelle de Roulements (SNR), and Roulements S.A. (INA), and an "all others" rate.<sup>1</sup> There have been several administrative reviews of these orders.<sup>2</sup> In the 1995-

<sup>1</sup> In the Antidumping Duty Orders of AFBs from France, dumping margins for French producers and exporters of BBs, CRBs, and SPBs ranged from 11.03 percent to 66.42 percent.

<sup>2</sup> 1. *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France; Final Results of Antidumping Duty Administrative Review*, 56 FR 31748 (July 11, 1991). 2. *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France; et al.; Final Results of Antidumping Duty Administrative Review*, 57 FR 28360 (June 24, 1992). 3. *Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 58 FR 39729 (July 26, 1993). 4. *Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Order*, 60 FR 10900 (February 28, 1995). 5. *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 66472 (December 17, 1996), as corrected, *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 62 FR 149 (January 2, 1997). 6. *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Singapore, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 2081 (January 15, 1997). 7. *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997). 8. *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 33320 (June 18, 1998). 9. *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999)

1996, 1997-1998 administrative reviews, the Department found that antidumping duties were being absorbed.<sup>3</sup>

The antidumping duty orders remain in effect for all French producers and exporters of AFBs from France.

### Background

On April 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on AFBs from France pursuant to section 751(c) of the Act. By April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulation*, we received notices of intent to participate from the following parties: Link-Belt Bearing Division ("Link-Belt"); The Torrington Company ("Torrington") and MPB Corporation ("MPB"); Roller Bearing Company of America, Inc. ("RBC"); New Hampshire Ball Bearings, Inc. ("NHBB")<sup>4</sup>; and NSK Corporation ("NSK"). Each of these parties claimed status as domestic interested parties on the basis that they are a domestic producer, manufacturer, or wholesaler of one or more of the products subject to these orders.<sup>5</sup>

Within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i), on May 3, 1999, the Department received complete substantive responses from each of these domestic interested parties, with the exception of Link-Belt. In addition, SKF France and Sarma (collectively "SKF") notified the Department that they would not file a substantive response in the sunset reviews of the AFB orders. We received rebuttal comments from Torrington, MPB, and NSK on May 12, 1999, within the deadline.

On May 21, 1999, we informed the International Trade Commission ("Commission") that, on the basis of

<sup>3</sup> See *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043 (October 17, 1997), *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews*, 62 FR 61963 (November 20, 1997), *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 64 FR 35590 (July 1, 1999).

<sup>4</sup> NHBB states that it is affiliated with the following respondent producers, exporters, and importers: Minebea Co., Ltd., NMB Singapore Ltd., Pelmeq Industries (Pte.) Ltd., and NMB Corporation.

<sup>5</sup> Torrington, RBC, and NHBB filed with respect to BBs, CRBs, and SPBs. Link-Belt filed with respect to BBs and CRBs. MPB filed with respect to BBs and CRBs. NSK filed with respect to BBs only.

inadequate responses from respondent interested parties, we were conducting expedited sunset reviews of these orders consistent with 19 CFR

351.218(e)(1)(ii)(C)(2). (See Letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

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). Therefore, on August 5, 1999, the Department determined that the sunset reviews of the antidumping duty orders on AFBs from France are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>6</sup>

### 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 this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and import volume of the subject merchandise for the period before the issuance of the antidumping duty order and the period after the issuance of the antidumping duty order. Pursuant to section 752(c)(3) of the Act, the Department shall provide to the Commission the magnitude of the margin likely to prevail if the order is revoked.

The Department's determinations concerning adequacy, continuation or recurrence of dumping, and magnitude of the margin are discussed below. In addition, the parties' comments with respect to adequacy, the continuation or recurrence of dumping, and the magnitude of the margin are addressed in the respective sections below.

### Adequacy

As noted above, we notified the Commission that we intended to conduct expedited reviews of these orders. On June 10, 1999, we received comments on behalf of MPB and Torrington, supporting our determination to conduct expedited

<sup>6</sup> See *Tapered Roller Bearings, 4 Inches and Under From Japan, et. al.: Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 42672 (August 5, 1999).

reviews.<sup>7</sup> On June 10, 1999, NHBB and NSK Corporation also submitted comments on whether expedited sunsets review were warranted. In their submissions, NHBB and NSK assert that most of the domestic interested parties that submitted substantive responses favor revocation of the various orders on antifriction bearings. These parties also offered new argument regarding the likely effect of revocation of the orders.

The magnitude of domestic support for continuation or revocation of an order, however, is not a consideration in the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic interested party would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that, if there is *no* domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at 46) makes clear that the purpose of adequacy determinations in sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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 basis for likelihood determinations. In its Sunset Policy Bulletin, the Department indicates that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it 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 an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In their substantive responses, Torrington, MPB, and RBC argue that revocation of the antidumping duty orders on the subject merchandise would be likely to lead to continuation of dumping. All three point out that, because dumping continued at levels above *de minimis* after the issuance of the orders, therefore, a consideration of import volumes is not necessary.

Nonetheless, using pre-and post-order import statistics for complete unmounted BBs, which Torrington and MPB assert is the only product category for which full time series data are available on a consistent basis, Torrington and MPB argue that post-order volumes are significantly lower than pre-order volumes. Torrington and MPB also assert that the same decline is evident from slightly aggregated value data covering CRBs. Based on the continued existence of dumping margins and the declining trend in imports after the imposition of the orders, Torrington and MPB assert that no "good cause" exists to consider other factors. However, in this regard, Torrington and MPB observe that, in each administrative review, the Department has found French producers selling below the cost of production.

NHBB argues that, given the "internationalization of operations" and the large percentage of foreign

ownership of U.S. based companies, dumping would not be likely if the orders were revoked because any such dumping would undercut the U.S. domestic price structure, thus causing injury to the very industry of which foreign owners are a part. In addition, NHBB argues that the downward trend in the margins coupled with the change in the Department's margin-calculation methodology, brought about by the URAA, results in margins that are *de minimis*. NHBB asserts that dumping margins have declined significantly and trade data generally show that import volumes have not declined since the time of the investigations. For these reasons, NHBB claims that the decline in dumping margins and imports show that French producers do not need to dump to maintain U.S. market share. Therefore, it concludes, revocation of the orders will not likely lead to dumping.

NSK also argues that dumping margins have declined significantly and that imports have declined since the issuance of the antidumping duty orders. NSK explains that the fact that dumping margins have declined and imports remain at or around 20 percent of market share demonstrates that foreign companies do not have to dump if the orders were revoked. NSK adds that other factors for the Department's consideration in support of revocation of these orders include the lack of industry support and a change in the U.S. bearings industry.

In their rebuttal comments, Torrington and MPB assert that the Department should take into account the submitter's affiliation in its consideration of comments of various parties filing as domestic producers. Further, citing to Ball Bearings and Parts Thereof From Thailand; Final Results of Changed Circumstances Countervailing Duty Review and Revocation of Countervailing Duty Order, 61 FR 20799, 20800 (May 8, 1996), they argue that the Department has recognized that domestic producers who are affiliated with subject foreign producers and exporters do not have a common "stake" with the petitioner in the maintenance of the order. Additionally, Torrington and MPB argue that other parties' comments addressing issues other than margins and import volumes should not be considered unless such parties establish "good cause" to consider such additional factors, which in these reviews, they have not done.

As discussed in section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is highly probative of the

<sup>7</sup> These companies filed one submission providing comments on all ongoing sunset reviews covering bearings.

likelihood of continuation or recurrence of dumping. 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 of the order were removed. Further, as noted above, in determining whether revocation of an order is likely to lead to continuation or recurrence of dumping, the Department considers the margins determined in the investigation and subsequent administrative reviews and the volume of imports.

In the instant proceedings, dumping margins above *de minimis* continue to exist with respect to each of the orders. Therefore, given that dumping has continued over the life of the order and respondent interested parties waived their participation, we determine that dumping is likely to continue if the orders were revoked. Because we based this determination on the fact that dumping continued at levels above *de minimis*, we have not addressed the comments submitted by Torrington and MPB with respect to "good cause" and sales below the cost of production nor have we addressed the arguments of other interested parties regarding the condition of the U.S. market.

#### Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that, consistent with the SAA and House Report, the Department normally will provide to the Commission a margin from the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order in place. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, we 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.)

In their substantive responses, Torrington and MPB argue that the margins that are likely to prevail should the orders be revoked are the dumping margins found for each company in the original investigations (as opposed to margins calculated in succeeding annual administrative reviews), including margins based on best information available, except where the most current margin, increased by the Department's duty-absorption determination, exceeds the original

investigation margin. With respect to BBs, RBC argues that the margins from the original investigation are the margins likely to prevail were the order to be revoked.

NHBB argues that the dumping margins likely to prevail if the orders were revoked would be *de minimis*. NHBB goes on to argue that it would be illogical for companies with significant U.S. bearings investments to undercut that investment by dumping. In addition, NHBB argues that the Department should not report margins from the original investigations. In support of this argument, NHBB notes that the SAA provides that, in certain instances, it is more appropriate to rely on a more recently calculated margin. NHBB asserts that one such instance is where, as in the bearings cases, dumping margins have declined over the life of the order and imports have remained steady or increased. Additionally, NHBB argues that, because the structure of the U.S. domestic industry that exists today bears little resemblance to the industry when the antidumping duty orders were imposed in 1989, the rates from the original investigation are inappropriate as indicators of the rates that would be found upon revocation. Finally, NHBB argues that, in light of changes in the methodology used to calculate antidumping duty margins introduced by the Uruguay Round, use of margins calculated by the Department prior to the URAA would be unfair and contrary to the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Similarly, NSK Corporation argues that the margins likely to prevail would be *de minimis*. As support, NSK Corporation argues that, were the orders not in existence, the Department would apply the average-to-average methodology used in an investigation as opposed to the transaction-to-average methodology common to administrative reviews to measure the extent of any dumping. In such a case, NSK Corporation believes that any margin found would be below the two percent *de minimis* level applicable in investigations. NSK Corporation argues further that, the Department's unorthodox approach during the original investigation, plus the liberal use of best information available, skewed the results of the original investigation seriously rendering those results inappropriate indicators of the magnitude of the margin likely to prevail were the orders to be revoked.

In their rebuttal comments, Torrington and MPB argue that other

parties' comments ignore the Department's stated policies regarding the selection of margins likely to prevail and ignore the Department's duty-absorption findings. Citing to the Sunset Policy Bulletin, Torrington and MPB argue that the Department's policies are clear "normal reliance on the margins from the investigation as the only margins that reflect the behavior of exporters without the discipline of the order and rejection of margins from administrative reviews in which the Department found duty absorption. Torrington and MPB argue that the two-percent *de minimis* standard is not applicable to sunset reviews. Further, they contend that there is no authority which would authorize or justify the rejection of the investigation rate on the basis of the particular methodology used at the time of the investigation. Additionally, they argue that, with respect to claims that more recent margins should be used based on declining margins accompanied by steady or increasing imports, Torrington and MPB argue that it is the responsibility of such claimants to provide information regarding companies' relative market share. Since no such information was provided they contend, the Department should not accept these assertions since imports of certain BBs have actually declined since the imposition of the order.

In its rebuttal comments, NSK Corporation repeats its point that dumping margins have declined significantly over time with respect to imports of BBs while, at the same time, importations have remained steady or around 20 percent of the U.S. market, showing that foreign exporters do not have to dump to maintain market share.<sup>8</sup>

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. With respect to NSK's argument concerning the magnitude of the margin likely to prevail, we disagree. As discussed above, we do find that there is a likelihood of continuation or recurrence of dumping. Furthermore, we find the level of dumping likely to prevail is best reflected by the dumping margins we calculated in the original investigation. Specifically, the Department finds that there is no basis to reject margins calculated in an investigation because of

<sup>8</sup> As support, NSK Corporation cites to The Economic Effects of Antidumping and Countervailing Duty Orders and Suspension Agreements, USITC Pub. 2900, Inv. No. 382634, at 14-26-14-31 (June 1995).

subsequent changes in methodology since changes do not invalidate margins calculated under the prior methodology. Therefore, the dumping margins from the original investigation are the only rates which reflect the behavior of exporters without the discipline of the order, regardless of the methodology used to calculate that margin or the use of best information available (see section 752(c)(3) of the Act). As noted above, exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations.

With respect to NHBB's argument concerning the dumping margin likely to prevail, the Department disagrees. First, NHBB claims that dumping margins have declined over the life of the order and imports have remained steady or increased. However, NHBB provides no evidence to support these claims. Nothing submitted in the course of sunset proceedings indicates that imports have remained steady or increased. In fact, evidence submitted by Torrington and MPB indicate that 1998 import volumes of the subject merchandise are more than 8.1 percent below pre-order volumes (see Torrington and MPB's Substantive Response at 10). Regardless of the level of imports, dumping margins at levels above *de minimis* continue, as do imports of the subject merchandise.

In the Sunset Policy Bulletin, consistent with the SAA at 889-90 and the House Report at 63, we indicated that in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, it may be more appropriate to use a more recently calculated rate. Such a rate would reflect the fact that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order were revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company.

The Sunset Policy Bulletin provides that we will entertain considerations of such fact patterns in response to argument from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporter behavior absent the discipline of an order, we normally will consider a company's relative market-share data with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently

calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market-share information, in past sunset reviews where market-share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the order. (See, e.g., *Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden*, 63 FR 67658 (December 8, 1998), and *Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China*, 64 FR 30310 (June 7, 1999).

Generic arguments that margins decreased over the life of the orders while, at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic arguments may disguise company-specific behavior demonstrating increased dumping coupled with increased market share. In the instant proceedings, we did not receive any company-specific arguments.

Additionally, the SAA at 885 and the House Report at 60, provide that duty absorption is a strong indicator that the current dumping margins calculated in reviews may not be indicative of the margins that would exist in the absence of an order. Since, once an order is revoked, the importer could achieve the same pre-revocation return on its sales by lowering its prices in the United States in the amount of the duty that was previously being absorbed. Therefore, in the Sunset Policy Bulletin we indicated that, in the case of duty absorption, we normally will determine that a company's current dumping margin is not indicative of the margin likely to prevail were the order to be revoked. Further, we indicated that normally we will provide to the Commission the higher of (1) the margin that we would otherwise have reported to the Commission or (2) the most recent margin for that company, adjusted to account for our findings on duty-absorption. For purposes of considering duty absorption for these sunset reviews, we relied on the level of duty absorption found in the administrative review initiated in 1998. See 64 FR 35590 (July 1, 1999).

In their comments, Torrington and MPB argue that the Sunset Policy Bulletin requires that the Department report to the Commission the higher of

the margin from the original investigation or the margin from a more recent administrative review adjusted to reflect duty absorption findings. Although we found that duties were being absorbed during the 1998 administrative review (64 FR 35590) for BBs and CRBs from France by SKF and SNR, our calculations found the adjusted margins to be less than the rates from the original investigation.

As noted above, there is no evidence on the record to indicate that the margin of dumping for any particular producer/exporter decreased at the same time that it was increasing or maintaining U.S. market share nor is there evidence on the record to indicate corresponding increases in dumping margins and exports. Therefore, we are relying on the margins from the original investigations as probative of the behavior of producers/exporters without the discipline of the orders.

Based on the above analysis, we will report to the Commission the margins indicated in the Final Results of the Review section of this notice.

#### Final Results of Review

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 margins listed below:

Manufacturers/ Exporters	Margin (percent)
<b>Ball Bearings:</b>	
INA .....	66.18
SKF (including all relevant affiliates) .....	66.42
SNR .....	56.50
All others .....	65.13
<b>Cylindrical Roller Bearings:</b>	
INA .....	11.03
SNR .....	18.37
All others .....	17.31
<b>Spherical Plain Bearings</b>	
SKF .....	39.00
All others .....	39.00

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 section 19 CFR 351.305 of the Department's regulation. 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 sanctionable violation.

These five-year ("sunset") reviews and notice are published in accordance

with sections 751(c) and 777(i)(1) of the Act.

Dated: October 28, 1999.  
**Richard W. Moreland,**  
*Acting Assistant Secretary for Import Administration.*  
 [FR Doc. 99-28779 Filed 11-3-99; 8:45 am]  
**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**  
**[A-412-801]**

**Final Results of Expedited Sunset Reviews: Antifriction Bearings From the United Kingdom**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of expedited sunset reviews: antifriction bearings from the United Kingdom.

**SUMMARY:** On April 1, 1999, the Department of Commerce (the "Department") initiated sunset reviews of the antidumping duty orders on ball bearings, cylindrical roller bearings, and spherical plain bearings (collectively, antifriction bearings) from the United Kingdom (64 FR 15727) 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 responses filed on behalf of domestic interested parties and inadequate 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 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:** Eun W. Cho 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, DC 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** November 4, 1999.

**Statute and Regulations**

This review was conducted pursuant to sections 751(c) and 752(c) 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"), and 19 CFR part 351 (1998) in general. 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 products covered by these orders are antifriction bearings ("AFBs") from the U.K., which includes ball bearings ("BBs") and cylindrical roller bearings ("CRBs") and parts thereof. For a detailed description of the products covered by these orders, including a compilation of all pertinent scope determinations, refer to the notice of final results of expedited sunset reviews on antifriction bearings from Japan, publishing concurrently with this notice.

**History of the Order**

The antidumping duty orders on antifriction bearings from the United Kingdom were published in the **Federal Register** on May 15, 1989 (54 FR 20910).<sup>1</sup> In those orders, the Department announced the weighted-average dumping margins for the following companies and all others:

Company	Ball bearings ("BBs")	Cylindrical roller bearings ("CRBs")
Barden Corporation (U.K.) Ltd.; the Barden Corporation.(Barden) * .....		.....
NSK Bearings Europe, Ltd. RHP Bearings; RHP Bearings, Inc. (NSK/RHP) .....	44.02	43.36
SKF (U.K.) Limited (SKF) .....	61.14	(**)
All-others .....	54.27	43.36

\* Barden was not subjected to the original antidumping investigation.  
 \*\* SKF made no shipments or sales pertaining to this category during the period of investigation.

<sup>1</sup> See Final Determinations of Sales at Less than Fair Value: Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from the United Kingdom, 54 FR 19120 (May 3, 1989), as amended, Antidumping Duty Orders and

Amendments to the Final Determinations of Sales at Less Than Fair Value: Ball Bearings, and Cylindrical Roller Bearings and Parts Thereof From the United Kingdom, 54 FR 20910 (May 15, 1989). The crux of the amendment was to reflect the

International Trade Commission's determination that critical circumstances for certain respondents did not exist, which was contrary to the affirmative findings thereof by the Department, and to correct ministerial errors.

The Department has conducted numerous administrative reviews since that time.<sup>2</sup> The order remains in effect

<sup>2</sup> See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the United Kingdom; Final Results of Antidumping Duty Administrative Reviews, 56 FR 31769 (July 11, 1991), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Germany; et al., Amended Final Results of Antidumping Duty Administrative Reviews, 62 FR 32755 (June 17, 1997); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Final Results of Antidumping Duty Administrative Reviews, 57 FR 28360 (June 24, 1992), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews, 57 FR 32969 (July 24, 1992), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Sweden, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews, 57 FR 59080 (December 14, 1992), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of Antidumping Duty Administrative Reviews, 63 FR 8908 (February 23, 1998); Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order, 58 FR 39729 (July 26, 1993), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom; Amendment to Final Results of Antidumping Duty Administrative Reviews, 58 FR 42288 (August 9, 1993), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Amended Final Results of Antidumping Duty Administrative Reviews, 63 FR 18877 (April 16, 1998); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders, 60 FR 10900 (February 28, 1995), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the United Kingdom; Notice of United States Court of International Trade Decision, 62 FR 42745 (August 8, 1997), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews, 62 FR 45795 (August 29, 1997); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom, 64 FR 49442 (September 13, 1999); Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews, 61 FR 66472 (December 17, 1996), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews, 62 FR 61963 (November 20, 1997); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews, 63 FR 33320 (June 18, 1998), as amended, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Italy, Romania, and the United Kingdom; Amended Final Results of Antidumping Duty Administrative Reviews, 63 FR 40878 (July 31,

for all manufacturers and exporters of the subject merchandise. We note that, in the 1995–1996 and 1997–1998 administrative reviews, the Department found that duty absorption had occurred with respect to NSK/RPH and Barden's exports of the subject merchandise to the United States.<sup>3</sup>

### Background

On April 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on AFBs from the U.K. (64 FR 15727) pursuant to section 751(c)(6)(A)(i) of the Act. The Department received Notices of Intent to Participate on behalf of Link-Belt Bearing Division ("Link-Belt"), The Torrington Company ("Torrington"), MPB Corporation ("MPB"), Roller Bearing Company of America, Inc. ("RBC"), NSK Corporation ("NSK"), and New Hampshire Ball Bearings, Inc. ("NHBB")<sup>4</sup> on April 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. Also, the Department received a Notice of Intent to Participate on behalf of The Barden Corporation (U.K.) Ltd. and The Barden Corporation (collectively referred to as "Barden") on April 14, 1999.<sup>5</sup>

We received complete substantive responses on behalf of Torrington, RBC, and NHBB on May 3, 1999 and on behalf of NSK on April 30, 1999. Torrington, RBC, NSK, and NHBB claimed interested-party status as wholesalers, manufacturers, and producers of domestic like products under section 771(9)(C) of the Act. The

1998). Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews, 64 FR 35590 (July 1, 1999).

<sup>3</sup> See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews, 62 FR 54043 (October 17, 1997); and Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews, 64 FR 35590 (July 1, 1999).

<sup>4</sup> In their Notices of Intent to Participate, both NSK and NHBB stipulated that they are affiliated with British exporter(s) and are domestic importers of the subject merchandise.

<sup>5</sup> Although the Sunset Regulations do not require a respondent interested party to file a Notice of Intent to Participate, Barden filed the notice anyway.

<sup>6</sup> See adequacy section of this notice, *infra*.

<sup>7</sup> See Tapered Roller Bearings, 4 Inches and Under From Japan, *et al.*; Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 42672 (August 5, 1999).

<sup>8</sup> However, when NSK presents information that is relevant with respect to the sunset reviews, it

Department received a complete substantive response from Barden on May 3, 1999. Barden claimed interested-party status under section 771(9)(A) of the Act as a producer, exporter, and importer of the subject merchandise. The Department received all the above substantive responses within 30-day deadline specified in the Sunset Regulations under section 351.218(d)(3)(i).

Also, except NHBB, all the above interested parties, both domestic and respondent, filed rebuttal comments according to section 351.218(d)(4) of the Sunset Regulations. Moreover, NSK and NHBB filed additional comments purportedly pertaining to the propriety of the Department's decision to execute an expedited, 120-day, sunset review.<sup>6</sup>

The Department also received, on May 3, 1999, a Waiver of Participation on behalf of SKF USA Inc. and SKF (U.K.) Limited (collectively referred to as "SKF"), within the deadline and according to the contents specified in section 351.218(d)(2) of the Sunset Regulations. SKF claimed interested-party status under section 771(9)(A) of the Act as a foreign producer and importer of the subject merchandise.

On May 21 and May 24, 1999, we informed the International Trade Commission ("Commission") that, on the basis of inadequate response from respondent interested parties, we were conducting expedited sunset reviews of these orders consistent with 19 CFR 351.218(e)(1)(ii)(C)(2). (See letter to Lynn Featherstone, Director, Office of Investigations from Jeffrey A. May, Director, Office of Policy.)

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). Therefore, on August 5, 1999, the Department determined that the sunset reviews of the antidumping duty orders on AFBs from the U.K. are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than October 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>7</sup>

### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted these reviews to determine whether revocation of the antidumping duty

<sup>6</sup> See adequacy section of this notice, *infra*.

<sup>7</sup> See Tapered Roller Bearings, 4 Inches and Under From Japan, *et al.*; Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 42672 (August 5, 1999).

orders would be likely to lead to the continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-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 duty order, and it shall provide to the Commission the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning adequacy, continuation or recurrence of dumping, and the magnitude of the margin are discussed below. In addition, interested parties' comments with respect to the continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

#### Adequacy

As noted above, we notified the Commission that we intended to conduct expedited reviews of these orders. On June 10, 1999, we received comments on behalf of NHBB and NSK regarding our determination to conduct expedited reviews. Rather than arguing the propriety of the Department's decision to execute an expedited sunset review, both NSK and NHBB offered new arguments. In their submissions, both parties assert that most of the domestic interested parties that submitted substantive responses are in favor of revocation of the Department's various antidumping duty orders on antifriction bearings. These parties also offered new argument regarding the likely effect of revocation of these orders.

The magnitude of domestic support for continuation or revocation of an order, however, does not enter into the Department's determination of adequacy of participation nor, for that matter, the Department's determination of likelihood. The Department made clear in its regulations that a complete substantive response from one domestic interested party would be considered adequate for purpose of continuing a sunset review (see section 351.218(e)(1)). Nowhere in the statute or legislative history is there reference to consideration of domestic industry support during the course of a sunset review (other than the statutory provision that, if there is no domestic industry interest in continuation of the order, the Department will revoke the order automatically). In fact, the Senate Report (at 46) makes clear that the purpose of adequacy determinations in

sunset reviews is for the Department to determine whether to issue a determination based on the facts available without further fact-gathering. Further, the statute, at section 751(c)(1), specifies that the Department is to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping. Section 752(c) specifies that the Department is to consider the weighted-average dumping margins determined in the investigation and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and the period after the issuance of the order.

#### 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 normally it 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 an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant reviews, the Department received a waiver of participation from one respondent interested party, SKF. However, at the same time, the Department also received a complete substantive response from another respondent interested party, Barden.

Torrington and MPB assert that dumping of the subject merchandise

would resume if the antidumping duty orders were revoked. (See May 3, 1999, joint substantive response of Torrington and MPB at 6.) In support of their assertion, Torrington and MPB point to continued dumping of the subject merchandise at levels above *de minimis* after the issuance of the orders. Likewise, while urging the Department to conclude that the dumping of the subject merchandise would continue or recur if the orders were revoked, RBC claims that dumping margins have continued to exist above the *de minimis* level since the issuance of the orders. (See May 3, 1999, Substantive Response of RBC at 4 and 5.)

With respect to the import volumes of the subject merchandise, while insisting that the consideration of the import volumes is irrelevant because dumping of the subject merchandise did not cease after the issuance of the orders, Torrington and MPB argue that the post-order declines in import volumes of the subject merchandise provide additional support for their claim that resumption of dumping is likely were the orders revoked. (See May 3, 1999, Substantive Response of Torrington at 9.) Between 1988 and 1989, Torrington and MPB indicate that imports of the BBs from the United Kingdom fell 32 percent in value. *Id.* Also, Torrington and MPB state that the post-order import value of CRBs in each year is lower than the pre-order import value thereof. *Id.* at 10.

On the other hand, NSK argues that revocation of the orders is not likely to lead to the recurrence of dumping of the subject merchandise. (See April 30, 1999, Substantive Response of NSK at 3.) In support of its contention, NSK appears to argue that the dumping margins of the subject merchandise have declined over time and the market share of the subject merchandise remained steady.<sup>8</sup> *Id.* at 14. NSK advocates that the Department's methodology in calculating the weighted-average dumping margins in the original investigation was flawed,<sup>9</sup> that the domestic interested parties lack domestic industry support (therefore their opposition to revocation of the

<sup>8</sup> However, when NSK presents information that is relevant with respect to the sunset reviews, it does not put forth order-specific factual information or evidence. In other words, NSK only makes general references. For example, NSK states that the dumping margins for many of the most significant foreign producers and exporters have decreased over time (NSK's substantive response at 5) and that dumping margins from various countries have declined while subject importations have remained at or around 20 percent of the U.S. market share (*id.* at 14).

<sup>9</sup> In effect, NSK is asking the Department to retroactively apply a post-World Trade Organization ("WTO") methodology to a pre-WTO antidumping duty determination.

order is insufficient),<sup>10</sup> and that conditions and trends in the U.S. market for bearings are such that producers of the domestic like product prefer the U.S. domestic production.<sup>11</sup> Therefore, by incorporating all the above factors, the only logical conclusion that can be drawn, according to NSK, is that continuation or recurrence of dumping is unlikely if the orders are revoked.

Similarly, NHBB argues that revocation of the orders would not result in continuation or recurrence of dumping. (See NHBB's May 3, 1999, substantive response at 5-6.) According to NHBB, internationalization of ball bearing production a significant portion of bearing producers from the countries subject to antidumping duty orders have production facilities in the United States. Thus, NHBB claims that the profit motive of those foreign parent companies would preclude any future dumping because such dumping would undercut the U.S. domestic price structure, thereby causing injury to the very industry of which foreign owners are a part. *Id.* NHBB also asserts that import volumes have not declined since the time of the original investigation while, at the same time, dumping margins have declined significantly. *Id.*

Barden, on the other hand, notes that the likely effects of revocation would be a status quo at current low dumping margins or even further reduced *de minimis* levels. (See May 3, 1999, Substantive Response of Barden at 5.) Barden acknowledges that the value and volume of imports of the subject merchandise declined substantially immediately after the issuance of the orders and that its export volume of the subject merchandise in 1998 is much less than that of 1987 before the order. *Id.* at 6.

As for the consideration of the weighted-average dumping margins, although Barden deems its most recently determined dumping margin of 2.89 percent statistically insignificant and *de minimis*,<sup>12</sup> Barden does not

negate outright the existence of current dumping margin (*Id.* at 5.) nor does Barden try to argue that dumping of the subject merchandise did not exist for any other investigated or reviewed periods.

Barden spends the majority of its resources and energy trying to convince the Department why Barden would not increase, and perhaps may even decrease, its dumping margins in the future. In support of this notion, Barden stresses that it has shifted and continues to shift its production of the subject merchandise to its U.S. facilities, that its dumping margins have been decreasing over time, that it should not bear the margins from the original investigation (because it did not participate in the original investigation), that removing home market sales below the cost of production in the profit component of constructed value is utterly improper and bears absolutely no relation to the actual, profit realized on sales of foreign like product, and that the subject merchandise, which is a highly differentiated and mature industrial product with multifarious application, tends to breed a certain percentage of random or intrinsic dumping. *Id.* at 6-9.

In its rebuttal, Torrington argues that Barden's own admission of decreased import volumes of the subject merchandise after the issuance of the orders strongly supports Torrington's suggestion that continuation or recurrence of dumping is likely should the Department revoke the orders. (See May 12, 1999, Rebuttal Comments of the Torrington at 14.) Torrington again insists that continued dumping at levels above *de minimis* since the issuance of the orders should lead the Department to determine that recurrence or continuation of dumping likely. *Id.*

Similarly, in its rebuttal comments, RBC argues that the Department should determine that revocation of the orders is likely to lead to the continuation or recurrence of dumping of the subject merchandise because the import volumes of the subject merchandise substantially declined and dumping continued after the issuance of the orders. (See May 12, 1999, Rebuttal Comments of RBC at 2-3.)

NSK argues, while insisting that the Department should conduct a full sunset review rather than an expedited (120-day) review, that the major domestic bearing companies do not agree with the position of Torrington and RBC that revocation of the orders

that is less than 0.5 % *ad valorem* or the equivalent specific rate. See section 351.106(c)(1) of the Sunset Regulations.

would be likely to lead to continuation or recurrence of dumping.<sup>13</sup> (See NSK's May 12, 1999, Rebuttal Comments at 2-3.) NSK also claims that Torrington's other-factors argument, which was primarily based on a history of below-cost-sales argument, is irrelevant to the instant review.<sup>14</sup> *Id.* at 6-7. Last, NSK insists that the lack of industry support should be a crucial factor for the Department to consider in determining the sunset review.<sup>15</sup> *Id.* 7-8.

In its rebuttal, Barden notes that, between 1993 and 1997, imports of the subject merchandise increased 50 percent and that dumping margins have declined over time. (See May 6, 1999, Rebuttal Submission of Barden, at 4.) Barden argues that the Department should acknowledge that, during the above five-year period, imports of the subject merchandise have increased or remained stable and that dumping margins have steadily decreased. *Id.* at 6. Therefore, should the orders be revoked, Barden contends, dumping is not likely to recur or continue. *Id.*

As indicated in section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and House Report at 63-64, the Department considers whether dumping continued at any level above *de minimis* after the issuance of the order. If companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue were the discipline removed. After examining the published findings with respect to the weighted-average dumping margins in previous administrative reviews, the Department agrees with the domestic interested parties that the weighted-average dumping margins at levels above *de minimis* have persisted over the life of the orders and currently remain in place for all U.K. producers and exporters of the subject merchandise, in general, and Barden, in particular.<sup>16</sup>

<sup>13</sup> NSK identifies NHBB, NTN Bearing Corporation of America, FAG Bearings Corporation, Koyo Corporation of U.S.A., NTN Bearing Corporation of America, American NTN Bearing Manufacturing Corporation, and NTN-BCA Corporation as opposing Torrington's view. NSK deems this list overwhelming evidence of record that recurrence or continuation is not likely if the orders were revoked.

<sup>14</sup> According to NSK, the fact that British producers/manufacturers could sustain or even increase their exports of the subject merchandise to the United States while, at the same time, substantially reducing the weighted-average dumping margins would indicate that a history of below-the-cost-sale argument does not amount much.

<sup>15</sup> See, however, footnote 11, *supra*.

<sup>16</sup> See footnote 2 and 3, *supra*. The relevant rates for Barden in the BB order and the subsequently

<sup>10</sup> But see section 351.281(e)(1)(A) of the Sunset Regulation. A complete substantive response from at least one domestic interested party would suffice for the Department to conclude that the domestic interested parties have provided adequate response to a notice of initiation. Also, see adequacy section of this notice.

<sup>11</sup> As a result, NSK argues that it has expanded its BB production facilities in Ann Arbor, Michigan, and Clarinda, Iowa, and has built new facilities in Franklin and Liberty, Indiana. According to NSK, these were expanded to strengthen its competitiveness as a U.S. producer of BBs in the U.S. market.

<sup>12</sup> However, Barden's suggestion that 2 percent is the *de minimis* standard in an administrative review does not comport with law. In an administrative review, the Department will treat as *de minimis* any weighted-average dumping margin

In addition, consistent with section 752(c) of the Act, the Department also considered the volume of imports before and after the issuance of the orders. The data supplied by the domestic interested parties and those of the United States Census Bureau IM146s and the Commission Data indicate that, since the imposition of the orders, the import volumes of the subject merchandise have declined substantially. Although the import volumes of the subject merchandise during the period 1994–1998 have stabilized and shown an increasing trend, as Barden argued in its substantive response, the highest volume since the issuance of the orders, that of 1997, is still well below the pre-order import volume. (See May 3, 1999, Substantive Response of Barden at 6.) Therefore, the Department determines that the import volumes of the subject merchandise decreased significantly after the issuance of the orders.

Given that dumping has continued over the life of the orders and that import volumes of the subject merchandise decreased significantly after the issuance of the orders, the Department agrees with Torrington, MPB, and RBC that dumping is likely to continue if the orders were revoked.

Insofar as the Department made this determination based on the fact that dumping continued at levels above *de minimis* and that the import volumes of the subject merchandise declined substantially after the issuance of the orders, it is not necessary for the Department to address Torrington's arguments regarding a history of below-cost-sales of the subject merchandise in the British market, NSK's contention that the U.S. market conditions and trends are such that future dumping of the subject merchandise is not likely, NHBB's claim that the shifts of production facilities by respondent interested parties and their consequent profit motive preclude future dumping, and Barden's stipulations that the exports of the subject merchandise invariably engender a certain percentage of random or intrinsic dumping, nor is it necessary for the Department to discuss any effects thereof upon this finding.

#### Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that it will normally provide to the Commission the margin that was determined in the final

administrative reviews are as follows: all others-rate for BBs in the order—54.27; first review—14.73; second review—0.85; third review—7.57; fourth review—4.65; fifth review—1.48; sixth review—did not participate; seventh review—3.99; eighth review—6.63; ninth review—2.89.

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 will normally 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.)

The Department, in its notice of the antidumping duty orders on antifriction bearings from the U.K., established both company-specific and all-others weighted-average dumping margins for the subject merchandise from the United Kingdom (54 FR 20910, May 15, 1989).<sup>17</sup> Since the antidumping orders, we have determined twice that duty absorption has occurred with respect to NSK/RHP and Barden's exports of the subject merchandise.<sup>18</sup>

In their substantive response, at 13–16, Torrington and MPB argue that the likely-to-prevail dumping margins, if the order were revoked, are either the ones determined for each company in the original investigation or the most recently calculated margins adjusted to incorporate duty-absorption rates, whichever are larger. Similarly, RBC raises the duty-absorption issue; however, in the end, RBC just advocates that the Department should apply the margins from the original investigation. (See May 3, 1999, Substantive Response of RBC at 6.)

NSK advocates that the Department should reject the weighted-average dumping margins determined in the original investigation and should instead calculate the likely-to-prevail margins based on the average-to-average methodology.<sup>19</sup> (See NSK's substantive response at 5 and 7.) NSK argues that, if the Department follows NSK's suggestion and use the average-to-average method, the Department would find that the likely-to-prevail dumping margins would be *de minimis*.<sup>20</sup> *Id.*

<sup>17</sup> See footnote 1, *supra*.

<sup>18</sup> See footnote 3, *supra*.

<sup>19</sup> As for reasons, NSK claims that the Department departed from its standard procedure in the investigation in order to complete the case in a fair and timely manner, that the Department's liberal usage of best information available seriously skewed the results of the investigation, and that the Department did not use an average-to-average methodology in calculating the margins. However, see the SAA at 891. (The SAA explicitly and unequivocally prohibits the Department, in a sunset review, from calculating margins except under the most extraordinary circumstances.)

<sup>20</sup> According to NSK, this would result for many of the interested parties that export most, if not all,

NHBB insists that it would be illogical for respondent companies with such significant investments in the United States to undercut their interests in the United States by dumping in the future. (See NHBB's May 3, 1999, substantive response at 6–8.) Also, NHBB claims that, since the dumping margins have declined significantly from the margins found in the original investigation, the Department should not report margins from the original investigation. *Id.* Furthermore, in light of changes of methodology in calculating antidumping duty margins to reflect the WTO agreements, NHBB believes that it would be unfair to use the rates found in the original investigation, which preceded the WTO agreements. *Id.*

Also, NHBB argues that the Department arbitrarily presumed the existence of duty absorption in the 1995–1996 and 1997–1998 administrative reviews, thereby making it impossible for respondent interested parties to rebut. To wit, NHBB contends that the Department's current approach pertaining to duty absorption is unreasonable, illogical, circular, groundless, without statutory support, and therefore contrary to law. *Id.* at 8–10.

Meantime, in its substantive response, at 9, Barden argues that the dumping margin that is likely to prevail is either 2.89 percent found in the most recent administrative review or one that is even lower because its dumping margins have been declining while at the same time its export of the subject merchandise remained steady.

In its rebuttal, Torrington argues that Barden's suggestion to select a more recently calculated margin ignores the Department's duty-absorption findings. (See Torrington's rebuttal response at 4 and 14.) Moreover, even in the absence of duty-absorption findings,<sup>21</sup> Torrington contends that the Department should select the investigation margins as the margins which would likely to prevail because such margins reflect the behavior of exporters without the discipline of the orders in place. *Id.*

Similarly, RBC argues, in its rebuttal, that the Department should choose the margins from the original investigations because such margins are the best gauge for understanding the behavior of

the ball bearings from relevant countries. Therefore, the Department is not even sure whether British producers/manufacturers, such as Barden, are included in NSK's argument.

<sup>21</sup> In its rebuttal, Torrington rejects respondent's arguments, which denounce and reject the Department's duty-absorption findings, by denoting the duty-absorption principle delineated in the Sunset Policy Bulletin.

exporters without the discipline of an order in place. (See RBC's rebuttal response at 3.) Also, RBC asserts that Barden's attempt to find a defect in the Department's calculation in determining weighted-average is not persuasive. *Id.*

NSK, in its rebuttal comments at 3-5, disagrees with Torrington's suggestion that the Department should consider the duty-absorption findings. Instead, NSK urges the Department to refrain from utilizing information obtained from the duty-absorption investigations which, according to NSK, violated the antidumping law.<sup>22</sup>

Similarly, in its rebuttal response at 2-6, Barden opposes Torrington and RBC's suggestion that the Department choose the margins from the original investigations as the likely-to-prevail margins because the margins determined in the original investigations are obsolete. Barden argues that because its dumping margins have declined and its imports have increased or remained stable, the Department should use more recently calculated margins. Barden asserts further that, in any event, there is no mandatory requirement that these original margins be selected as likely-to-prevail margins were the orders revoked—in short, the Department should not presume that dumping would continue at the original investigation margins. *Id.* In addition, Barden reiterates that the duty-absorption findings should not be used by the Department because the findings were not calculated in accordance with the statute.<sup>23</sup>

We agree with Torrington, MPB, and RBC that, normally, we will provide a margin from the original investigation because that is the rate that reflects the behavior of exporters absent the discipline of the order. As noted above,

<sup>22</sup> NSK deems the Department's duty-absorption investigation *ultra vires*. Furthermore, NSK argues that, even if the Department was authorized to conduct such duty-absorption investigations, the Department's use of presumption in the investigation did not fulfill its legal obligations. Thus, NSK argues that the Department should wait until the court has ruled on this matter.

<sup>23</sup> See May 6, 1999, Barden's Rebuttal to Domestic Party Substantive Responses at 5. Barden considers the Department's interpretation, expressed in the Sunset Policy Bulletin, too expansive, thus unlawful in applying "transition orders" under 751(c)(6)(C) of the Act to duty absorption. In other words, Barden argues that the Department should not have done the duty-absorption investigations in administrative reviews that were initiated in 1996 and 1998. In addition, Barden argues that the methodology chosen by the Department in calculation of duty-absorption rates is arbitrary and capricious. Last, Barden notes its objection to the duty absorption findings is pending with the Court of International Trade. Therefore, it contends that the Department should not use the duty-absorption findings in the instant sunset reviews. *Id.* at 9-11.

exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations.

With respect to NSK and NHBB's argument concerning the magnitude of the margin likely to prevail, we disagree. As discussed above, we do find that there is a likelihood of continuation or recurrence of dumping. Furthermore, we find the level of dumping likely to prevail is best reflected by the dumping margins we calculated in the original investigations. Specifically, the Department finds that there is no basis to reject margins calculated in an investigation because of subsequent changes in methodology. Since such changes do not invalidate margins calculated under the prior methodology. Therefore, the dumping margins from the original investigation are the only rates which reflect the behavior of exporters without the discipline of the order, regardless of the methodology used to calculate that margin or the use of best information available (see section 752(c)(3) of the Act).

With respect to Barden's argument that we should use a more recently calculated margin, we do not agree. By Barden's own admission, the import volume of the subject merchandise declined immediately after the imposition of the orders and thereafter stabilized at the lower level.<sup>24</sup> Moreover, during the period 1994 through 1995, the increases of Barden's export of the subject merchandise to the United States correspond with increased weighted-average dumping margins found by the Department. For example, after steady decline of the weighted-average margins, in the 1995-1996 administrative review, the Department found that Barden's margin increased from 1.48 percent to 3.99 percent. Coincidentally, during the same period, Barden's exports increased. Similarly, Barden's further increase (from 3.99 to 6.63 percent) of the weighted-average margins during the 1996-1997 administrative review coincided with further increased imports of the subject merchandise. However, when Barden's weighted-average dumping margins declined (from 6.63 to 2.89 percent) in the 1997-1998 review, so did the import volume of the subject merchandise. Thus, Barden's situation does not merit consideration of a more recently calculated margin.

<sup>24</sup> Barden notes that import figures are leveling off over the past five years after falling immediately after the issuance of the orders (see May 3, 1999, Substantive Response of Barden at 6).

Accordingly, but for the consideration of duty-absorption findings, the Department would have determined that the likely-to-prevail dumping margins for all British producers/exporters are those from the original investigation were the orders revoked.<sup>25</sup>

Section II.B.3.b of the Sunset Policy Bulletin, the SAA at 885, and the House Report at 60, provide that, if the Department has found duty absorption, the Department normally will provide to the Commission the higher of the margin that the Department otherwise would have reported to the Commission or the most recent margin for that company adjusted to account for the Department's findings on duty absorption. The Department explained that it normally will adjust a company's most recent margin to reflect its findings on duty absorption by incorporating the amount of duty absorption to those sales for which the Department found duty absorption.

In the most recent review,<sup>26</sup> the Department found that duty absorption existed on Barden's exports of BBs (19.43 percent) and NSK-RHP's exports of BBs (31.46 percent) and CRBs (47.88 percent) to the United States. Consistent with the statute and the Sunset Policy Bulletin, the Department will notify the Commission of its findings regarding such duty absorption for the Commission to consider in conducting its sunset review.

Consistent with the Sunset Policy Bulletin, we adjusted the most recent margins to account for duty-absorption findings:<sup>27</sup> for Barden, the adjusted rate for BBs is 3.45 percent; for NSK/RHP, the adjusted rates for BBs and CRBs are 27.63 percent and 72.65 percent, respectively. (See October 4, 1999, Memorandum to File Regarding Calculation of the Likely to Prevail

<sup>25</sup> As for Barden's argument that it was not party to the original investigation, and therefore should not be subjected to the margins from the original investigation, section II.B.1 of the Sunset Policy Bulletin provides that 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. Inasmuch as Barden did not participate in the original investigation, the all-others rate from the original investigation, as amended, is the appropriate one to report to the Commission as the rate that is likely to prevail if the order is revoked.

<sup>26</sup> See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews, 64 FR 35590 (July 1, 1999).

<sup>27</sup> With respect to methodology, also see Preliminary Results of Sunset Review: Porcelain-on-Steel Cooking Ware from Mexico, 64 FR 46651 (August 26, 1999), and Final Results of Expedited Sunset Review: Brass Sheet and Strip from Germany, 64 FR 49767 (September 14, 1999).

Margins.) For Barden's BBs, the all-others rate from the original investigation is higher than the absorption-adjusted rate. For NSK/RHP, the rate from the original investigation is higher than the absorption-adjusted rate for BBs, whereas the opposite is true for CRBs. Therefore, we will report to the Commission the rates as contained in the Final Results of Review section of this notice.

**Final Results of Review**

Based on the above analysis, the Department finds that the revocation of the antidumping duty orders would

likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/ Exporter	Margin (percent)	
	BBs	CRBs
Barden .....	54.27	.....
NSK/RHP .....	44.02	72.65
All others .....	54.27	43.36

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.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 1999.

**Richard W. Moreland,**  
*Acting Assistant Secretary for Import Administration.*

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**BILLING CODE 3510-DS-P**

begin after that date if no additional claimants come forward.

Dated: August 17, 1999.

**Francis P. McManamon,**

*Departmental Consulting Archeologist,  
Manager, Archeology and Ethnography  
Program.*

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BILLING CODE 4310-70-F

## INTERNATIONAL TRADE COMMISSION

### Proposed Agency Information Collection; Comment Request

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of proposed information collection and request for comment.

**EFFECTIVE DATE:** August 23, 1999.

**SUMMARY:** Pursuant to the Paperwork Reduction Act of 1995, the U.S. International Trade Commission intends to seek approval from the Office of Management and Budget for extension of the currently approved DataWeb user registration forms (OMB No.: 3117-0190) in connection with the ITC DataWeb Public Access Project. The user registration forms are required to accurately analyze usage, data reports generated, and costs by user sectors and to save user product and country lists for user reference during future logins.

Comments concerning the proposed information collection are requested in accordance with 5 CFR 1320.8(d).

**DATES:** To be assured of consideration, written comments must be received on or before October 26, 1999.

**ADDRESSES:** Signed comments should be submitted to Donna R. Koehnke, Secretary, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

**FOR FURTHER INFORMATION CONTACT:** Copies of the proposed forms and draft Supporting Statement to be submitted to the Office of Management and Budget will be posted on the Commission's World Wide Web site at <http://www.usitc.gov> or may be obtained from Peg MacKnight, Office of Operations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436 (telephone no. 202-205-3431). Hearing impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal, (telephone no. 202-205-1810).

### Request for Comments

Comments are solicited as to (1) whether the proposed information collection is necessary for the proper

performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used; (3) the quality, utility, and clarity of the information to be collected; and (4) minimization of the burden of the proposed information collection on those who are to respond (including through the use of appropriate automated, electronic, mechanical, or other forms of information technology, e.g., permitting electronic submission of responses).

### Summary of the Proposed Information Collection

The forms are for use by the Commission in connection with the ITC DataWeb Public Access Project. The ITC DataWeb provides on-line, rapid and customized retrieval of U.S. trade and tariff data and has been an Internet tool primarily for government users. The interagency International Trade Data System (ITDS) board chairman has requested that the ITC DataWeb be made formally available to the public. The purpose of the public access project is to assess the additional costs of making this service formally available to the general public and to evaluate benefits. The user registration forms are required to accurately track usage, data reports generated, and costs by user sectors and to save user product and country lists for user reference during future logins. The forms would appear on the ITC DataWeb internet site (<http://dataweb.usitc.gov>) and would need to be filled out only once.

### Summary of Proposal

- (1) *Number of forms submitted:* Two.
- (2) *Title of forms:* ITC Tariff and Trade DataWeb Public Access Project: "Create New User Account Form" and "User Information Form."
- (3) *Type of request:* Extension.
- (4) *Frequency of use:* Single data gathering.
- (5) *Description of respondents:* Government and private sector users of the on-line ITC DataWeb.
- (6) *Estimated number of respondents:* 2,000 annually.
- (7) *Estimated total number of minutes to complete the forms:* 2.0 minutes.
- (8) Information obtained from the forms that qualify as confidential business information will be so treated by the Commission and not disclosed in a manner that would reveal the individual operations of a firm.

### Additional Information or Comment

Copies of the forms and supporting documents may be obtained from Peg MacKnight (E-mail [pmacknight@usitc.gov](mailto:pmacknight@usitc.gov) or telephone 202-205-3431). Comments about the proposals should be directed to the Office of Management and Budget, Office of Information and Regulatory Affairs, Room 10102 (Docket Library), Washington, DC 20503, ATTENTION: Docket Librarian. All comments should be specific, indicating which part of the forms are objectionable, describing the concern in detail, and including specific suggested revisions or language changes. Copies of any comments should be provided to Robert Rogowsky, Director, Office of Operations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, who is the Commission's designated Senior Official under the Paperwork Reduction Act.

By order of the Commission.

Issued: August 23, 1999.

**Donna R. Koehnke,**  
*Secretary.*

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BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

**[Investigations Nos. AA1921-143, 731-TA-341, 731-TA-343-345, 731-TA-391-397, and 731-TA-399 (Review)]**

**Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom<sup>1</sup>**

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of full five-year reviews concerning the antidumping duty orders on certain bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom.

<sup>1</sup> The countries and investigation numbers for tapered roller bearings are as follows: China is 731-TA-344 (Review); Hungary is 731-TA-341 (Review); Japan is AA1921-143 (Review) for 4 inches and under and 731-TA-343 (Review) for over 4 inches; and Romania is 731-TA-345 (Review). The countries and investigation numbers for ball, cylindrical roller, and spherical plain bearings are as follows: France is 731-TA-392-A-C (Review); Germany is 731-TA-391-A-C (Review); and Japan is 731-TA-394-A-C (Review). The countries and investigation numbers for ball and cylindrical roller bearings are as follows: Italy is 731-TA-393-A-B (Review); Sweden is 731-TA-397-A-B (Review); and the United Kingdom is 731-TA-399-A-B (Review). The countries and investigation numbers for ball bearings are as follows: Romania is 731-TA-395 (Review) and Singapore is 731-TA-396 (Review). A-70

**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 certain bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom 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:** August 23, 1999.

**FOR FURTHER INFORMATION CONTACT:**

Robert Carpenter (202-205-3172), 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 July 2, 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 38471, July 16, 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 January 11, 2000, 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 February 1, 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 January 24, 2000. 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 27, 2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 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* no 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 January 21, 2000. 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 February 10, 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 February 10, 2000. On March 14, 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 March 16, 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 §§ 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.

**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: August 24, 1999.

**Donna R. Koehnke,**  
Secretary.

[FR Doc. 99-22344 Filed 8-26-99; 8:45 am]

BILLING CODE 7020-02-P

A-71

of Native American ancestry. Officials of the Southwest Museum have also determined that, pursuant to 43 CFR 10.2 (e), there is a relationship of shared group identity which can be reasonably traced between these Native American human remains and the Organized Village of Kasaan.

This notice has been sent to officials of the Organized Village of Kasaan. Representatives of any other Indian tribe that believes itself to be culturally affiliated with these human remains should contact Dr. Duane King, Southwest Museum, P.O. Box 41558, Los Angeles, CA 90041-0558; telephone: (323) 221-2164, before August 16, 1999. Repatriation of the human remains to the Organized Village of Kasaan may begin after that date if no additional claimants come forward.  
Dated: July 9, 1999.

Francis P. McManamon,  
*Departmental Consulting Archeologist,  
Manager, Archeology and Ethnography  
Program.*  
[FR Doc. 99-18125 Filed 7-15-99; 8:45 am]  
BILLING CODE 4310-70-F

## INTERNATIONAL TRADE COMMISSION

### Certain Bearings From China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom<sup>1</sup>

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of Commission determination to conduct full five-year reviews concerning the antidumping duty orders on certain bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom.

**SUMMARY:** The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of

<sup>1</sup> The countries and investigation numbers for tapered roller bearings are as follows: China is 731-TA-344 (Review); Hungary is 731-TA-341 (Review); Japan is AA1921-143 (Review) for 4 inches and under and 731-TA-343 (Review) for over 4 inches; and Romania is 731-TA-345 (Review). The countries and investigation numbers for ball, cylindrical roller, and spherical plain bearings are as follows: France is 731-TA-392-A-C (Review); Germany is 731-TA-391-A-C (Review); and Japan is 731-TA-394-A-C (Review). The countries and investigation numbers for ball and cylindrical roller bearings are as follows: Italy is 731-TA-393-A-B (Review); Sweden is 731-TA-397-A-B (Review); and the United Kingdom is 731-TA-399-A-B (Review). The countries and investigation numbers for ball bearings are as follows: Romania is 731-TA-395 (Review) and Singapore is 731-TA-396 (Review).

the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty orders on certain bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. 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); 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:** July 2, 1999.

**FOR FURTHER INFORMATION CONTACT:** Robert Carpenter (202-205-3172), 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 July 2, 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 all subject bearings from China, Germany, Hungary, Italy, Japan, Romania, Singapore, and the United Kingdom, ball and spherical plain bearings from France, and ball bearings from Sweden, the Commission found that both the domestic interested

party group responses<sup>2</sup> and the respondent interested party group responses<sup>3</sup> to its notice of institution<sup>4</sup> were adequate and voted to conduct full reviews.<sup>5</sup>

With regard to cylindrical roller bearings from France and Sweden, the Commission found that the domestic interested party group responses were adequate and the respondent interested party group responses were inadequate. The Commission also found that other circumstances warranted conducting full reviews.<sup>6</sup> 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: July 12, 1999.

By order of the Commission.

Donna R. Koehnke,  
*Secretary.*  
[FR Doc. 99-18152 Filed 7-15-99; 8:45 am]  
BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

### [Investigations Nos. 701-TA-265, 267 and 268 (Review) and Investigations Nos. 731-TA-297-299, 304 and 305 (Review)]

#### Certain Cooking Ware From China, Korea, Mexico, and Taiwan

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of full five-year reviews concerning the countervailing duty and antidumping duty orders on porcelain-on-steel and top-of-the-stove cooking ware from China, Korea, Mexico, and Taiwan.

<sup>2</sup> Commissioner Crawford dissenting with respect to spherical plain bearings from France, Germany, and Japan.

<sup>3</sup> Chairman Bragg dissenting with respect to tapered roller bearings and ball bearings from Romania; Commissioner Crawford dissenting with respect to spherical plain bearings from Germany, ball bearings from France and Germany, and cylindrical roller bearings from Germany, Italy, Japan, and the United Kingdom.

<sup>4</sup> The notice of institution for all of the subject reviews was published in the *Federal Register* on Apr. 1, 1999 (64 FR 15783).

<sup>5</sup> Commissioner Crawford dissenting with respect to cylindrical roller bearings from Germany, Italy, Japan, and the United Kingdom, and with respect to spherical plain bearings from France, Germany, and Japan.

<sup>6</sup> Commissioner Crawford dissenting. A-72

**INTERNATIONAL TRADE COMMISSION**

[(Invs. Nos. AA1921-143 (Review) and 731-TA-341, 343-345, 391-397, and 399 (Review))]

**Certain Bearings From China, France, Germany, Hungary, Italy, Japan, Roania, Singapore, Sweden, and the United Kingdom**

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the antidumping duty orders on certain bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom.

**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 certain bearings from China, France, Germany, Hungary, Italy, Japan, Romania,

Singapore, Sweden, and the United Kingdom 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;<sup>1</sup> to be assured of consideration, the deadline for responses is May 21, 1999. Comments on the adequacy of responses may be filed with the Commission by June 14, 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 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:** April 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 the dates listed below, antidumping duty orders were issued on the subject imports:

Order date	Product/country	Inv. No.	F.R. cite
8/18/76	Tapered roller bearings, 4" and under/Japan	AA1921-143	41 F.R. 34974
6/15/87	Tapered roller bearings/China	731-TA-344	52 F.R. 22667
6/19/87	Tapered roller bearings/Hungary	731-TA-341	52 F.R. 23319
6/19/87	Tapered roller bearings/Romania	731-TA-345	52 F.R. 23320
10/6/87	Tapered roller bearings, over 4"/Japan	731-TA-343	52 F.R. 37352
5/15/89	Ball, cylindrical roller, and spherical plain bearings/Germany	731-TA-391	54 F.R. 20900
5/15/89	Ball, cylindrical roller, and spherical plain bearings/France	731-TA-392	54 F.R. 20902
5/15/89	Ball and cylindrical roller bearings/Italy	731-TA-393	54 F.R. 20903
5/15/89	Ball, cylindrical roller, and spherical plain bearings/Japan	731-TA-394	54 F.R. 20904
5/15/89	Ball bearings/Romania	731-TA-395	54 F.R. 20906
5/15/89	Ball bearings/Singapore	731-TA-396	54 F.R. 20907
5/15/89	Ball and cylindrical roller bearings/Sweden	731-TA-397	54 F.R. 20907
5/15/89	Ball and cylindrical roller bearings/United Kingdom	731-TA-399	54 F.R. 20910

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. It will assess the adequacy of interested party responses to this notice of

institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

**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.

<sup>1</sup>No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 99-5-002.

expiration date June 30, 1999. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to

the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

(2) The Subject Countries in these reviews are China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom.

(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 determination concerning tapered roller bearings, 4 inches & under from Japan (Inv. No. AA1921-143), the Commission did not specifically define the Domestic Like Product; however, in its original determinations concerning tapered roller bearings, over 4 inches from Japan (Inv. No. 731-TA-343) and tapered roller bearings from Hungary, China, and Romania (Invs. Nos. 341, 344, and 345), the Commission found one Domestic Like Product: tapered roller bearings and parts thereof—finished or unfinished; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, and whether or not for automotive use. In its original determinations concerning antifriction bearings (other than tapered roller bearings) and parts thereof from Germany, France, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom (Investigations Nos. 731-TA-391-397 and 399), the Commission made affirmative determinations with respect to each of the following three Domestic Like Products: (1) ball bearings, (2) cylindrical roller bearings, and (3) spherical plain bearings. One Commissioner defined the Domestic Like Product differently. For purposes of this notice, you should report information separately on each of the following six Domestic Like Products: (1) tapered roller bearings, (2) tapered roller bearings, 4 inches and under, (3) tapered roller bearings, over 4 inches, (4) ball bearings, (5) cylindrical roller bearings, and (6) spherical plain bearings.

(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 determination concerning tapered roller bearings, 4 inches & under from Japan (Inv. No. AA1921-143), the Commission did not specifically define the Domestic Industry; however, in its original determinations concerning tapered roller bearings, over 4 inches from Japan (Inv. No. 731-TA-343) and tapered

roller bearings from Hungary, China, and Romania (Invs. Nos. 341, 344, and 345), the Commission found one Domestic Industry devoted to the production of the Domestic Like Product, as defined above. In its original determinations concerning antifriction bearings (other than tapered roller bearings) and parts thereof from Germany, France, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom (Investigations Nos. 731-TA-391-397 and 399), the Commission made affirmative determinations with respect to three Domestic Industries, each devoted to the production of one of the three Domestic Like Products, as defined above. One Commissioner defined the Domestic Industry differently. For purposes of this notice, you should report information on six Domestic Industries, each devoted to the production of one of the following six Domestic Like Products: (1) tapered roller bearings, (2) tapered roller bearings, 4 inches and under, (3) tapered roller bearings, over 4 inches, (4) ball bearings, (5) cylindrical roller bearings, and (6) spherical plain bearings.

(5) The Order Dates are the dates that the antidumping duty orders under review became effective. In these reviews, the Order Dates are as shown in the preceding tabulation.

(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 May 21, 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 June 14, 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**

Please provide the requested information separately for each Domestic Like Product, as defined above, and for each of the products identified by Commerce as Subject Merchandise. 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 the years the petitions were filed. The Subject Merchandise, the Subject Countries, and the years the petitions were filed are listed below:

Subject merchandise/ Subject country	Years
Tapered roller bearings, 4" & under/ Japan .....	1973
Tapered roller bearings/China, Hun- gary, and Romania .....	1986
Tapered roller bearings, over 4" Japan .....	1986
Ball, cylindrical roller, and spherical plain bearings/France .....	1988
Ball, cylindrical roller, and spherical plain bearings/Germany .....	1988
Ball and cylindrical roller bearings/ Italy .....	1988
Ball, cylindrical roller, and spherical plain bearings/Japan .....	1988
Ball bearings/Romania .....	1988
Ball bearings/Singapore .....	1988
Ball and cylindrical roller bearings/ Sweden .....	1988
Ball and cylindrical roller bearings/ United Kingdom .....	1988

- (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 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 each Domestic Like Product accounted for by your firm's(s') production; and
- (b) the quantity and value of U.S. commercial shipments of each 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 thousands of 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 thousands of 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 Dates, 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) 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: March 25, 1999.

By order of the Commission.

**Donna R. Koehnke,**

Secretary.

[FR Doc. 99-8071 Filed 3-31-99; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-377 (Review)]

### Internal Combustion Industrial Forklift Trucks From Japan

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of a five-year review concerning the antidumping duty order on internal combustion industrial forklift trucks from Japan.

**SUMMARY:** The Commission hereby gives notice that it has instituted a review 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 order on internal combustion industrial forklift trucks from Japan 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;<sup>1</sup> to be assured of consideration, the deadline for responses is May 21, 1999. Comments on the adequacy of responses may be filed with the Commission by June 14, 1999.

For further information concerning the conduct of this review 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:** April 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

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 99-5-003, expiration date June 30, 1999. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

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 7, 1988, the Department of Commerce issued an antidumping duty order on imports of internal combustion industrial forklift trucks from Japan (53 F.R. 20882). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

##### Definitions

The following definitions apply to this review:

(1) Subject Merchandise is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The Subject Country in this review is Japan.

(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 determination, the Commission found a single Domestic Like Product: industrial, operator-riding internal combustion engine forklift trucks with a weight-lift capacity of between 2,000 and 15,000 pounds (inclusive), with a U.S.-produced frame.

(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 determination, the Commission defined a single Domestic Industry as U.S. producers of industrial, operator-riding internal combustion engine forklift trucks with a weight-lift capacity of between 2,000 and 15,000 pounds (inclusive), with a U.S.-produced frame.

## EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

*Tapered Roller Bearings, 4 Inches and Under From Japan, Inv. No. AA-143 (Review)*  
*Tapered Roller Bearings From China, Hungary, Japan, and Romania, Inv. Nos. TA-341, 343-345 (Review)*  
*Antifriction Bearings (Other Than Tapered Roller Bearings) From Germany, France, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom, Inv. Nos. TA-391-397, 399 (Review)*

On July 2, 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 Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products.<sup>1</sup>

*Tapered Roller Bearings, 4 Inches and Under From Japan, Inv. No. AA-143 (Review)*  
*Tapered Roller Bearings From China, Hungary, Japan, and Romania, Inv. Nos. TA-341, 343-345 (Review)*

With respect to the reviews on tapered roller bearings, the Commission determined that both domestic and respondent interested party group responses to its notice of institution were adequate for each of the three like products: tapered roller bearings; tapered roller bearings, 4 inches and under; and tapered roller bearings, over 4 inches.<sup>2</sup> The Commission consequently voted to conduct full reviews.

The Commission received responses from domestic producers who collectively account for most of U.S. production of each domestic like product. In the reviews on tapered roller bearings from Japan, the Commission received responses from foreign producers who represented most of the production of the subject merchandise and from U.S. importers of a majority of subject imports during 1998. The one Hungarian company that responded reportedly represented all Hungarian production of tapered roller bearings during 1998, and the Romanian respondent reportedly accounted for virtually all exports of subject merchandise from Romania to the United States during 1998. For China, the Commission received a response from an association and its participating members, all of whom were identified as producers or exporters of tapered roller bearings and whose exports to the United States were estimated to represent a substantial portion of Chinese production of the subject merchandise. The Chinese response provided company-specific data on production and U.S. exports for each participating member.

*Antifriction Bearings (Other Than Tapered Roller Bearings) From Germany, France, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom, Inv. Nos. TA-391-397, 399 (Review)*

With respect to the reviews on antifriction bearings other than tapered roller bearings, the Commission determined that the domestic interested party group responses represented a substantial proportion of domestic production and were adequate for each domestic like product: ball bearings,

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<sup>1</sup> See 19 U.S.C. § 1675(c)(5)(D); 63 Fed. Reg. 29372, 29374 (May 29, 1998).

<sup>2</sup> Chairman Bragg found the Romanian interested party group response to be inadequate based upon the failure of any Romanian producer to respond to the notice of institution, but voted to conduct a full review to promote administrative efficiency in light of her determination to conduct full reviews of other orders in these grouped reviews.

cylindrical roller bearings, and spherical plain bearings.<sup>3</sup>

The Commission found that the respondent interested party group responses were adequate and voted to conduct full reviews with respect to all antifriction nontapered bearings from Germany, Italy, Japan, Romania,<sup>4</sup> Singapore, and the United Kingdom, ball and spherical plain bearings from France, and ball bearings from Sweden.<sup>5</sup>

The Commission further found that the respondent interested party group responses were inadequate with respect to cylindrical roller bearings from Sweden and France in that no responses were received from any interested parties. The Commission nevertheless decided to conduct full reviews<sup>6</sup> to promote administrative efficiency, in light of the Commission's decision to conduct full reviews with respect to all antifriction nontapered bearings from Germany, Italy, Japan, Romania, Singapore, and the United Kingdom, ball and spherical plain bearings from France, and ball bearings from Sweden.<sup>7</sup>

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<sup>3</sup> With respect to spherical plain bearings from France and Japan, Commissioner Crawford found that the respondent interested party group responses were adequate, but that the domestic interested party group responses were inadequate and voted to conduct expedited reviews. With respect to spherical plain bearings from Germany, Commissioner Crawford found that both the domestic and respondent interested party group responses were inadequate and voted to conduct an expedited review.

<sup>4</sup> Chairman Bragg found the Romanian interested party group response to be inadequate based upon the failure of any Romanian producer to respond to the notice of institution, but voted to conduct a full review to promote administrative efficiency in light of her determination to conduct full reviews of other orders in these grouped reviews.

<sup>5</sup> Commissioner Crawford found that the respondent interested party group responses were inadequate and voted to conduct expedited reviews with respect to cylindrical roller bearings from Germany, Italy, Japan and the United Kingdom. She also found that the respondent interested party group responses were inadequate with respect to ball bearings from France and Germany, but determined that circumstances warranted full reviews, given the fact that she voted to conduct full reviews with respect to ball bearings from Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom. See 63 Fed. Reg. 30599, 30604 (June 5, 1998).

<sup>6</sup> Commissioner Crawford dissenting.

<sup>7</sup> See 63 Fed. Reg. 30599, 30604 (June 5, 1998).

**APPENDIX B**  
**HEARING WITNESSES**



## CALENDAR OF PUBLIC HEARINGS

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

Subject: Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom

Invs. Nos.: AA1921-143, 731-TA-341, 731-TA-343-345, 731-TA-391-397 and 731-TA-399 (Review)

Date and Time: March 21, 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 (**Terence P. Stewart**, Stewart and Stewart)  
In Support of Revocation (**Robert A. Lipstein**, Lipstein, Jaffe & Lawson, L.L.P.)

### **In Support of the Continuation of the Orders:**

#### PANEL 1 (Tapered Roller Bearings)

Stewart and Stewart  
Washington, D.C.  
on behalf of

The Timken Co.  
MPB Corp.

**W.R. (Tim) Timken, Jr.**, Chairman and Chief Executive Officer, The Timken Co.

**James W. Griffith**, President and Chief Operation Officer, The Timken Co.

**James W. Gresh**, Vice President and Controller, The Timken Co.

**Larry R. Brown**, Senior Vice President and General Counsel, The Timken Co.

**Thomas S. Dupaski**, Vice President - North American Rail and Rail Freight Systems, The Timken Co.

**H. Roger Ellis**, Vice President - Manufacturing - Automotive, The Timken Co.

**Richard D. Adams**, Vice President - Automotive, The Timken Co.

**In Support of the Continuation of  
the Orders-Continued:**

**PANEL 1 - Cont'd**

**Thomas M. Cline**, General Sales Manager, Industrial Distribution U.S. & Canada,  
The Timken Co.

**Scott A. Scherff**, Corporate Secretary, The Timken Co.

**Karen S. Hutnick**, Manager - Global Financial Control, The Timken Co.

**Donna J. Demerling**, President - Timken Aerospace and Super Precision Bearings,  
MPB Corp.

Steelworkers Union

**Joe Kostic**, President, Steelworkers Local Union #1123

Economic Strategy Institute

**Lawrence Chimerine**, Chief Economist and Senior Vice President, Economic Strategy Institute

**Andrew Z. Szamosszegi**, Fellow, Economic Strategy Institute

**Terence P. Stewart**     )  
**James R. Cannon, Jr.** )--OF COUNSEL  
**William A. Fennell**    )

**PANEL 2** (Ball Bearings, Cylindrical Roller Bearings, and  
Spherical Plain Bearings)

Stewart and Stewart  
Washington, D.C.  
on behalf of

The Torrington Co. (Ball and Cylindrical Bearings)  
MPB Corp. (Ball and Cylindrical Bearings)  
Roller Bearing Co. of America, Inc. ("RBC") (Spherical Plain Bearings)

The Torrington Co.

**Allen Nixon**, Group President, The Torrington Co.

**Frank Johnson**, President - Industrial Design, The Torrington Co.

**Paul Pedemonti**, Vice President - Sales and Marketing, Industrial Division, The Torrington Co.

**In Support of the Continuation of  
the Orders-Continued:**

**PANEL 2 - Cont'd**

**Robert Boyd**, Vice President and General Counsel, The Torrington Co.

**John Begg**, Vice President - Sales and Marketing, Automotive Division, The Torrington Co.

**David Gridley**, Executive Director - Marketing Services and Government Affairs,  
The Torrington Co.

**John Toomey**, Director, Sales Distribution, The Torrington Co.

**Bruno Bagnaschi**, Manager - Business Research, The Torrington Co.

**Allen Smith**, Corporate Cost/Support Analyst, The Torrington Co.

MPB Corp.

**Donna J. Demerling**, President - Timken Aerospace and Super Precision Bearings, MPB Corp.

**John D. Breen**, Group Controller, MPB Corp.

RBC, Inc.

**Richard J. Edwards**, Vice President & General Manager, RBC, Inc.

**Robert W. Crawford**, Corporate Risk Manager, RBC, Inc.

United Auto Workers Union ("UAW")

**Steven Beckman**, Assistant Director, Government and International Affairs, UAW

**Lattie Slusher**, President, UAW Local 913

**Clyde Sims**, Shop Chairman, UAW Local 913

Economic Strategy Institute

**Lawrence Chimerine**, Chief Economist and Senior Vice President, Economic Strategy Institute

**Andrew Z. Szamosszegi**, Fellow, Economic Strategy Institute

**Terence P. Stewart** )  
**James R. Cannon, Jr.** ) --OF COUNSEL  
**Geert De Prest** )  
**Eric P. Salonen** )

**In Support of the Revocation of  
the Orders:**

**PANEL 1** (Tapered Roller Bearings)

Powell, Goldstein, Frazer & Murphy L.L.P.  
Washington, D.C.  
on behalf of

Koyo Corp. of U.S.A. ("KCU") Manufacturing Division  
Koyo Seiko Co., Ltd. ("Koyo")

**Tomokazu Takahashi**, General Manager, KCU-Corporate Division

**Michael Huntzinger**, Director, Automotive Sales, KCU

**Thomas Peacock**, Trade and Legal Manager, KCU

**Peter O. Suchman** )  
**Elizabeth C. Hafner**)--OF COUNSEL  
**Maria T. Digiulian** )

Powell, Goldstein, Frazer & Murphy LLP  
Washington, D.C.  
on behalf of

Caterpillar, Inc.

**Michael Dykstra**, Buyer, Anti-friction bearings, Material and Procurement Services Division,  
Caterpillar, Inc.

**Eric Hinton**, Attorney - Legal Services, Office of the General Counsel, Caterpillar, Inc.

**Richard M. Belanger**)  
--OF COUNSEL  
**Elizabeth C. Hafner** )

Economic Consulting Services, Incorporated ("ECS")  
Washington, D.C.  
on behalf of

Japanese Respondent Companies

**Bruce P. Malashevich**, President, ECS

**Kenneth R. Button**, Senior Vice President, ECS

**Scott Weingust**, Staff Economist, ECS

**Matthew A. Gahr**, Staff Economist, ECS

**In Support of the Revocation of  
the Orders-Continued:**

**PANEL 1 - Cont'd**

Barnes, Richardson & Colburn  
Chicago, Illinois  
on behalf of

NTN

**Eric Rasmussen**, Marketing Manager, NTN Bearing Corp. of America

**Donald J. Unger**        ) --OF COUNSEL  
**Kazumune V. Kano**     )

Lipstein, Jaffe & Lawson, L.L.P.  
Washington, D.C.  
on behalf of

NSK Ltd.  
NSK Corp.

**Robert A. Lipstein**    ) --OF COUNSEL  
**Matthew P. Jaffe**     )

Aitken Irvin Lewin Berlin Vrooman & Cohn, L.L.P.  
Washington, D.C.  
on behalf of

China TRB Sunset Coalition

**Chris Carhart**, President, Carhart, Inc.

**Martin J. Lewin**--OF COUNSEL

Garvey, Schubert & Barer  
Washington, D.C.  
on behalf of

Roller Bearing Industries, Inc. ("RBI")

**Dan T. Conway Jr.**, President, RBI

**William E. Perry**--OF COUNSEL

**In Support of the Revocation of  
the Orders-Continued:**

**PANEL 1 - Cont'd**

Ablondi, Foster, Sobin & Davidow, P.C.  
Washington, D.C.  
on behalf of

Daewoo-MGM Rt.

**Peter D. Ehrenhaft--OF COUNSEL**

Arent Fox  
Washington, D.C.  
on behalf of

Tehnoimportexport S.A.

**John M. Gurley--OF COUNSEL**

**PANEL 2** (Ball Bearings, Cylindrical Roller Bearings, and  
Spherical Plain Bearings)

Steptoe & Johnson L.L.P.  
Washington, D. C.  
on behalf of

SKF Group

**Sten Malmstrom, President and CEO, SKF USA Inc.**

**Herbert C. Shelley )**--OF COUNSEL  
**Alice A. Kipel )**

Lipstein, Jaffe & Lawson, L.L.P.  
Washington, D.C.  
on behalf of

NSK Ltd.  
NSK Corp.

**Don King, Director of Corporate Planning and Development, NSK**

**Robert A. Lipstein )**--OF COUNSEL  
**Matthew P. Jaffe )**

**In Support of the Revocation of  
the Orders-Continued:**

**PANEL 2 - Cont'd**

Powell, Goldstein, Frazer & Murphy L.L.P.  
Washington, D.C.  
on behalf of

Caterpillar, Inc.

**Michael Dykstra**, Buyer, Anti-friction Bearings, Material and Procurement  
Services Division, Caterpillar, Inc.

**Eric Hinton**, Attorney - Legal Services, Office of the General Counsel, Caterpillar, Inc.

**Richard M. Belanger**) --OF COUNSEL  
**Elizabeth C. Hafner** )

Economic Consulting Services, Incorporated ("ECS")  
Washington, D.C.  
on behalf of

Japanese Respondent Companies

**Bruce P. Malashevich**, President, ECS

**Kenneth R. Button**, Senior Vice President, ECS

**Scott Weingust**, Staff Economist, ECS

**Matthew A. Gahr**, Staff Economist, ECS

**In Support of the Revocation of  
the Orders-Continued:**

**PANEL 2- Cont'd**

Powell, Goldstein, Frazer & Murphy L.L.P.  
Washington, D.C.  
on behalf of

Koyo Corp. of U.S.A. (KCU) Manufacturing Division  
Koyo Seiko Co., Ltd. ("Koyo")

**Tomokazu Takahashi**, General Manager, KCU-Corporate Division

**Michael Huntzinger**, Director, Automotive Sales, KCU

**Thomas Peacock**, Trade and Legal Manager, KCU

**Peter O. Suchman** )  
**Elizabeth C. Hafner** )--OF COUNSEL  
**Maria T. Digiulian** )

Barnes, Richardson & Colburn  
Chicago, Illinois  
on behalf of

NTN Companies

**Eric Rasmussen**, Marketing Manager, NTN Bearing Corp. of America

**Donald J. Unger** )  
 )--OF COUNSEL  
**Kazumune V. Kano** )

O'Melveny & Myers, L.L.P.  
Washington, D.C.  
on behalf of

Nachi America, Inc.  
Nachi Technology, Inc.  
Nachi-Fujikoshi Corp. ("Nachi")

**Shiro Hatasaki**, Marketing Manager, Bearings Division, Nachi America

**Peggy A. Clarke**--OF COUNSEL

**In Support of the Revocation of  
the Orders-Continued:**

**PANEL 2 - Cont'd**

White & Case L.L.P.  
Washington, D.C.  
on behalf of

Minebea Co., Ltd.  
NMB Corp.  
New Hampshire Ball Bearings, Inc.

**Walter J. Spak** ) --OF COUNSEL  
**Lyle B. Vander Schaaf** )

White & Case L.L.P.  
Washington, D.C.  
on behalf of

NMB Singapore, Ltd. / Pelmech Industries

**Walter J. Spak** ) --OF COUNSEL  
**Lyle B. Vander Schaaf** )

Grunfeld, Desiderio, Lebowitz & Silverman, L.L.P.  
Washington, D.C.  
on behalf of

FAG

**Max F. Schutzman** ) --OF COUNSEL  
**Andrew B. Schroth** )

Arent Fox  
Washington, D.C.  
on behalf of

Tehnoimportexport S.A.

**John M. Gurley**--OF COUNSEL

**In Support of the Revocation of  
the Orders-Continued:**

**PANEL 2 - Cont'd**

Lipstein, Jaffe & Lawson, L.L.P.  
Washington, D.C.  
on behalf of

NSK-RHP Europe Ltd.  
RHP Bearings Ltd.  
NSK Bearings Europe Ltd. ("NSK-RHP")

**Steve Lacey**, Product Engineering and Development Manager, RHP Aerospace Division,  
NSK-RHP

**Robert A. Lipstein** )  
  ) --OF COUNSEL  
**Matthew P. Jaffe**        )

United Technologies Corp.

**Jeremy Preiss**, Chief, International Trade Counsel, United Technologies Corp.

Pratt & Whitney ("PW")

**William Ogden**, Materials Technologist, PW

**James Lyman**, Commodity Manager, PW

Sikorsky Aircraft Corp. ("Sikorsky")

**Stephen Matysczak**, Commodity Manager, Sikorsky

Capital Trade, Inc.

**Charles Anderson**, Economic Consultant, Capital Trade, Inc.

**Amy Beargie**, Assistant International Trade Counsel, United Technologies Corp.

**In Support of the Revocation of  
the Orders-Continued:**

**PANEL 2 - Cont'd**

McKenna & Cuneo, L.L.P.  
Washington, D.C.  
on behalf of

General Electric Aircraft Engines ("GE AE")

**Paul Bissett**, Design Engineer, GE AE

**Peter B. Feller**—OF COUNSEL

**CLOSING REMARKS**

In Support of Continuation (**Terence P. Stewart**, Stewart and Stewart)

In Support of Revocation (**Kazumune V. Kano**, Barnes, Richardson & Colburn)



**APPENDIX C**  
**SUMMARY DATA**



Table C-1

**Tapered roller bearings: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999**

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing, and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. consumption quantity:						
Amount	233,482	240,053	180,742	190,266	2.8	5.3
Producers' share <sup>1</sup>	52.8	51.9	52.5	50.1	-1.0	-2.4
Importers' share: <sup>1</sup>						
China	15.6	14.4	15.1	16.4	-1.3	1.3
Hungary	0.0	0.0	0.0	0.0	0.0	0.0
Japan	10.3	12.4	11.9	10.3	2.2	-1.6
Romania	1.2	1.0	0.7	3.0	-0.2	2.3
Subtotal	27.0	27.8	27.7	29.7	0.7	2.0
Canada	10.8	9.7	9.7	8.9	-1.2	-0.8
Germany	0.3	0.8	0.8	0.9	0.5	0.1
United Kingdom	1.0	1.0	1.1	0.8	0.1	-0.3
Other sources	8.0	8.8	8.3	9.7	0.9	1.4
Total imports	47.2	48.1	47.5	49.9	1.0	2.4
U.S. consumption value:						
Amount	1,322,281	1,418,791	1,064,646	1,081,615	7.3	1.6
Producers' share <sup>1</sup>	82.3	80.2	79.8	82.1	-2.1	2.4
Importers' share: <sup>1</sup>						
China	2.1	1.7	1.7	1.8	-0.4	0.0
Hungary	0.0	0.0	0.0	0.0	0.0	0.0
Japan	4.4	4.7	4.7	4.2	0.3	-0.5
Romania	0.2	0.1	0.1	0.3	-0.1	0.2
Subtotal	6.6	6.5	6.5	6.3	-0.1	-0.2
Canada	3.9	3.8	3.9	3.7	0.0	-0.2
Germany	1.5	2.0	2.1	1.7	0.5	-0.4
United Kingdom	1.6	2.1	2.2	1.2	0.5	-1.0
Other sources	4.1	5.3	5.5	4.9	1.3	-0.6
Total imports	17.7	19.8	20.2	17.9	2.1	-2.4
U.S. imports from--						
China:						
Quantity	36,480	34,493	27,263	31,163	-5.4	14.3
Value	27,242	23,837	18,431	19,158	-12.5	3.9
Unit value	\$0.71	\$0.61	\$0.59	\$0.56	-15.0	-5.2
Ending inventory	***	***	***	***	***	***
Hungary:						
Quantity	0	1	1	12.1	243.8	( <sup>2</sup> )
Value	3	8	4	148	154.6	( <sup>2</sup> )
Unit value	\$11.39	\$8.44	\$4.61	\$12.25	-25.9	165.5
Ending inventory	***	***	***	***	***	***

Table continued on next page.

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing, and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
<b>Japan:</b>						
Quantity	23,953	29,858	21,524	19,625	24.7	-8.8
Value	57,639	66,483	50,059	45,520	15.3	-9.1
Unit value	\$2.24	\$2.10	\$2.17	\$2.28	-6.3	4.9
Ending inventory	***	***	***	***	***	***
<b>Romania:</b>						
Quantity	2,703	2,349	1,296	5,747	-13.1	343.5
Value	2,695	1,909	1,139	3,627	-29.2	218.3
Unit value	\$1.00	\$0.81	\$0.88	\$0.63	-18.5	-28.2
Ending inventory	***	***	***	***	***	***
<b>Subtotal:</b>						
Quantity	63,136	66,701	50,083	56,547	5.6	12.9
Value	87,579	92,237	69,634	68,453	5.3	-1.7
Unit value	\$1.36	\$1.42	\$1.41	\$1.32	4.5	-6.3
Ending inventory	13,093	13,265	11,718	12,146	1.3	3.7
<b>Canada:</b>						
Quantity	25,332	23,198	17,500	16,908	-8.4	-3.4
Value	51,089	54,323	41,688	40,459	6.3	-2.9
Unit value	\$2.00	\$2.33	\$2.37	\$2.36	16.1	-0.1
Ending inventory	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )
<b>Germany:</b>						
Quantity	755	1,889	1,436	1,630	150.1	( <sup>a</sup> )
Value	19,934	28,935	22,122	18,486	45.2	( <sup>a</sup> )
Unit value	\$25.36	\$14.76	\$14.94	\$10.22	-41.8	-31.6
Ending inventory	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )
<b>United Kingdom:</b>						
Quantity	2,308	2,501	1,934	1,445	8.4	-25.3
Value	21,392	29,664	23,524	13,360	38.7	-43.2
Unit value	\$8.93	\$11.44	\$11.64	\$9.03	28.0	-22.4
Ending inventory	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )
<b>Other sources:</b>						
Quantity	18,572	21,230	14,922	18,464	14.3	23.7
Value	53,865	75,738	58,528	52,698	40.6	-10.0
Unit value	\$2.79	\$3.39	\$3.73	\$2.67	21.7	-28.4
Ending inventory	487	957	848	724	96.7	-14.6
<b>All sources:</b>						
Quantity	110,103	115,518	85,876	94,994	4.9	10.6
Value	233,859	280,896	215,496	193,456	20.1	-10.2
Unit value	\$2.04	\$2.32	\$2.39	\$1.95	13.7	-18.5
Ending inventory	13,580	14,223	12,566	12,870	4.7	2.4

Table continued on next page.

C-4

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing, and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. producers'--						
Average capacity quantity	146,503	154,931	115,865	119,627	5.8	3.2
Production quantity	145,267	146,862	114,105	112,283	1.1	-1.6
Capacity utilization <sup>1</sup>	94.5	90.3	93.7	90.5	-4.2	-3.1
U.S. shipments:						
Quantity	123,380	124,534	94,867	95,272	0.9	0.4
Value	1,088,422	1,137,894	849,150	888,159	4.5	4.6
Unit value	\$8.54	\$8.86	\$8.67	\$9.03	3.8	4.2
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	16,864	17,033	19,817	18,262	1.0	-7.8
Inventories/total shipments <sup>1</sup>	11.6	11.8	13.5	12.3	0.1	-1.2
Production workers	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	***	***	***
Wages paid (1,000 dollars)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (bearings per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales value	***	***	***	***	***	***
COGS	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
COGS/sales <sup>1</sup>	***	***	***	***	***	***
Operating income or (loss)/sales <sup>1</sup>	***	***	***	***	***	***

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> Increase greater than 1,000 percent.

<sup>3</sup> Included in "Other sources."

<sup>4</sup> Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Values include parts; unit values calculated based on whole bearings only.

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

**Table C-2**

**Ball bearings: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999**

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are *per bearing*; and period changes=*percent*, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. consumption quantity:						
Amount	1,311,772	1,314,654	995,132	995,823	0.2	0.1
Producers' share <sup>1</sup>	33.3	31.7	31.6	31.0	-1.6	-0.6
Importers' share: <sup>1</sup>						
France	0.2	0.2	0.2	0.5	-0.0	0.3
Germany	1.1	0.6	0.6	3.0	-0.5	2.4
Italy	0.3	0.2	0.2	0.2	-0.1	-0.0
Japan	22.6	22.6	23.4	20.0	0.0	-3.4
Romania	0.2	0.2	0.2	0.2	-0.0	-0.0
Singapore	6.4	6.1	6.4	5.3	-0.2	-1.0
Sweden	0.0	0.0	0.0	0.0	-0.0	0.0
United Kingdom	0.4	0.3	0.4	0.3	-0.0	-0.1
Subtotal	31.2	30.3	31.4	29.5	-0.9	-1.9
Canada	6.8	6.6	6.2	6.5	-0.2	0.2
China	13.5	15.1	14.9	17.6	1.5	2.8
Other sources	15.1	16.3	15.9	15.4	1.1	-0.5
Total imports	66.7	68.3	68.4	69.0	1.6	0.6
U.S. consumption value:						
Amount	3,206,879	3,252,975	2,348,532	2,273,429	1.4	-3.2
Producers' share <sup>1</sup>	70.5	69.9	68.1	70.4	-0.6	2.3
Importers' share: <sup>1</sup>						
France	0.7	0.8	0.8	0.6	0.0	-0.2
Germany	1.5	1.5	1.5	1.4	-0.1	-0.1
Italy	0.6	0.6	0.7	0.5	0.0	-0.2
Japan	10.8	10.8	11.6	9.2	-0.0	-2.4
Romania	0.1	0.1	0.1	0.1	-0.0	-0.0
Singapore	1.4	1.3	1.4	1.2	-0.1	-0.2
Sweden	0.1	0.1	0.1	0.1	-0.0	0.0
United Kingdom	0.5	0.5	0.5	0.4	-0.1	-0.1
Subtotal	15.8	15.6	16.8	13.5	-0.3	-3.3
Canada	3.2	3.7	3.7	4.1	0.5	0.4
China	3.5	3.7	3.8	4.1	0.1	0.3
Other sources	7.0	7.2	7.6	7.9	0.3	0.3
Total imports	29.5	30.1	31.9	29.6	0.6	-2.3

Table continued on next page.

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing; and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. imports from-- France:						
Quantity	3,094	2,685	2,027	4,842	-13.2	138.9
Value	23,900	24,832	18,830	13,147	3.9	-30.2
Unit value	\$7.47	\$9.00	\$9.07	\$2.53	20.4	-72.1
Ending inventory	***	***	***	***	***	***
Germany:						
Quantity	14,629	7,800	5,982	29,872	-46.7	399.4
Value	48,999	47,482	36,060	31,768	-3.1	-11.9
Unit value	\$3.21	\$5.75	\$5.73	\$0.99	79.3	-82.7
Ending inventory	***	***	***	***	***	***
Italy:						
Quantity	3,707	2,774	2,408	2,203	-25.2	-8.5
Value	18,323	19,435	16,446	11,274	6.1	-31.4
Unit value	\$4.77	\$6.72	\$6.55	\$4.94	40.7	-24.6
Ending inventory	***	***	***	***	***	***
Japan:						
Quantity	296,317	297,555	232,875	199,050	0.4	-14.5
Value	347,409	351,652	273,290	209,765	1.2	-23.2
Unit value	\$1.03	\$1.01	\$0.99	\$0.97	-1.1	-2.8
Ending inventory	***	***	***	***	***	***
Romania:						
Quantity	2,555	2,301	1,675	1,514	-10.0	-9.6
Value	3,360	2,671	2,110	1,555	-20.5	-26.3
Unit value	\$1.31	\$1.16	\$1.26	\$1.02	-11.7	-18.8
Ending inventory	***	***	***	***	***	***
Singapore:						
Quantity	83,445	80,631	63,444	53,122	-3.4	-16.3
Value	45,548	42,690	33,275	28,366	-6.3	-14.8
Unit value	\$0.55	\$0.53	\$0.52	\$0.53	-3.0	1.8
Ending inventory	***	***	***	***	***	***
Sweden:						
Quantity	264	153	116	210	-42.2	81.3
Value	3,017	2,751	2,026	2,436	-8.8	20.3
Unit value	11	\$18.01	\$17.51	\$11.53	57.9	-34.2
Ending inventory	***	***	***	***	***	***
United Kingdom:						
Quantity	4,981	4,514	4,097	3,187	-9.4	-22.2
Value	17,231	14,862	11,520	8,701	-13.7	-24.5
Unit value	3	\$3.20	\$2.74	\$2.65	-4.5	-3.2
Ending inventory	***	***	***	***	***	***

Table continued on next page.

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing, and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. imports from--						
Subtotal:						
Quantity	408,992	398,412	312,623	294,000	-2.6	-6.0
Value	507,787	506,374	393,557	307,011	-0.3	-22.0
Unit value	\$1.16	\$1.18	\$1.16	\$1.03	2.2	-10.9
Ending inventory	80,659	74,452	74,335	67,277	-7.7	-9.5
Canada:						
Quantity	89,819	87,166	62,153	64,299	-3.0	3.5
Value	102,761	119,108	87,681	94,338	15.9	7.6
Unit value	\$1.14	\$1.36	\$1.40	\$1.42	18.9	1.7
Ending inventory	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	-3.0	-3.0
China:						
Quantity	177,672	198,046	148,052	175,543	11.5	18.6
Value	112,992	118,883	89,933	92,760	5.2	3.1
Unit value	\$0.61	\$0.56	\$0.57	\$0.51	-8.1	-10.0
Ending inventory	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	-3.0	-3.0
Other sources:						
Quantity	198,482	214,030	158,196	153,482	7.8	-3.0
Value	223,722	235,196	177,784	179,026	5.1	0.7
Unit value	\$1.10	\$1.06	\$1.09	\$1.12	-3.2	3.3
Ending inventory	90,753	81,295	92,944	74,853	-10.4	-19.5
All sources:						
Quantity	874,964	897,655	681,024	687,324	2.6	0.9
Value	947,262	979,561	748,955	673,136	3.4	-10.1
Unit value	\$1.02	\$1.01	\$1.02	\$0.93	-0.3	-8.4
Ending inventory	171,412	155,747	167,279	142,131	-9.1	-15.0
U.S. producers'--						
Average capacity quantity	609,982	640,673	492,518	470,064	5.0	-4.6
Production quantity	464,295	449,412	360,631	338,359	-3.2	-6.2
Capacity utilization <sup>1</sup>	76.1	70.1	73.2	72.0	-6.0	-1.2
U.S. shipments:						
Quantity	436,808	417,000	314,108	308,499	-4.5	-1.8
Value	2,259,617	2,273,414	1,599,577	1,600,293	0.6	0.0
Unit value	\$4.70	\$4.96	\$4.60	\$4.72	5.5	2.5
Export shipments:						
Quantity	34,554	38,553	28,916	26,016	11.6	-10.0
Value	228,341	247,102	172,131	175,199	8.2	1.8
Unit value	\$6.29	\$6.06	\$5.58	\$6.38	-3.6	14.3
Ending inventory quantity	53,779	42,836	68,476	44,822	-20.3	-34.5
Inventories/total shipments <sup>1</sup>	11.4	9.4	15.0	10.0	-2.0	-4.9

Table continued on next page.

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are *per bearing*, and period changes=*percent*, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
Production workers	12,278	12,284	12,178	11,301	0.0	-7.2
Hours worked (1,000 hours)	27,637	27,428	20,243	19,030	-0.8	-6.0
Wages paid (1,000 dollars)	478,671	486,779	363,452	355,275	1.7	-2.3
Hourly wages	\$17.17	\$17.60	\$17.81	\$18.52	2.5	4.0
Productivity (bearings per hour)	19.0	18.5	20.2	20.2	-2.5	-0.1
Unit labor costs	\$0.97	\$1.01	\$0.94	\$0.98	4.7	4.2
Net sales value	2,258,695	2,250,458	1,672,679	1,687,010	-0.4	0.9
COGS	1,862,058	1,860,427	1,396,182	1,392,015	-0.1	-0.3
Gross profit or (loss)	396,637	390,031	276,497	294,995	-1.7	6.7
SG&A expenses	226,382	241,885	181,073	188,219	6.8	3.9
Operating income or (loss)	170,255	148,146	95,424	106,776	-13.0	11.9
Capital expenditures	108,861	123,888	83,210	61,634	13.8	-25.9
COGS/sales <sup>1</sup>	82.4	82.7	83.5	82.5	0.2	-1.0
Operating income or (loss)/sales <sup>1</sup>	7.5	6.6	5.7	6.3	-1.0	0.6

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> Included in "Other sources."

<sup>3</sup> Not applicable.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Values include parts; unit values calculated based on whole bearings only.

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

**Table C-3****Cylindrical roller: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999**(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are *per bearing*, and period changes=*percent*, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. consumption quantity:						
Amount	***	***	***	***	13.2	16.9
Producers' share <sup>1</sup>	***	***	***	***	***	***
Importers' share: <sup>1</sup>						
France	***	***	***	***	***	***
Germany	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Japan	***	***	***	***	***	***
Sweden	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	568,799	622,063	441,933	454,706	9.4	2.9
Producers' share <sup>1</sup>	76.0	77.5	76.3	79.1	1.5	2.8
Importers' share: <sup>1</sup>						
France	1.4	1.2	1.2	1.0	-0.1	-0.3
Germany	7.4	6.3	6.6	5.5	-1.1	-1.0
Italy	1.3	1.5	1.5	1.1	0.2	-0.4
Japan	5.2	5.4	5.8	5.0	0.3	-0.8
Sweden	0.0	0.0	0.0	0.1	0.0	0.0
United Kingdom	1.4	1.2	1.3	1.0	-0.2	-0.3
Subtotal	16.6	15.7	16.5	13.7	-0.9	-2.8
Other sources	7.4	6.8	7.2	7.2	-0.6	0.0
Total imports	24.0	22.5	23.7	20.9	-1.5	-2.8
U.S. imports from--						
France:						
Quantity	232	447	332	28	92.6	-91.6
Value	7,709	7,530	5,485	4,505	-2.3	-17.9
Unit value	\$32.37	\$16.52	\$16.14	\$159.32	-49.0	886.9
Ending inventory	***	***	***	***	***	***
Germany:						
Quantity	2,035	2,089	1,729	1,223	2.6	-29.3
Value	41,891	39,265	29,096	25,208	-6.3	-13.4
Unit value	\$17.09	\$15.48	\$13.97	\$16.65	-9.4	19.1
Ending inventory	***	***	***	***	***	***

Table continued on next page.

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing; and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. imports from-- Italy:						
Quantity	71	42	35	24	-41.4	-33.2
Value	7,161	9,139	6,698	5,200	27.6	-22.4
Unit value	\$99.31	\$212.16	\$185.58	\$216.91	113.6	16.9
Ending inventory	***	***	***	***	***	***
Japan:						
Quantity	1,303	3,531	2,245	4,465	171.0	98.9
Value	29,394	33,896	25,722	22,685	15.3	-11.8
Unit value	\$21.09	\$9.27	\$11.02	\$4.84	-56.0	-56.1
Ending inventory	***	***	***	***	***	***
Sweden:						
Quantity	1	3	3	1	158.9	-43.4
Value	225	262	180	257	16.6	42.8
Unit value	\$183.02	\$75.36	\$66.10	\$174.03	-58.8	163.3
Ending inventory	***	***	***	***	***	***
United Kingdom:						
Quantity	32	26	20	19	-17.7	-6.0
Value	7,919	7,592	5,798	4,427	-4.1	-23.6
Unit value	\$244.46	\$287.23	\$279.34	\$221.26	17.5	-20.8
Ending inventory	***	***	***	***	***	***
Subtotal:						
Quantity	3,674	6,138	4,365	5,760	67.1	32.0
Value	94,298	97,685	72,979	62,282	3.6	-14.7
Unit value	\$10.87	\$7.45	\$7.52	\$5.81	-31.5	-22.8
Ending inventory	8,440	8,101	7,674	8,250	-4.0	7.5
Other sources:						
Quantity	9,112	10,471	7,626	9,104	14.9	19.4
Value	42,197	42,125	31,768	32,739	-0.2	3.1
Unit value	\$3.79	\$3.17	\$3.30	\$2.77	-16.4	-16.3
Ending inventory	82	85	71	83	3.3	17.6
All sources:						
Quantity	12,786	16,609	11,991	14,864	29.9	24.0
Value	136,495	139,809	104,746	95,021	2.4	-9.3
Unit value	\$9.33	\$7.36	\$7.66	\$5.46	-21.2	-28.7
Ending inventory	8,522	8,186	7,745	8,333	-4.0	7.6
U.S. producers'-- Average capacity quantity	***	***	***	***	16.4	21.1
Production quantity	***	***	***	***	17.1	11.4
Capacity utilization <sup>1</sup>	82.4	82.9	81.4	74.9	0.5	-6.5

Table continued on next page.

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are *per bearing*, and period changes=*percent*, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. shipments:						
Quantity	***	***	***	***	12.3	16.5
Value	432,304	482,253	337,187	359,684	11.6	6.7
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	18.6	8.0
Value	38,654	42,182	30,241	32,518	9.1	7.5
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	22.8	-8.7
Inventories/total shipments <sup>1</sup>	***	***	***	***	***	***
Production workers	3,770	4,160	3,854	3,977	10.3	3.2
Hours worked (1,000 hours)	8,461	9,297	6,462	6,602	9.9	2.2
Wages paid (1,000 dollars)	103,238	116,117	80,651	87,885	12.5	9.0
Hourly wages	\$12.20	\$12.49	\$12.48	\$13.31	2.4	6.7
Productivity (pounds per hour)	***	***	***	***	3.9	5.0
Unit labor costs	***	***	***	***	-4.0	-2.8
Net sales value	422,619	474,946	330,021	361,832	12.4	9.6
COGS	321,074	366,748	261,012	287,050	14.2	10.0
Gross profit or (loss)	101,545	108,198	69,009	74,782	6.6	8.4
SG&A expenses	37,046	42,187	29,705	31,548	13.9	6.2
Operating income or (loss)	64,499	66,011	39,304	43,234	2.3	10.0
Capital expenditures	26,251	27,518	17,501	13,724	4.8	-21.6
COGS/sales <sup>1</sup>	76.0	77.2	79.1	79.3	1.2	0.2
Operating income or (loss)/sales <sup>1</sup>	15.3	13.9	11.9	11.9	-1.4	0.0
<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points. <sup>2</sup> Included in "Other sources." <sup>3</sup> Not applicable.						
Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Values include parts; unit values calculated based on whole bearings only.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

**Table C-4**

**Spherical plain bearings: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999**

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing, and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
U.S. consumption quantity:						
Amount	13,917	14,702	10,889	11,965	5.6	9.9
Producers' share <sup>1</sup>	83.1	81.0	83.7	71.6	-2.1	-12.1
Importers' share: <sup>1</sup>						
France	0.1	0.1	0.1	0.2	0.0	0.1
Germany	1.0	1.0	1.1	2.5	0.0	1.4
Japan	1.8	5.6	1.7	16.4	3.7	14.6
Subtotal	2.9	6.7	3.0	19.1	3.8	16.1
China	7.0	6.8	7.4	4.0	-0.2	-3.3
Mexico	2.5	2.3	2.4	2.3	-0.2	-0.2
Other sources	4.5	3.2	3.5	3.0	-1.3	-0.5
Total imports	16.9	19.0	16.3	28.4	2.1	12.1
U.S. consumption value:						
Amount	156,063	163,226	123,346	121,347	4.6	-1.6
Producers' share <sup>1</sup>	88.5	87.7	87.9	86.8	-0.9	-1.1
Importers' share: <sup>1</sup>						
France	0.6	0.8	0.7	0.7	0.1	0.0
Germany	3.0	2.8	2.7	2.0	-0.2	-0.7
Japan	2.1	2.4	2.3	4.2	0.3	1.8
Subtotal	5.7	6.0	5.7	6.8	0.3	1.1
China	1.2	1.7	1.8	1.1	0.6	-0.7
Mexico	1.3	1.5	1.6	1.6	0.2	-0.1
Other sources	3.3	3.0	2.9	3.7	-0.2	0.7
Total imports	11.5	12.3	12.1	13.2	0.9	1.1
U.S. imports from--						
France:						
Quantity	8	14	11	19	68.3	64.6
Value	998	1,271	874	874	27.3	0.0
Unit value	\$123.67	\$93.52	\$77.71	\$47.21	-24.4	-39.2
Ending inventory	***	***	***	***	***	***
Germany:						
Quantity	144	150	120	304	4.0	153.4
Value	4,715	4,618	3,318	2,377	-2.1	-28.4
Unit value	\$32.68	\$30.79	\$27.63	\$7.81	-5.8	-71.7
Ending inventory	***	***	***	***	***	***

Table continued on next page.

(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing, and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
<b>Japan:</b>						
Quantity	257	822	190	1,960	220.2	930.9
Value	3,251	3,946	2,860	5,050	21.4	76.6
Unit value	\$12.66	\$4.80	\$15.04	\$2.58	-62.1	-82.9
Ending inventory	***	***	***	***	***	***
<b>Subtotal:</b>						
Quantity	409	986	321	2,283	141.0	610.1
Value	8,964	9,835	7,052	8,301	9.7	17.7
Unit value	\$21.90	\$9.28	\$19.25	\$3.61	-57.6	-81.3
Ending inventory	638	1,225	1,222	877	91.8	-28.2
<b>China:</b>						
Quantity	973	1,005	805	484	3.3	-39.8
Value	1,814	2,841	2,260	1,386	56.6	-38.7
Unit value	\$1.87	\$2.83	\$2.81	\$2.86	51.6	1.9
Ending inventory	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
<b>Mexico:</b>						
Quantity	345	333	264	272	-3.5	2.8
Value	1,991	2,481	2,018	1,902	24.6	-5.7
Unit value	\$5.76	\$7.44	\$7.63	\$7.00	29.1	-8.3
Ending inventory	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
<b>Other sources:</b>						
Quantity	620	471	382	362	-24.1	-5.3
Value	5,114	4,948	3,627	4,464	-3.2	23.1
Unit value	\$8.25	\$10.51	\$9.49	\$12.33	27.4	29.9
Ending inventory	0	0	0	0	0.0	0.0
<b>All sources:</b>						
Quantity	2,347	2,795	1,773	3,401	19.1	91.8
Value	17,883	20,105	14,957	16,052	12.4	7.3
Unit value	\$7.62	\$7.19	\$8.44	\$4.72	-5.6	-44.1
Ending inventory	638	1,225	1,222	877	91.8	-28.2
<b>U.S. producers'--</b>						
Average capacity quantity	13,819	14,244	10,814	10,845	3.1	0.3
Production quantity	10,819	12,147	9,202	8,551	12.3	-7.1
Capacity utilization <sup>1</sup>	78.3	85.3	85.1	78.8	7.0	-6.2
<b>U.S. shipments:</b>						
Quantity	11,570	11,907	9,116	8,565	2.9	-6.0
Value	138,180	143,121	108,389	105,295	3.6	-2.9
Unit value	\$11.86	\$11.94	\$11.81	\$12.22	0.7	3.5
<b>Export shipments:</b>						
Quantity	746	882	590	612	18.2	3.7
Value	6,956	7,114	5,376	5,193	2.3	-3.4
Unit value	\$9.31	\$8.06	\$9.11	\$8.49	-13.4	-6.9

Table continued on next page.

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(Quantity=1,000 bearings; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per bearing; and period changes=percent, except where noted)

Item	Reported data				Period changes	
	Calendar year		January-September		1997-98	Jan.-Sept. 1998-99
	1997	1998	1998	1999		
Ending inventory quantity	***	***	***	***	22.8	-14.4
Inventories/total shipments <sup>1</sup>	***	***	***	***	***	***
Production workers	1,064	1,047	1,044	1,022	-1.6	-2.1
Hours worked (1,000 hours)	2,471	2,283	2,689	2,602	-7.6	-3.2
Wages paid (1,000 dollars)	33,808	33,453	26,147	26,556	-1.1	1.6
Hourly wages	\$13.68	\$14.65	\$9.72	\$10.21	7.1	5.0
Productivity (bearings per hour)	4.5	5.4	3.5	3.3	21.2	-4.0
Unit labor costs	\$3.07	\$2.71	\$2.80	\$3.06	-11.6	9.4
Net sales value	139,055	145,599	110,005	106,873	4.7	-2.8
COGS	101,367	110,963	84,504	80,083	9.5	-5.2
Gross profit or (loss)	37,688	34,636	25,501	26,790	-8.1	5.1
SG&A expenses	18,851	19,535	14,154	14,336	3.6	1.3
Operating income or (loss)	18,837	15,101	11,347	12,454	-19.8	9.8
Capital expenditures	5,691	8,800	6,717	3,475	54.6	-48.3
COGS/sales <sup>1</sup>	72.9	76.2	76.8	74.9	3.3	-1.9
Operating income or (loss)/sales <sup>1</sup>	13.5	10.4	10.3	11.7	-3.2	1.3

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> Included in "Other sources."

<sup>3</sup> Not applicable.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Values include parts; unit values calculated based on whole bearings only.

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



**APPENDIX D**

**RESPONSES OF PRODUCERS, IMPORTERS, PURCHASERS,  
AND FOREIGN PRODUCERS CONCERNING THE SIGNIFICANCE  
OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF  
REVOCATION**



**U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**The Commission requested comments from U.S. producers regarding any anticipated changes in their operations or organization relating to the production of certain bearings in the future if the antidumping duty orders were revoked. (Question II-4)**

\* \* \* \* \*

**The Commission asked U.S. producers to describe the significance of the existing antidumping duty orders in terms of their effect on the firms' production capacity, production, U.S. shipments, inventories, purchases, and employment. (Question II-25)**

\* \* \* \* \*

**The Commission requested comments from U.S. producers regarding any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, or employment relating to the production of certain bearings in the future if the antidumping duty orders were revoked. (Question II-26)**

\* \* \* \* \*

**The Commission asked U.S. producers to describe the significance of the existing antidumping duty orders in terms of their effect on the firms' revenues, costs, profits, cash flow, capital expenditures, R&D expenditures, and asset values. (Question III-11)**

\* \* \* \* \*

**The Commission requested comments from U.S. producers regarding any anticipated changes in their revenues, costs, profits, cash flow, capital expenditures, R&D expenditures, or asset values relating to the production of certain bearings in the future if the antidumping duty orders were revoked. (Question III-12)**

\* \* \* \* \*

**U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**The Commission requested comments from U.S. importers regarding any anticipated changes in their operations or organization relating to the importation of certain bearings if the antidumping duty orders were revoked. (Question II-4)**

\* \* \* \* \*

**The Commission asked U.S. importers to describe the significance of the existing antidumping duty orders in terms of their effect on the firms' imports, U.S. shipments of imports, and inventories. (Question II-16)**

\* \* \* \* \*

**The Commission requested comments from U.S. importers regarding any anticipated changes in their imports, U.S. shipments of imports, or inventories of certain bearings in the future if the antidumping duty orders were revoked. (Question II-17)**

\* \* \* \* \*

**U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ANTIDUMPING  
DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**The Commission asked purchasers to comment on the likely effects of revocation of the  
antidumping duty orders on (1) the future activities of their firms and (2) the U.S. market as a  
whole. (Question III-11)**

\* \* \* \* \*

**FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE  
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**The Commission requested comments from foreign producers regarding any anticipated changes in their operations or organization relating to the production of certain bearings in the future if the antidumping duty orders were revoked. (Question II-3)**

\* \* \* \* \*

**The Commission asked foreign producers to describe the significance of the existing antidumping duty orders in terms of their effect on the firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. (Question II-15)**

\* \* \* \* \*

**The Commission requested comments from foreign producers regarding any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories of certain bearings in the future if the antidumping duty orders were revoked. (Question II-16)**

\* \* \* \* \*

**APPENDIX E**  
**COMPAS MODEL SIMULATIONS**



Table E-1  
 Tapered roller bearings: COMPAS model inputs

Market Segments	CIF		Subsidy Value	T & T	Margins:	
	Value	Quantity			subsidy	dumping
U.S.	\$1,139	12,534		0.0%	0.0%	0.0%
China	\$24	34		3.5%	0.0%	7.7%
Japan	\$66	30		3.0%	0.0%	16.7%
Romania	\$2	2		4.3%	0.0%	8.7%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%

Growth Rates:			Elasticities:		
	lo	hi		lo	hi
Demand	2.0%	3.5%	Substitution	3	5
			Demand	-0.5	-0.75
Supply growth:			Supply elasticities :		
U.S.	0.0%	0.0%	U.S.	3	6
China	0.0%	0.0%	China	5	10
Japan	0.0%	0.0%	Japan	5	10
Romania	0.0%	0.0%	Romania	3	6
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			

Zero Growth Simulations (page 1): Tapered Roller Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.5%	-1.4%	-1.8%	12,363	\$1,118
China	-4.7%	12.5%	7.2%	38	\$26
Japan	-9.3%	30.4%	18.3%	39	\$78
Romania	-4.4%	11.2%	6.4%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	-1.2%	-1.2%	-0.5%	12,443	\$1,224

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.3%	-1.8%	-2.1%	12,303	\$1,115
China	-5.6%	15.6%	9.1%	39	\$26
Japan	-11.1%	38.5%	23.1%	42	\$81
Romania	-5.5%	15.2%	8.9%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	-1.7%	-1.7%	-0.6%	12,386	\$1,224

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Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.4%	-1.1%	-1.5%	12,390	\$1,122
China	-4.7%	12.8%	7.5%	38	\$26
Japan	-9.2%	30.7%	18.6%	39	\$78
Romania	-4.3%	11.5%	6.7%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	-1.0%	-1.0%	-0.3%	12,470	\$1,228

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.3%	-1.6%	-1.9%	12,333	\$1,118
China	-5.6%	15.9%	9.5%	39	\$26
Japan	-11.1%	38.9%	23.5%	42	\$82
Romania	-5.5%	15.5%	9.2%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	-1.5%	-1.5%	-0.3%	12,416	\$1,228

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Zero Growth Simulations (page 2): Tapered Roller Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.7%	-2.0%	-2.7%	12,279	\$1,108
China	-4.1%	16.5%	11.8%	40	\$27
Japan	-7.8%	41.8%	30.8%	43	\$86
Romania	-3.6%	13.8%	9.7%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-1.9%	-0.6%	12,363	\$1,224

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.5%	-3.1%	-3.6%	12,151	\$1,098
China	-5.1%	22.4%	16.2%	42	\$28
Japan	-9.9%	59.0%	43.3%	48	\$95
Romania	-4.8%	20.6%	14.9%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-2.8%	-0.6%	12,242	\$1,223

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Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.6%	-1.8%	-2.4%	12,308	\$1,112
China	-4.0%	16.9%	12.2%	40	\$27
Japan	-7.7%	42.2%	31.3%	43	\$87
Romania	-3.5%	14.1%	10.1%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-1.6%	-0.3%	12,393	\$1,227

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.5%	-2.8%	-3.2%	12,184	\$1,102
China	-5.0%	22.8%	16.7%	42	\$28
Japan	-9.9%	59.6%	43.8%	48	\$95
Romania	-4.7%	20.9%	15.2%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-2.6%	-0.3%	12,276	\$1,227

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Low Growth Simulations (page 1): Tapered Roller Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.1%	0.3%	0.4%	12,572	\$1,144
China	-4.3%	14.9%	9.9%	39	\$26
Japan	-8.9%	33.1%	21.3%	40	\$80
Romania	-3.8%	13.1%	8.8%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	0.4%	0.4%	1.7%	12,654	\$1,252

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.0%	-0.0%	-0.1%	12,528	\$1,138
China	-5.4%	18.0%	11.7%	40	\$27
Japan	-10.9%	41.5%	26.0%	42	\$83
Romania	-5.2%	17.3%	11.2%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	0.1%	1.6%	12,613	\$1,251

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Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.1%	0.4%	0.6%	12,586	\$1,145
China	-4.3%	15.1%	10.1%	39	\$26
Japan	-8.9%	33.3%	21.5%	40	\$80
Romania	-3.8%	13.2%	8.9%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	0.5%	0.5%	1.9%	12,667	\$1,254

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.0%	0.1%	0.2%	12,550	\$1,141
China	-5.4%	18.3%	11.9%	40	\$27
Japan	-10.9%	41.8%	26.3%	43	\$83
Romania	-5.2%	17.5%	11.4%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	0.3%	1.8%	12,636	\$1,253

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**Low Growth Simulations (page 2): Tapered Roller Bearings**

**Scenario #5:**

**High Substitution (S), Low Demand (-0.5), and Low Supply**

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.1%	-0.4%	-0.5%	12,485	\$1,133
China	-3.6%	19.1%	14.8%	40	\$28
Japan	-7.4%	45.0%	34.3%	43	\$89
Romania	-3.1%	15.8%	12.2%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-0.2%	1.7%	12,571	\$1,251

**Scenario #6:**

**High Substitution (S), Low Demand (-0.5), and High Supply**

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.2%	-1.3%	-1.5%	12,372	\$1,122
China	-4.8%	25.1%	19.1%	43	\$29
Japan	-9.7%	62.6%	46.8%	49	\$97
Romania	-4.5%	22.8%	17.3%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-1.1%	1.5%	12,466	\$1,250

**Scenario #7:**

**High Substitution (S), High Demand (-0.8), and Low Supply**

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.1%	-0.3%	-0.4%	12,501	\$1,135
China	-3.6%	19.3%	15.0%	41	\$28
Japan	-7.3%	45.2%	34.6%	44	\$89
Romania	-3.0%	15.9%	12.4%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-0.1%	1.8%	12,587	\$1,254

**Scenario #8:**

**High Substitution (S), High Demand (-0.8), and High Supply**

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.2%	-1.1%	-1.3%	12,398	\$1,125
China	-4.8%	25.5%	19.4%	43	\$29
Japan	-9.7%	63.0%	47.2%	49	\$97
Romania	-4.5%	23.1%	17.6%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-0.9%	1.8%	12,492	\$1,253

High Growth Simulations (page 1): Tapered Roller Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.5%	1.5%	2.1%	12,728	\$1,163
China	-4.0%	16.7%	12.0%	40	\$27
Japan	-8.6%	35.2%	23.5%	41	\$82
Romania	-3.4%	14.5%	10.6%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		1.7%	3.4%	12,810	\$1,273

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.2%	1.3%	1.5%	12,697	\$1,156
China	-5.3%	19.9%	13.6%	41	\$27
Japan	-10.8%	43.7%	28.2%	43	\$85
Romania	-5.0%	18.9%	13.0%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		1.5%	3.2%	12,783	\$1,270

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.5%	1.6%	2.1%	12,732	\$1,163
China	-4.0%	16.7%	12.0%	40	\$27
Japan	-8.6%	35.2%	23.6%	41	\$82
Romania	-3.4%	14.5%	10.6%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		1.7%	3.5%	12,814	\$1,274

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.2%	1.4%	1.7%	12,713	\$1,158
China	-5.2%	20.0%	13.8%	41	\$27
Japan	-10.8%	43.9%	28.4%	43	\$85
Romania	-5.0%	19.1%	13.1%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		1.6%	3.4%	12,799	\$1,272

High Growth Simulations (page 2): Tapered Roller Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.3%	0.8%	1.1%	12,638	\$1,152
China	-3.3%	21.1%	17.0%	41	\$28
Japan	-7.0%	47.3%	36.9%	44	\$90
Romania	-2.7%	17.2%	14.0%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		1.0%	3.4%	12,726	\$1,272

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.0%	0.0%	0.0%	12,537	\$1,139
China	-4.7%	27.2%	21.2%	43	\$29
Japan	-9.5%	65.2%	49.5%	50	\$99
Romania	-4.3%	24.4%	19.1%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		0.3%	3.1%	12,632	\$1,269

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.3%	0.9%	1.2%	12,645	\$1,152
China	-3.3%	21.1%	17.1%	41	\$28
Japan	-7.0%	47.4%	37.1%	44	\$90
Romania	-2.7%	17.2%	14.1%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		1.1%	3.4%	12,732	\$1,273

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.0%	0.2%	0.2%	12,557	\$1,141
China	-4.7%	27.4%	21.5%	43	\$29
Japan	-9.5%	65.6%	49.8%	50	\$99
Romania	-4.2%	24.6%	19.4%	2	\$2
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		0.4%	3.3%	12,652	\$1,272

Table E-2

Ball bearings: COMPAS model inputs

Market Segments	CIF		Subsidy Value	T & T	Margins:	
	Value	Quantity			subsidy	dumping
U.S.	\$2,273	417		0.0%	0.0%	0.0%
France	\$25	3		10.0%	0.0%	63.6%
Germany	\$47	8		2.9%	0.0%	67.7%
Italy	\$19	3		3.4%	0.0%	98.0%
Japan	\$352	298		2.9%	0.0%	48.8%
Romania	\$3	2		2.9%	0.0%	39.6%
Singapore	\$43	81		3.0%	0.0%	25.1%
United Kingdom	\$15	5		2.5%	0.0%	51.7%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%

Growth Rates:		lo	hi	Elasticities:		lo	hi
Demand		2.0%	3.5%	Substitution		3	5
				Demand		-0.5	-0.75
Supply growth:			Supply elasticities :				
U.S.	0.0%	0.0%	U.S.	3	6		
France	0.0%	0.0%	France	5	10		
Germany	0.0%	0.0%	Germany	5	10		
Italy	0.0%	0.0%	Italy	5	10		
Japan	0.0%	0.0%	Japan	5	10		
Romania	0.0%	0.0%	Romania	3	6		
Singapore	0.0%	0.0%	Singapore	3	6		
United Kingdom	0.0%	0.0%	United Kingdom	5	10		
	0.0%	0.0%					
	0.0%	0.0%					

Zero Growth Simulations (page 1): Ball Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-3.7%	-10.8%	-14.1%	372	\$1,952	-2.7%	-14.9%	-17.2%	355	\$1,883
France	-26.9%	103.9%	49.0%	6	\$37	-30.9%	137.8%	64.3%	7	\$41
Germany	-29.1%	123.6%	58.5%	18	\$74	-33.5%	166.4%	77.3%	21	\$83
Italy	-35.9%	202.5%	93.8%	9	\$37	-41.2%	286.4%	127.1%	12	\$43
Japan	-23.7%	79.5%	36.9%	535	\$482	-27.2%	103.3%	48.0%	606	\$521
Romania	-18.2%	45.4%	18.9%	3	\$4	-21.6%	63.2%	27.9%	3	\$4
Singapore	-13.7%	23.7%	6.8%	100	\$46	-15.8%	31.6%	10.8%	107	\$48
United Kingdom	-24.7%	86.5%	40.4%	9	\$21	-28.3%	113.0%	52.7%	11	\$23
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		28.8%	-4.5%	1,053	\$2,653		37.2%	-4.7%	1,121	\$2,646

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.7%	-14.9%	-17.2%	355	\$1,883	-2.7%	-14.9%	-17.2%	355	\$1,883
France	-30.9%	137.8%	64.3%	7	\$41	-30.9%	137.8%	64.3%	7	\$41
Germany	-33.5%	166.4%	77.3%	21	\$83	-33.5%	166.4%	77.3%	21	\$83
Italy	-41.2%	286.4%	127.1%	12	\$43	-41.2%	286.4%	127.1%	12	\$43
Japan	-27.2%	103.3%	48.0%	606	\$521	-27.2%	103.3%	48.0%	606	\$521
Romania	-21.6%	63.2%	27.9%	3	\$4	-21.6%	63.2%	27.9%	3	\$4
Singapore	-15.8%	31.6%	10.8%	107	\$48	-15.8%	31.6%	10.8%	107	\$48
United Kingdom	-28.3%	113.0%	52.7%	11	\$23	-28.3%	113.0%	52.7%	11	\$23
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		37.2%	-4.7%	1,121	\$2,646		37.2%	-4.7%	1,121	\$2,646

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-3.2%	-9.2%	-12.1%	379	\$1,999	-2.3%	-13.1%	-15.1%	362	\$1,929
France	-26.6%	108.4%	53.0%	6	\$38	-30.7%	143.6%	68.7%	7	\$42
Germany	-28.8%	128.6%	62.7%	18	\$76	-33.3%	172.9%	82.0%	22	\$86
Italy	-35.6%	209.2%	99.0%	9	\$38	-41.1%	295.8%	133.3%	12	\$44
Japan	-23.4%	83.5%	40.5%	547	\$495	-27.0%	108.2%	52.0%	621	\$535
Romania	-17.7%	48.0%	21.8%	3	\$4	-21.4%	66.6%	31.0%	3	\$4
Singapore	-13.2%	25.9%	9.3%	102	\$47	-15.5%	34.4%	13.5%	109	\$49
United Kingdom	-24.4%	90.6%	44.2%	10	\$22	-28.1%	118.2%	56.8%	11	\$24
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		31.4%	-2.1%	1,074	\$2,718		40.4%	-2.3%	1,147	\$2,713

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.3%	-13.1%	-15.1%	362	\$1,929	-2.3%	-13.1%	-15.1%	362	\$1,929
France	-30.7%	143.6%	68.7%	7	\$42	-30.7%	143.6%	68.7%	7	\$42
Germany	-33.3%	172.9%	82.0%	22	\$86	-33.3%	172.9%	82.0%	22	\$86
Italy	-41.1%	295.8%	133.3%	12	\$44	-41.1%	295.8%	133.3%	12	\$44
Japan	-27.0%	108.2%	52.0%	621	\$535	-27.0%	108.2%	52.0%	621	\$535
Romania	-21.4%	66.6%	31.0%	3	\$4	-21.4%	66.6%	31.0%	3	\$4
Singapore	-15.5%	34.4%	13.5%	109	\$49	-15.5%	34.4%	13.5%	109	\$49
United Kingdom	-28.1%	118.2%	56.8%	11	\$24	-28.1%	118.2%	56.8%	11	\$24
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		40.4%	-2.3%	1,147	\$2,713		40.4%	-2.3%	1,147	\$2,713

Zero Growth Simulations (page 2): Ball Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-5.9%	-16.5%	-21.4%	348	\$1,786
France	-24.1%	145.7%	86.4%	7	\$47
Germany	-26.0%	177.9%	105.7%	22	\$97
Italy	-31.7%	315.8%	183.9%	12	\$54
Japan	-21.5%	107.3%	62.7%	618	\$573
Romania	-16.7%	53.7%	28.0%	3	\$4
Singapore	-13.2%	25.6%	9.0%	102	\$47
United Kingdom	-22.3%	118.1%	69.5%	11	\$25
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		37.5%	-5.2%	1,124	\$2,632

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.8%	-25.5%	-29.1%	310	\$1,611
France	-28.8%	218.9%	126.9%	10	\$57
Germany	-31.1%	275.8%	158.8%	30	\$122
Italy	-38.1%	543.0%	297.7%	19	\$76
Japan	-25.5%	154.3%	89.4%	758	\$667
Romania	-20.3%	80.9%	44.2%	4	\$4
Singapore	-15.5%	35.0%	14.1%	109	\$49
United Kingdom	-26.5%	172.1%	99.9%	14	\$30
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		53.5%	-5.8%	1,254	\$2,615

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-5.2%	-14.9%	-19.3%	355	\$1,834
France	-23.7%	152.4%	92.5%	8	\$48
Germany	-25.6%	185.4%	112.4%	23	\$100
Italy	-31.3%	327.0%	193.2%	13	\$56
Japan	-21.1%	113.0%	68.0%	635	\$591
Romania	-16.1%	56.8%	31.5%	3	\$4
Singapore	-12.7%	28.2%	11.9%	104	\$48
United Kingdom	-21.9%	124.0%	75.0%	11	\$26
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		40.9%	-2.5%	1,151	\$2,708

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.4%	-23.6%	-27.0%	318	\$1,659
France	-28.6%	228.8%	134.8%	10	\$59
Germany	-30.9%	287.5%	167.7%	31	\$126
Italy	-38.0%	563.1%	311.4%	20	\$78
Japan	-25.3%	162.2%	95.9%	781	\$689
Romania	-20.0%	85.6%	48.5%	4	\$4
Singapore	-15.1%	38.4%	17.5%	112	\$51
United Kingdom	-26.3%	180.6%	106.8%	14	\$31
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		57.9%	-2.9%	1,290	\$2,697

Low Growth Simulations (page 1): Ball Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-3.2%	-9.3%	-12.2%	378	\$1,997
France	-26.6%	108.3%	52.8%	6	\$38
Germany	-28.8%	128.4%	62.6%	18	\$76
Italy	-35.6%	209.0%	98.8%	9	\$38
Japan	-23.4%	83.4%	40.4%	546	\$494
Romania	-17.7%	47.9%	21.7%	3	\$4
Singapore	-13.2%	25.9%	9.3%	102	\$47
United Kingdom	-24.4%	90.5%	44.0%	10	\$22
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		31.3%	-2.2%	1,073	\$2,716

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.4%	-13.3%	-15.4%	361	\$1,924
France	-30.7%	142.9%	68.2%	7	\$42
Germany	-33.3%	172.1%	81.5%	22	\$85
Italy	-41.1%	294.7%	132.5%	12	\$44
Japan	-27.0%	107.7%	51.5%	619	\$533
Romania	-21.4%	66.2%	30.7%	3	\$4
Singapore	-15.6%	34.1%	13.2%	109	\$49
United Kingdom	-28.2%	117.6%	56.4%	11	\$23
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		40.0%	-2.6%	1,144	\$2,705

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.7%	-7.8%	-10.2%	385	\$2,040
France	-26.3%	112.5%	56.6%	6	\$39
Germany	-28.5%	133.1%	66.6%	19	\$78
Italy	-35.4%	215.3%	103.7%	9	\$39
Japan	-23.1%	87.1%	43.9%	558	\$506
Romania	-17.3%	50.3%	24.3%	3	\$4
Singapore	-12.7%	27.9%	11.6%	104	\$48
United Kingdom	-24.1%	94.4%	47.6%	10	\$22
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		33.8%	-0.0%	1,093	\$2,777

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.0%	-11.6%	-13.4%	369	\$1,969
France	-30.6%	148.5%	72.5%	7	\$43
Germany	-33.2%	178.5%	86.1%	22	\$87
Italy	-41.0%	303.9%	138.5%	12	\$45
Japan	-26.9%	112.5%	55.4%	633	\$547
Romania	-21.1%	69.6%	33.7%	3	\$4
Singapore	-15.3%	36.8%	15.9%	111	\$50
United Kingdom	-28.0%	122.7%	60.4%	11	\$24
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		43.1%	-0.2%	1,169	\$2,770

Low Growth Simulations (page 2): Ball Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-5.3%	-15.2%	-19.7%	354	\$1,826	-4.5%	-24.2%	-27.6%	316	\$1,646
France	-23.8%	151.2%	91.4%	8	\$48	-28.7%	226.0%	132.6%	10	\$58
Germany	-25.7%	184.1%	111.2%	23	\$99	-31.0%	284.2%	165.2%	31	\$125
Italy	-31.4%	325.1%	191.5%	13	\$55	-38.0%	557.4%	307.6%	20	\$77
Japan	-21.2%	112.0%	67.1%	632	\$388	-25.4%	160.0%	94.0%	775	\$683
Romania	-16.2%	56.2%	30.9%	3	\$4	-20.0%	84.3%	47.3%	4	\$4
Singapore	-12.8%	27.7%	11.4%	103	\$48	-15.2%	37.4%	16.5%	111	\$50
United Kingdom	-22.0%	123.0%	74.0%	11	\$26	-26.4%	178.2%	104.8%	14	\$31
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		40.3%	-3.0%	1,146	\$2,694		56.7%	-3.7%	1,280	\$2,674

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.						-4.5%	-24.2%	-27.6%	316	\$1,646
France						-28.7%	226.0%	132.6%	10	\$58
Germany						-31.0%	284.2%	165.2%	31	\$125
Italy						-38.0%	557.4%	307.6%	20	\$77
Japan						-25.4%	160.0%	94.0%	775	\$683
Romania						-20.0%	84.3%	47.3%	4	\$4
Singapore						-15.2%	37.4%	16.5%	111	\$50
United Kingdom						-26.4%	178.2%	104.8%	14	\$31
						0.0%	0.0%	0.0%	0	\$0
						0.0%	0.0%	0.0%	0	\$0
Industry							56.7%	-3.7%	1,280	\$2,674

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.7%	-13.6%	-17.6%	360	\$1,872	-4.1%	-22.3%	-25.5%	324	\$1,693
France	-23.4%	157.5%	97.2%	8	\$49	-28.5%	235.8%	140.2%	10	\$60
Germany	-25.3%	191.3%	117.6%	23	\$102	-30.8%	295.7%	173.9%	32	\$129
Italy	-31.1%	335.8%	200.4%	13	\$57	-37.8%	577.1%	321.0%	20	\$80
Japan	-20.8%	117.3%	72.2%	648	\$606	-25.1%	167.7%	100.4%	798	\$705
Romania	-15.7%	59.2%	34.2%	3	\$4	-19.7%	88.7%	51.5%	4	\$5
Singapore	-12.2%	30.1%	14.2%	105	\$49	-14.9%	40.8%	19.8%	114	\$52
United Kingdom	-21.6%	128.6%	79.3%	11	\$27	-26.2%	186.5%	111.6%	14	\$32
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		43.5%	-0.4%	1,172	\$2,767		61.1%	-0.8%	1,316	\$2,755

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.						-4.1%	-22.3%	-25.5%	324	\$1,693
France						-28.5%	235.8%	140.2%	10	\$60
Germany						-30.8%	295.7%	173.9%	32	\$129
Italy						-37.8%	577.1%	321.0%	20	\$80
Japan						-25.1%	167.7%	100.4%	798	\$705
Romania						-19.7%	88.7%	51.5%	4	\$5
Singapore						-14.9%	40.8%	19.8%	114	\$52
United Kingdom						-26.2%	186.5%	111.6%	14	\$32
						0.0%	0.0%	0.0%	0	\$0
						0.0%	0.0%	0.0%	0	\$0
Industry							61.1%	-0.8%	1,316	\$2,755

High Growth Simulations (page 1): Ball Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.8%	-8.1%	-10.7%	383	\$2,030	-2.1%	-12.1%	-14.0%	366	\$1,955
France	-26.4%	111.5%	55.7%	6	\$39	-30.6%	146.8%	71.2%	7	\$43
Germany	-28.6%	132.0%	65.6%	19	\$78	-33.2%	176.5%	84.7%	22	\$87
Italy	-35.4%	213.8%	102.6%	9	\$38	-41.0%	301.0%	136.6%	12	\$45
Japan	-23.2%	86.2%	43.1%	555	\$504	-26.9%	111.0%	54.2%	629	\$543
Romania	-17.4%	49.7%	23.7%	3	\$4	-21.2%	68.5%	32.7%	3	\$4
Singapore	-12.8%	27.4%	11.1%	103	\$48	-15.4%	35.9%	15.0%	110	\$49
United Kingdom	-24.2%	93.5%	46.7%	10	\$22	-28.0%	121.1%	59.1%	11	\$24
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		33.2%	-0.5%	1,088	\$2,762		42.1%	-1.0%	1,161	\$2,749

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.3%	-6.7%	-8.8%	389	\$2,072	-1.8%	-10.4%	-12.1%	374	\$1,999
France	-26.1%	115.6%	59.3%	6	\$40	-30.5%	152.3%	75.4%	8	\$44
Germany	-28.3%	136.5%	69.5%	19	\$80	-33.1%	182.6%	89.2%	23	\$89
Italy	-35.2%	219.9%	107.3%	10	\$39	-40.9%	310.0%	142.4%	12	\$46
Japan	-22.9%	89.8%	46.4%	566	\$515	-26.7%	115.7%	58.0%	643	\$556
Romania	-17.0%	52.0%	26.2%	3	\$4	-21.0%	71.8%	35.8%	3	\$4
Singapore	-12.4%	29.4%	13.4%	105	\$49	-15.1%	38.6%	17.6%	112	\$51
United Kingdom	-23.9%	97.2%	50.1%	10	\$23	-27.9%	126.0%	63.0%	11	\$24
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		35.5%	1.6%	1,107	\$2,821		45.1%	1.3%	1,186	\$2,813

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

High Growth Simulations (page 2): Ball Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.9%	-14.1%	-18.4%	358	\$1,856
France	-23.6%	155.3%	95.2%	8	\$49
Germany	-25.4%	188.7%	115.4%	23	\$101
Italy	-31.2%	332.0%	197.3%	13	\$56
Japan	-20.9%	115.4%	70.4%	642	\$600
Romania	-15.9%	58.1%	33.0%	3	\$4
Singapore	-12.4%	29.3%	13.2%	105	\$49
United Kingdom	-21.7%	126.6%	77.4%	11	\$27
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		42.4%	-1.3%	1,163	\$2,741

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.3%	-23.2%	-26.5%	320	\$1,672
France	-28.6%	231.4%	136.8%	10	\$59
Germany	-30.9%	290.5%	170.0%	31	\$127
Italy	-37.9%	568.2%	314.9%	20	\$79
Japan	-25.2%	164.3%	97.5%	787	\$695
Romania	-19.9%	86.7%	49.6%	4	\$4
Singapore	-15.0%	39.3%	18.3%	113	\$51
United Kingdom	-26.3%	182.8%	108.5%	14	\$31
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		59.1%	-2.1%	1,300	\$2,718

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.4%	-12.6%	-16.4%	365	\$1,900
France	-23.2%	161.4%	100.8%	8	\$50
Germany	-25.1%	195.6%	121.5%	24	\$104
Italy	-30.9%	342.3%	205.8%	13	\$58
Japan	-20.5%	120.6%	75.3%	657	\$617
Romania	-15.4%	61.0%	36.2%	3	\$4
Singapore	-11.9%	31.6%	15.9%	107	\$50
United Kingdom	-21.3%	132.1%	82.5%	12	\$27
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		45.4%	1.2%	1,188	\$2,811

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-3.9%	-21.4%	-24.4%	328	\$1,718
France	-28.3%	240.9%	144.3%	10	\$61
Germany	-30.7%	301.8%	178.6%	32	\$131
Italy	-37.7%	587.5%	328.1%	21	\$81
Japan	-25.0%	171.9%	103.8%	810	\$717
Romania	-19.6%	91.1%	53.8%	4	\$5
Singapore	-14.7%	42.6%	21.6%	115	\$52
United Kingdom	-26.0%	190.9%	115.2%	15	\$32
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		63.4%	0.7%	1,335	\$2,798

Table E-3  
Cylindrical roller bearings: COMPAS model inputs

Market Segments	CIF		Subsidy Value	T & T	Margins:	
	Value	Quantity			subsidy	dumping
U.S.	\$482	***		0.0%	0.0%	0.0%
France	\$8	447		1.7%	0.0%	15.6%
Germany	\$39	2,089		2.8%	0.0%	59.2%
Italy	\$9	42		1.5%	0.0%	221.5%
Japan	\$34	3,531		2.1%	0.0%	19.2%
United Kingdom	\$8	26		1.2%	0.0%	58.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%

Growth Rates:			Elasticities:		
	lo	hi		lo	hi
Demand	1.0%	3.0%	Substitution	3	5
			Demand	-0.5	-0.75
Supply growth:			Supply elasticities :		
U.S.	0.0%	0.0%	U.S.	2	4
France	0.0%	0.0%	France	2	4
Germany	0.0%	0.0%	Germany	2	4
Italy	0.0%	0.0%	Italy	2	4
Japan	0.0%	0.0%	Japan	2	4
United Kingdom	0.0%	0.0%	United Kingdom	2	4
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			

Zero Growth Simulations (page 1): Cylindrical Roller Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-3.3%	-6.5%	-9.5%	***	\$436	-2.9%	-11.2%	-13.8%	***	\$416
France	-8.6%	11.0%	1.4%	496	\$8	-10.5%	13.4%	1.5%	507	\$8
Germany	-19.4%	61.4%	30.1%	3,372	\$51	-25.1%	93.7%	45.0%	4,046	\$57
Italy	-39.1%	275.1%	128.3%	158	\$21	-49.9%	546.0%	223.7%	271	\$29
Japan	-9.7%	15.0%	3.8%	4,061	\$35	-12.0%	19.3%	5.0%	4,214	\$36
United Kingdom	-19.3%	61.1%	30.0%	42	\$10	-25.1%	93.1%	44.7%	50	\$11
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-5.6%	-3.3%	***	\$560		-9.9%	-4.1%	***	\$555

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.7%	-5.3%	-7.9%	***	\$444	-2.5%	-9.6%	-11.9%	***	\$425
France	-8.1%	12.3%	3.2%	502	\$8	-10.1%	15.4%	3.7%	516	\$8
Germany	-18.9%	63.4%	32.5%	3,413	\$52	-24.8%	97.1%	48.2%	4,117	\$58
Italy	-38.8%	279.7%	132.5%	159	\$21	-49.7%	557.4%	230.8%	276	\$30
Japan	-9.2%	16.4%	5.7%	4,111	\$36	-11.6%	21.4%	7.3%	4,288	\$36
United Kingdom	-18.8%	63.1%	32.4%	42	\$10	-24.7%	96.5%	47.9%	51	\$11
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-4.5%	-1.5%	***	\$570		-8.3%	-1.9%	***	\$568

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

Zero Growth Simulations (page 2): Cylindrical Roller Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.7%	9.2%	-13.4%	***	\$417	-5.1%	-18.8%	-22.9%	***	\$372
France	-8.5%	11.3%	1.9%	498	\$8	-10.9%	11.5%	-0.6%	498	\$7
Germany	-16.3%	74.0%	45.6%	3,634	\$57	-22.4%	123.2%	73.1%	4,662	\$68
Italy	-31.5%	374.7%	225.0%	199	\$29	-43.2%	963.7%	503.7%	447	\$54
Japan	-9.3%	16.2%	5.4%	4,103	\$36	-12.1%	19.1%	4.8%	4,207	\$36
United Kingdom	-16.3%	73.5%	45.3%	45	\$11	-22.4%	122.4%	72.6%	58	\$13
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-8.2%	-3.7%	***	\$558		-17.1%	-5.1%	***	\$550

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-5.1%	-18.8%	-22.9%	***	\$372	-5.1%	-18.8%	-22.9%	***	\$372
France	-10.9%	11.5%	-0.6%	498	\$7	-10.9%	11.5%	-0.6%	498	\$7
Germany	-22.4%	123.2%	73.1%	4,662	\$68	-22.4%	123.2%	73.1%	4,662	\$68
Italy	-43.2%	963.7%	503.7%	447	\$54	-43.2%	963.7%	503.7%	447	\$54
Japan	-12.1%	19.1%	4.8%	4,207	\$36	-12.1%	19.1%	4.8%	4,207	\$36
United Kingdom	-22.4%	122.4%	72.6%	58	\$13	-22.4%	122.4%	72.6%	58	\$13
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-17.1%	-5.1%	***	\$550		-17.1%	-5.1%	***	\$550

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.0%	-7.9%	-11.6%	***	\$426	-4.5%	-17.0%	-20.7%	***	\$382
France	-7.9%	12.9%	4.0%	505	\$8	-10.4%	14.0%	2.1%	509	\$8
Germany	-15.7%	76.3%	48.6%	3,684	\$58	-22.0%	128.1%	77.9%	4,766	\$69
Italy	-31.1%	381.1%	231.7%	202	\$30	-42.9%	987.2%	520.5%	457	\$56
Japan	-8.6%	17.8%	7.6%	4,159	\$36	-11.6%	21.8%	7.7%	4,300	\$37
United Kingdom	-15.7%	75.9%	48.3%	46	\$11	-22.0%	127.3%	77.4%	59	\$13
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-6.9%	-1.7%	***	\$569		-15.2%	-2.4%	***	\$565

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.5%	-17.0%	-20.7%	***	\$382	-4.5%	-17.0%	-20.7%	***	\$382
France	-10.4%	14.0%	2.1%	509	\$8	-10.4%	14.0%	2.1%	509	\$8
Germany	-22.0%	128.1%	77.9%	4,766	\$69	-22.0%	128.1%	77.9%	4,766	\$69
Italy	-42.9%	987.2%	520.5%	457	\$56	-42.9%	987.2%	520.5%	457	\$56
Japan	-11.6%	21.8%	7.7%	4,300	\$37	-11.6%	21.8%	7.7%	4,300	\$37
United Kingdom	-22.0%	127.3%	77.4%	59	\$13	-22.0%	127.3%	77.4%	59	\$13
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-15.2%	-2.4%	***	\$565		-15.2%	-2.4%	***	\$565

Low Growth Simulations (page 1): Cylindrical Roller Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.9%	-5.7%	-8.4%	***	\$441
France	-8.3%	11.9%	2.6%	500	\$8
Germany	-19.0%	62.7%	31.8%	3,400	\$51
Italy	-38.9%	278.2%	131.2%	159	\$21
Japan	-9.4%	16.0%	5.1%	4,094	\$36
United Kingdom	-19.0%	62.4%	31.6%	42	\$10
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-4.9%	-2.1%	***	\$567

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.7%	-10.4%	-12.8%	***	\$420
France	-10.3%	14.4%	2.6%	512	\$8
Germany	-25.0%	95.5%	46.7%	4,083	\$57
Italy	-49.8%	551.9%	227.4%	274	\$29
Japan	-11.8%	20.4%	6.2%	4,253	\$36
United Kingdom	-24.9%	94.9%	46.4%	51	\$11
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-9.1%	-3.0%	***	\$562

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.3%	-4.6%	-6.9%	***	\$449
France	-7.8%	13.1%	4.4%	506	\$8
Germany	-18.6%	64.6%	34.0%	3,438	\$52
Italy	-38.5%	282.5%	135.1%	161	\$21
Japan	-8.8%	17.3%	6.9%	4,141	\$36
United Kingdom	-18.5%	64.3%	33.8%	43	\$10
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-3.8%	-0.4%	***	\$577

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.3%	-8.8%	-10.9%	***	\$429
France	-9.9%	16.4%	4.8%	520	\$8
Germany	-24.6%	98.8%	49.8%	4,153	\$58
Italy	-49.6%	563.0%	234.4%	278	\$30
Japan	-11.4%	22.5%	8.5%	4,325	\$37
United Kingdom	-24.6%	98.2%	49.5%	52	\$11
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		-7.6%	-0.9%	***	\$574

Low Growth Simulations (page 2): Cylindrical Roller Bearings

Scenario #5:

High Substitution (5), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-4.3%	-8.4%	-12.3%	***	\$423	-4.8%	-18.0%	-22.0%	***	\$376
France	-8.1%	12.3%	3.2%	502	\$8	-10.7%	12.5%	0.5%	503	\$8
Germany	-16.0%	75.4%	47.4%	3,664	\$57	-22.3%	125.3%	75.1%	4,706	\$68
Italy	-31.2%	378.6%	229.1%	201	\$30	-43.1%	973.6%	510.8%	451	\$55
Japan	-8.9%	17.2%	6.7%	4,137	\$36	-11.9%	20.3%	6.0%	4,246	\$36
United Kingdom	-15.9%	75.0%	47.1%	45	\$11	-22.2%	124.4%	74.6%	58	\$13
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-7.4%	-2.5%	***	\$565		-16.3%	-4.0%	***	\$556

Scenario #6:

High Substitution (5), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.										
France										
Germany										
Italy										
Japan										
United Kingdom										
Industry										

Scenario #7:

High Substitution (5), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-3.7%	-7.2%	-10.7%	***	\$431	-4.3%	-16.2%	-19.9%	***	\$386
France	-7.5%	13.7%	5.1%	508	\$8	-10.2%	14.9%	3.2%	514	\$8
Germany	-15.4%	77.6%	50.2%	3,711	\$59	-21.8%	130.1%	79.8%	4,807	\$70
Italy	-30.8%	384.7%	235.4%	204	\$30	-42.8%	996.6%	527.2%	461	\$56
Japan	-8.3%	18.6%	8.8%	4,189	\$37	-11.4%	22.8%	8.8%	4,337	\$37
United Kingdom	-15.4%	77.2%	49.9%	46	\$11	-21.8%	129.2%	79.3%	60	\$14
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry		-6.2%	-0.6%	***	\$576		-14.5%	-1.4%	***	\$571

Scenario #8:

High Substitution (5), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.										
France										
Germany										
Italy										
Japan										
United Kingdom										
Industry										

High Growth Simulations (page 1): Cylindrical Roller Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.1%	-4.2%	-6.2%	***	\$452	-2.3%	-8.7%	-10.8%	***	\$430
France	-7.5%	13.7%	5.1%	508	\$8	-9.9%	16.5%	5.0%	521	\$8
Germany	-18.4%	65.4%	35.0%	3,455	\$53	-24.6%	99.0%	50.0%	4,158	\$59
Italy	-38.4%	284.3%	136.8%	161	\$21	-49.6%	563.8%	234.9%	279	\$30
Japan	-8.6%	17.8%	7.7%	4,161	\$37	-11.4%	22.6%	8.6%	4,330	\$37
United Kingdom	-18.3%	65.1%	34.8%	43	\$10	-24.6%	98.5%	49.7%	52	\$11
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
		-3.3%	0.3%	***	\$581		-7.4%	-0.7%	***	\$575

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.3%	-8.7%	-10.8%	***	\$430	-2.3%	-8.7%	-10.8%	***	\$430
France	-9.9%	16.5%	5.0%	521	\$8	-9.9%	16.5%	5.0%	521	\$8
Germany	-24.6%	99.0%	50.0%	4,158	\$59	-24.6%	99.0%	50.0%	4,158	\$59
Italy	-49.6%	563.8%	234.9%	279	\$30	-49.6%	563.8%	234.9%	279	\$30
Japan	-11.4%	22.6%	8.6%	4,330	\$37	-11.4%	22.6%	8.6%	4,330	\$37
United Kingdom	-24.6%	98.5%	49.7%	52	\$11	-24.6%	98.5%	49.7%	52	\$11
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
		-7.4%	-0.7%	***	\$575		-7.4%	-0.7%	***	\$575

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-1.6%	-3.2%	-4.8%	***	\$459	-1.9%	-7.3%	-9.0%	***	\$438
France	-7.1%	14.8%	6.7%	513	\$8	-9.5%	18.3%	7.0%	529	\$8
Germany	-18.0%	67.0%	36.9%	3,488	\$53	-24.3%	102.1%	53.0%	4,223	\$60
Italy	-38.1%	288.0%	140.2%	163	\$22	-49.4%	574.2%	241.5%	283	\$31
Japan	-8.2%	19.0%	9.2%	4,201	\$37	-11.1%	24.6%	10.8%	4,398	\$38
United Kingdom	-17.9%	66.7%	36.8%	43	\$10	-24.3%	101.6%	52.7%	52	\$12
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
		-2.4%	1.8%	***	\$589		-6.0%	1.2%	***	\$586

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-1.9%	-7.3%	-9.0%	***	\$438	-1.9%	-7.3%	-9.0%	***	\$438
France	-9.5%	18.3%	7.0%	529	\$8	-9.5%	18.3%	7.0%	529	\$8
Germany	-24.3%	102.1%	53.0%	4,223	\$60	-24.3%	102.1%	53.0%	4,223	\$60
Italy	-49.4%	574.2%	241.5%	283	\$31	-49.4%	574.2%	241.5%	283	\$31
Japan	-11.1%	24.6%	10.8%	4,398	\$38	-11.1%	24.6%	10.8%	4,398	\$38
United Kingdom	-24.3%	101.6%	52.7%	52	\$12	-24.3%	101.6%	52.7%	52	\$12
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
		-6.0%	1.2%	***	\$586		-6.0%	1.2%	***	\$586

High Growth Simulations (page 2): Cylindrical Roller Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	-3.5%	-6.9%	-10.2%	***	\$433	U.S.	-4.4%	-16.5%	-20.2%	***	\$385
France	-7.4%	14.1%	5.7%	510	\$8	France	-10.3%	14.6%	2.8%	512	\$8
Germany	-15.3%	78.2%	51.0%	3,724	\$59	Germany	-21.9%	129.4%	79.2%	4,793	\$70
Italy	-30.7%	386.4%	237.1%	204	\$30	Italy	-42.8%	993.4%	524.9%	459	\$56
Japan	-8.2%	19.1%	9.3%	4,204	\$37	Japan	-11.5%	22.5%	8.4%	4,324	\$37
United Kingdom	-15.2%	77.8%	50.7%	46	\$11	United Kingdom	-21.8%	128.6%	78.6%	59	\$14
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry	-5.9%	-0.1%	-0.1%	***	\$579	Industry	-14.8%	-1.7%	-1.7%	***	\$569

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	-3.5%	-6.9%	-10.2%	***	\$433	U.S.	-4.4%	-16.5%	-20.2%	***	\$385
France	-7.4%	14.1%	5.7%	510	\$8	France	-10.3%	14.6%	2.8%	512	\$8
Germany	-15.3%	78.2%	51.0%	3,724	\$59	Germany	-21.9%	129.4%	79.2%	4,793	\$70
Italy	-30.7%	386.4%	237.1%	204	\$30	Italy	-42.8%	993.4%	524.9%	459	\$56
Japan	-8.2%	19.1%	9.3%	4,204	\$37	Japan	-11.5%	22.5%	8.4%	4,324	\$37
United Kingdom	-15.2%	77.8%	50.7%	46	\$11	United Kingdom	-21.8%	128.6%	78.6%	59	\$14
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry	-5.9%	-0.1%	-0.1%	***	\$579	Industry	-14.8%	-1.7%	-1.7%	***	\$569

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	-3.0%	-5.9%	-8.7%	***	\$440	U.S.	-3.9%	-14.8%	-18.2%	***	\$394
France	-6.9%	15.4%	7.4%	516	\$8	France	-9.8%	16.9%	5.4%	523	\$8
Germany	-14.8%	80.2%	53.5%	3,765	\$60	Germany	-21.5%	134.0%	83.7%	4,888	\$72
Italy	-30.3%	391.7%	242.7%	207	\$31	Italy	-42.6%	1015.2%	540.5%	468	\$58
Japan	-7.6%	20.4%	11.2%	4,250	\$38	Japan	-11.0%	24.9%	11.2%	4,411	\$38
United Kingdom	-14.8%	79.8%	53.2%	47	\$12	United Kingdom	-21.5%	133.1%	83.1%	61	\$14
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry	-4.8%	1.6%	1.6%	***	\$588	Industry	-13.1%	0.7%	0.7%	***	\$583

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	-3.0%	-5.9%	-8.7%	***	\$440	U.S.	-3.9%	-14.8%	-18.2%	***	\$394
France	-6.9%	15.4%	7.4%	516	\$8	France	-9.8%	16.9%	5.4%	523	\$8
Germany	-14.8%	80.2%	53.5%	3,765	\$60	Germany	-21.5%	134.0%	83.7%	4,888	\$72
Italy	-30.3%	391.7%	242.7%	207	\$31	Italy	-42.6%	1015.2%	540.5%	468	\$58
Japan	-7.6%	20.4%	11.2%	4,250	\$38	Japan	-11.0%	24.9%	11.2%	4,411	\$38
United Kingdom	-14.8%	79.8%	53.2%	47	\$12	United Kingdom	-21.5%	133.1%	83.1%	61	\$14
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry	-4.8%	1.6%	1.6%	***	\$588	Industry	-13.1%	0.7%	0.7%	***	\$583

Table E-4

Spherical plain bearings: COMPAS model inputs

Market Segments	CIF Value	Quantity	Subsidy Value	T & T	Margins: subsidy	Margins: dumping
U.S.	\$143	11,907		0.0%	0.0%	0.0%
France	\$1	14		1.2%	0.0%	39.0%
Germany	\$5	150		2.2%	0.0%	102.8%
Japan	\$4	822		2.4%	0.0%	84.3%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%
	\$0	0		0.0%	0.0%	0.0%

Growth Rates:	lo	hi	Elasticities:	lo	hi
Demand	2.0%	8.0%	Substitution	3	5
			Demand	-0.5	-0.75
Supply growth:			Supply elasticities :		
U.S.	0.0%	0.0%	U.S.	2	4
France	0.0%	0.0%	France	2	4
Germany	0.0%	0.0%	Germany	2	4
Japan	0.0%	0.0%	Japan	2	4
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			
	0.0%	0.0%			

Zero Growth Simulations (page 1): Spherical Plain Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.0%	-3.9%	-5.8%	11,441	\$135
France	-14.0%	42.1%	22.3%	20	\$2
Germany	-25.8%	121.5%	64.4%	332	\$8
Japan	-22.9%	97.6%	52.3%	1,624	\$6
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		4.1%	-2.0%	13,418	\$150

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-1.7%	-6.8%	-8.4%	11,096	\$131
France	-18.4%	62.9%	32.9%	23	\$2
Germany	-34.0%	207.3%	102.8%	461	\$9
Japan	-30.3%	161.0%	81.9%	2,145	\$7
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		6.5%	-2.4%	13,725	\$149

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-1.6%	-3.2%	-4.8%	11,525	\$136
France	-13.6%	43.1%	23.6%	20	\$2
Germany	-25.5%	123.1%	66.2%	335	\$8
Japan	-22.6%	99.0%	54.0%	1,636	\$6
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		4.8%	-0.9%	13,516	\$152

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-1.5%	-5.8%	-7.2%	11,212	\$133
France	-18.2%	64.6%	34.6%	23	\$2
Germany	-33.8%	210.5%	105.5%	466	\$9
Japan	-30.1%	163.7%	84.3%	2,168	\$7
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		7.6%	-1.2%	13,868	\$151

Zero Growth Simulations (page 2): Spherical Plain Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.8%	-5.6%	-8.2%	11,245	\$131	-3.0%	-11.4%	-14.1%	10,547	\$123
France	-11.5%	50.5%	33.2%	21	\$2	-16.1%	82.8%	53.4%	26	\$2
Germany	-20.3%	155.3%	103.3%	383	\$9	-28.8%	316.0%	196.2%	624	\$14
Japan	-18.1%	122.8%	82.4%	1,831	\$7	-25.7%	236.6%	150.0%	2,767	\$10
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	4.6%	-2.2%	13,481	\$150	0.0%	8.3%	-3.0%	13,963	\$148

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.4%	-4.8%	-7.1%	11,337	\$133	-2.7%	-10.3%	-12.7%	10,682	\$125
France	-11.1%	51.7%	34.8%	21	\$2	-15.8%	85.1%	55.9%	26	\$2
Germany	-20.0%	157.4%	105.8%	386	\$9	-28.6%	321.3%	200.9%	632	\$14
Japan	-17.8%	124.6%	84.6%	1,846	\$7	-25.5%	240.9%	154.0%	2,802	\$10
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	0.0%	5.4%	-1.0%	13,590	\$151	0.0%	9.7%	-1.4%	14,142	\$151

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

Low Growth Simulations (page 1): Spherical Plain Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-1.2%	-2.4%	-3.5%	11,627	\$138	-1.3%	-5.1%	-6.4%	11,297	\$134
France	-13.3%	44.4%	25.2%	20	\$2	-18.1%	65.9%	35.9%	23	\$2
Germany	-25.2%	125.1%	68.4%	338	\$8	-33.7%	212.9%	107.5%	469	\$10
Japan	-22.3%	100.8%	56.0%	1,651	\$6	-30.0%	165.7%	86.1%	2,184	\$7
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	5.8%	0.4%	0.4%	13,636	\$154	8.4%	-0.2%	-0.2%	13,974	\$153

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.9%	-1.8%	-2.7%	11,693	\$139	-1.1%	-4.2%	-5.3%	11,402	\$136
France	-13.0%	45.2%	26.3%	20	\$2	-17.9%	67.4%	37.5%	23	\$2
Germany	-25.0%	126.4%	69.8%	340	\$8	-33.5%	215.8%	109.9%	474	\$10
Japan	-22.1%	101.9%	57.4%	1,660	\$6	-29.8%	168.2%	88.2%	2,205	\$7
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	6.4%	1.3%	1.3%	13,713	\$155	9.4%	0.9%	0.9%	14,104	\$154

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

Low Growth Simulations (page 2): Spherical Plain Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-2.0%	-4.0%	-6.0%	11,428	\$135	-2.5%	-9.8%	-12.1%	10,739	\$126
France	-10.7%	52.9%	36.5%	21	\$2	-15.7%	86.1%	56.9%	26	\$2
Germany	-19.7%	159.4%	108.3%	389	\$10	-28.5%	323.6%	202.9%	635	\$14
Japan	-17.5%	126.4%	86.8%	1,861	\$7	-25.4%	242.7%	155.7%	2,817	\$10
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	6.3%	0.2%	0.2%	13,700	\$153	10.3%	-0.8%	-0.8%	14,218	\$152

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value	Price	Quantity	Revenue	Quantity	Value
U.S.	-1.7%	-3.4%	-5.1%	11,502	\$136	-2.3%	-8.8%	-10.8%	10,864	\$128
France	-10.5%	53.9%	37.8%	22	\$2	-15.4%	88.3%	59.2%	26	\$2
Germany	-19.4%	161.1%	110.4%	392	\$10	-28.3%	328.5%	207.4%	643	\$14
Japan	-17.2%	127.9%	88.7%	1,873	\$7	-25.2%	246.7%	159.5%	2,850	\$10
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0	0.0%	0.0%	0.0%	0	\$0
Industry	6.9%	1.2%	1.2%	13,789	\$155	11.6%	0.7%	0.7%	14,383	\$154

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

High Growth Simulations (page 1): Spherical Plain Bearings

Scenario #1:

Low Substitution (3), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	1.1%	2.2%	3.3%	12,171	\$148
France	-11.3%	51.2%	34.1%	21	\$2
Germany	-23.5%	135.7%	80.4%	353	\$8
Japan	-20.5%	110.2%	67.1%	1,728	\$7
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		10.7%	7.6%	14,274	\$164

Scenario #2:

Low Substitution (3), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	-0.0%	-0.1%	-0.1%	11,894	\$143
France	-17.0%	74.7%	44.9%	24	\$2
Germany	-32.8%	229.4%	121.2%	494	\$10
Japan	-29.1%	179.8%	98.4%	2,300	\$8
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		14.1%	6.4%	14,712	\$163

Scenario #3:

Low Substitution (3), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	1.2%	2.4%	3.6%	12,190	\$148
France	-11.2%	51.4%	34.4%	21	\$2
Germany	-23.4%	136.0%	80.8%	354	\$8
Japan	-20.4%	110.5%	67.5%	1,730	\$7
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		10.9%	7.8%	14,295	\$165

Scenario #4:

Low Substitution (3), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value
U.S.	0.1%	0.5%	0.6%	11,968	\$144
France	-16.9%	75.8%	46.1%	25	\$2
Germany	-32.7%	231.5%	123.0%	497	\$10
Japan	-29.0%	181.5%	100.0%	2,314	\$8
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0
Industry		14.8%	7.2%	14,804	\$164

High Growth Simulations (page 2): Spherical Plain Bearings

Scenario #5:

High Substitution (S), Low Demand (-0.5), and Low Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	0.2%	0.5%	0.7%	11,964	\$144	U.S.	-1.3%	-5.0%	-6.2%	11,310	\$134
France	-8.7%	60.1%	46.2%	22	\$2	France	-14.6%	96.0%	67.4%	27	\$2
Germany	-17.8%	171.6%	123.2%	407	\$10	Germany	-27.5%	346.1%	223.2%	669	\$15
Japan	-15.6%	137.0%	100.1%	1,948	\$8	Japan	-24.4%	261.0%	172.8%	2,967	\$11
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry		11.2%	7.3%	14,343	\$164	Industry		16.1%	5.9%	14,973	\$162

Scenario #6:

High Substitution (S), Low Demand (-0.5), and High Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	0.2%	0.5%	0.7%	11,964	\$144	U.S.	-1.3%	-5.0%	-6.2%	11,310	\$134
France	-8.7%	60.1%	46.2%	22	\$2	France	-14.6%	96.0%	67.4%	27	\$2
Germany	-17.8%	171.6%	123.2%	407	\$10	Germany	-27.5%	346.1%	223.2%	669	\$15
Japan	-15.6%	137.0%	100.1%	1,948	\$8	Japan	-24.4%	261.0%	172.8%	2,967	\$11
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry		11.2%	7.3%	14,343	\$164	Industry		16.1%	5.9%	14,973	\$162

Scenario #7:

High Substitution (S), High Demand (-0.8), and Low Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	0.4%	0.7%	1.1%	11,991	\$145	U.S.	-1.1%	-4.2%	-5.2%	11,405	\$136
France	-8.6%	60.4%	46.7%	22	\$2	France	-14.4%	97.6%	69.2%	28	\$2
Germany	-17.7%	172.2%	123.9%	408	\$10	Germany	-27.4%	349.8%	226.6%	675	\$15
Japan	-15.5%	137.6%	100.8%	1,953	\$8	Japan	-24.3%	264.0%	175.7%	2,992	\$11
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry		11.5%	7.7%	14,375	\$165	Industry		17.1%	7.0%	15,099	\$164

Scenario #8:

High Substitution (S), High Demand (-0.8), and High Supply

	Price	Quantity	Revenue	Quantity	Value		Price	Quantity	Revenue	Quantity	Value
U.S.	0.4%	0.7%	1.1%	11,991	\$145	U.S.	-1.1%	-4.2%	-5.2%	11,405	\$136
France	-8.6%	60.4%	46.7%	22	\$2	France	-14.4%	97.6%	69.2%	28	\$2
Germany	-17.7%	172.2%	123.9%	408	\$10	Germany	-27.4%	349.8%	226.6%	675	\$15
Japan	-15.5%	137.6%	100.8%	1,953	\$8	Japan	-24.3%	264.0%	175.7%	2,992	\$11
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
	0.0%	0.0%	0.0%	0	\$0		0.0%	0.0%	0.0%	0	\$0
Industry		11.5%	7.7%	14,375	\$165	Industry		17.1%	7.0%	15,099	\$164

**APPENDIX F**  
**EXCHANGE RATE GRAPHS**



Figure F-1

Exchange rates: Indexes of nominal and real exchange rates of selected currencies relative to the U.S. dollar, 1988-99<sup>1</sup>

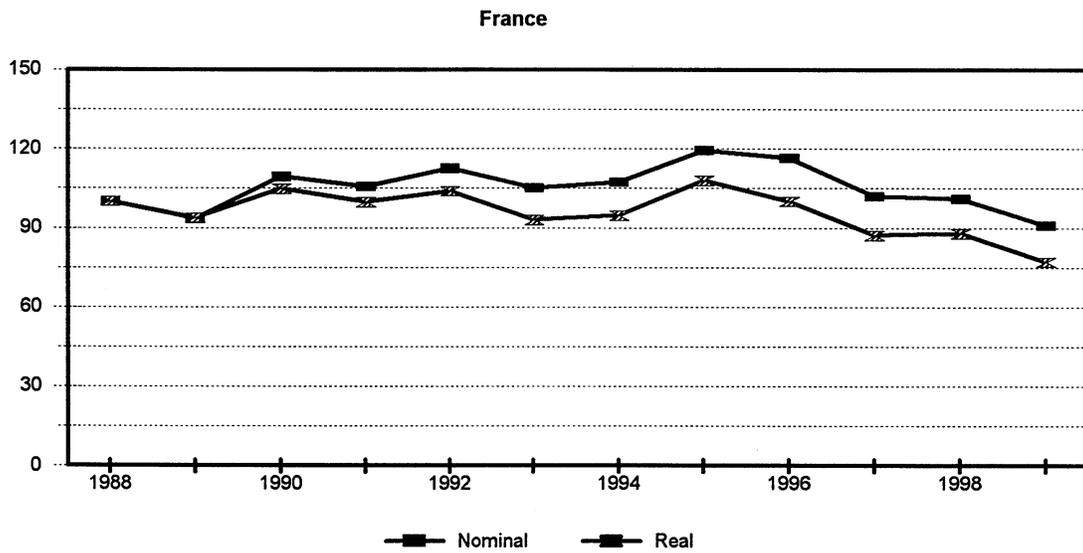
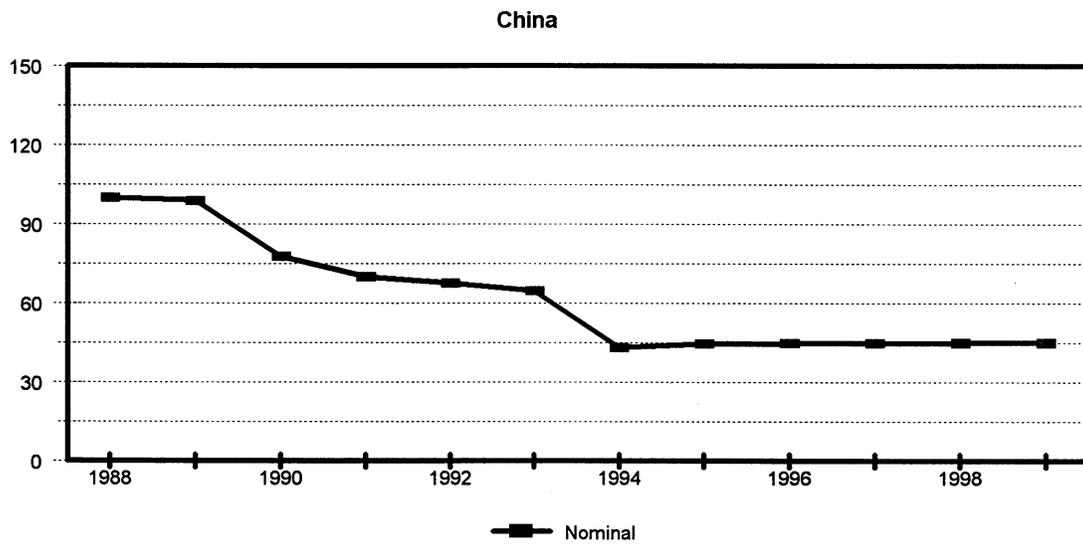


Figure continued on next page.

Figure F-1-Continued

Exchange rates: Indexes of nominal and real exchange rates of selected currencies relative to the U.S. dollar, 1988-99<sup>1</sup>

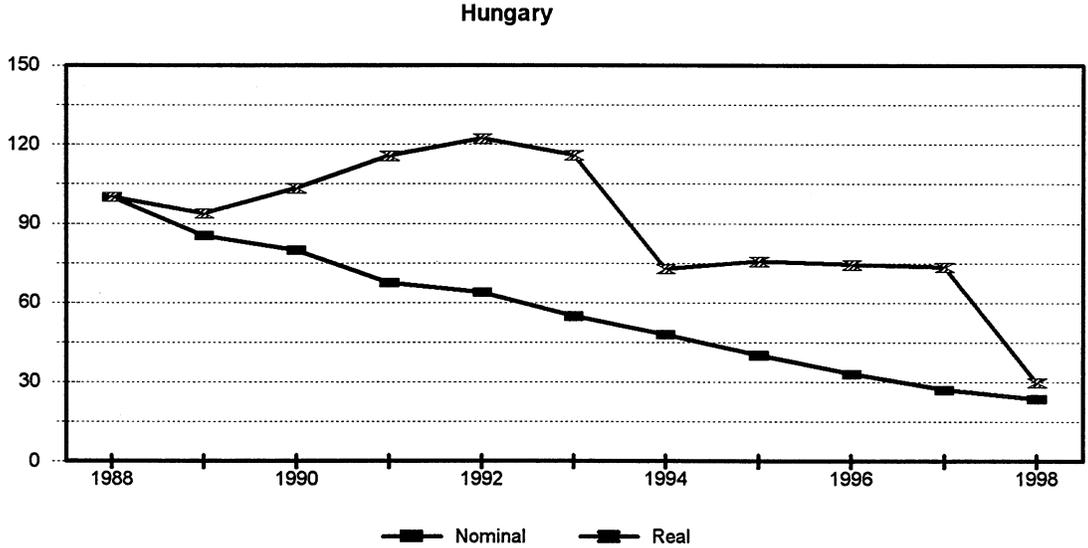
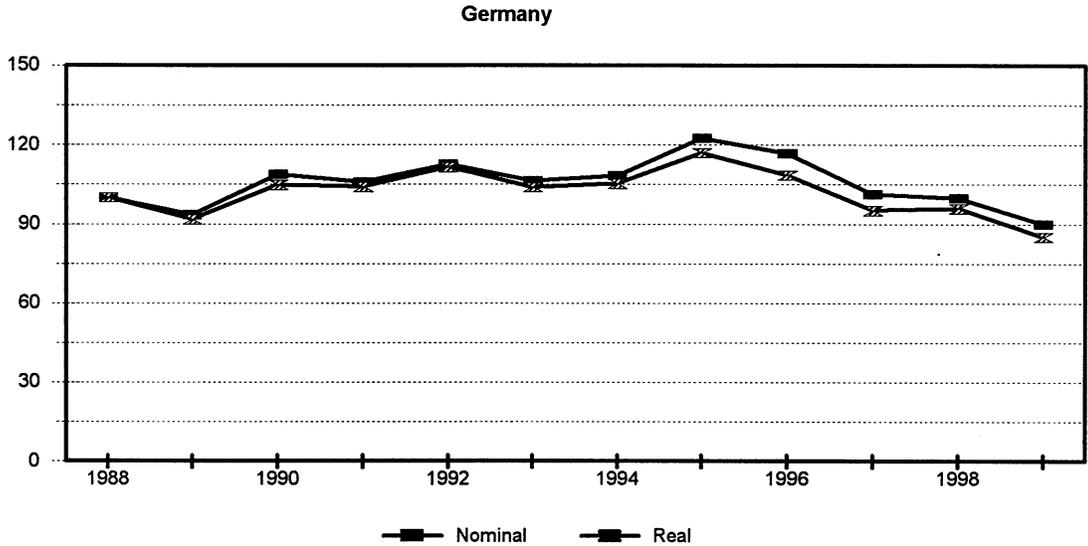


Figure continued on next page.

Figure F-1-Continued

Exchange rates: Indexes of nominal and real exchange rates of selected currencies relative to the U.S. dollar, 1988-99<sup>1</sup>

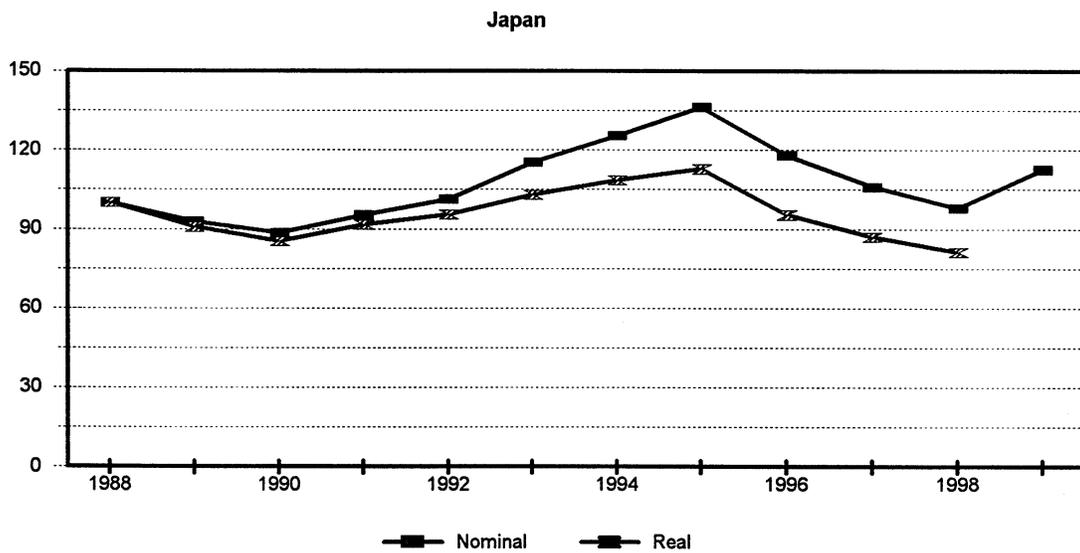
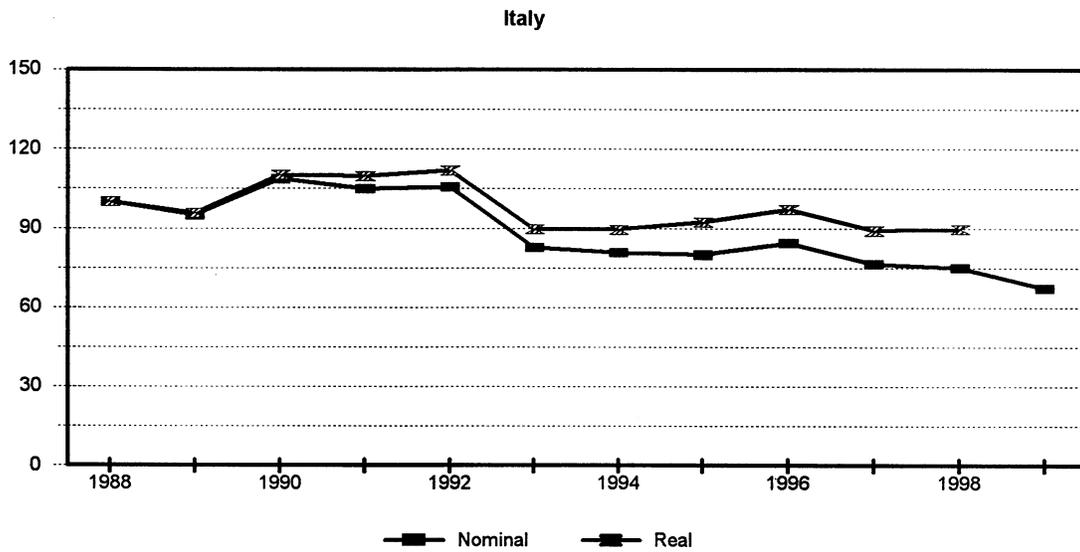


Figure continued on next page.

Figure F-1—Continued

Exchange rates: Indexes of nominal and real exchange rates of selected currencies relative to the U.S. dollar, 1988-99<sup>1</sup>

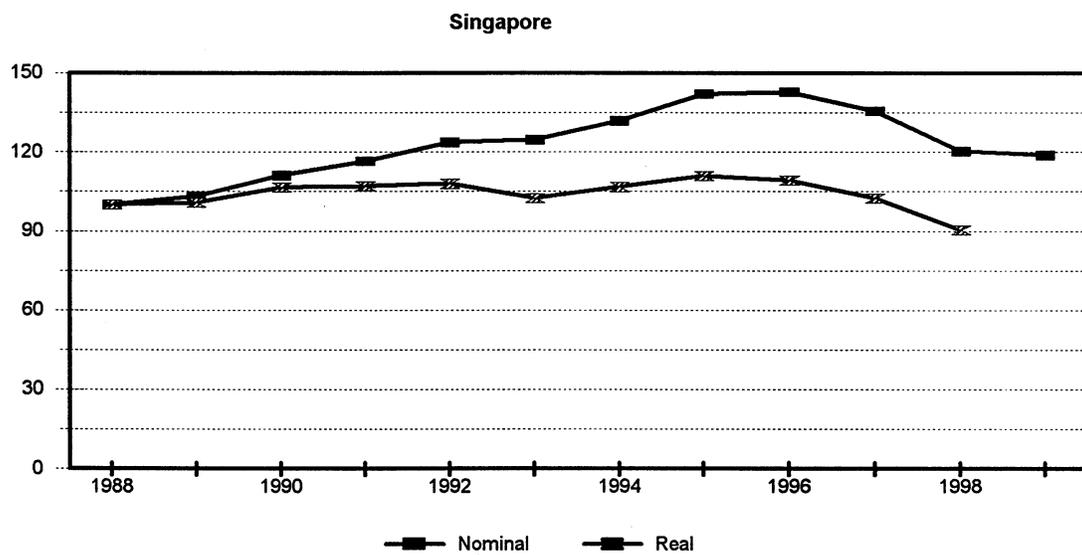
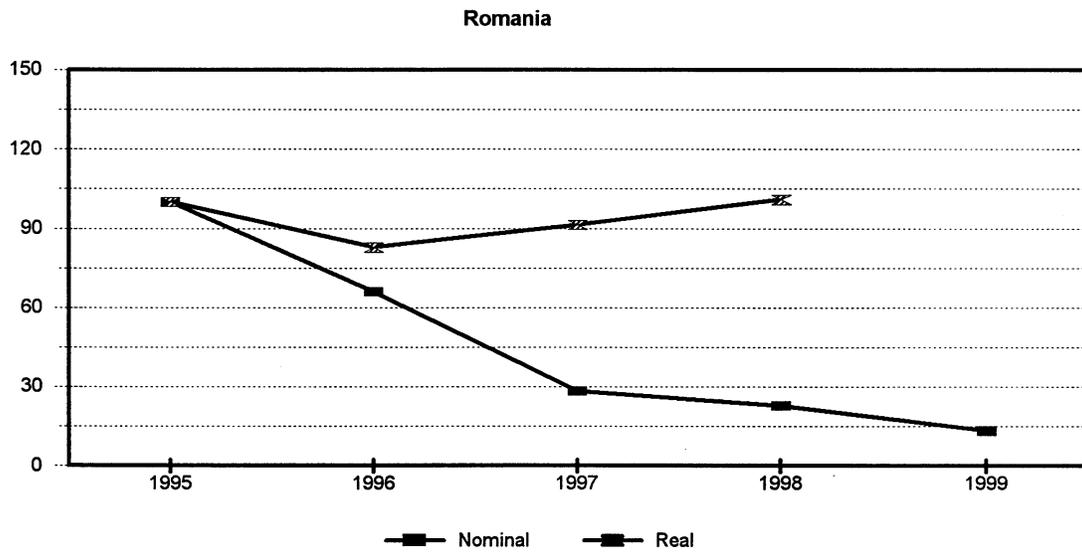
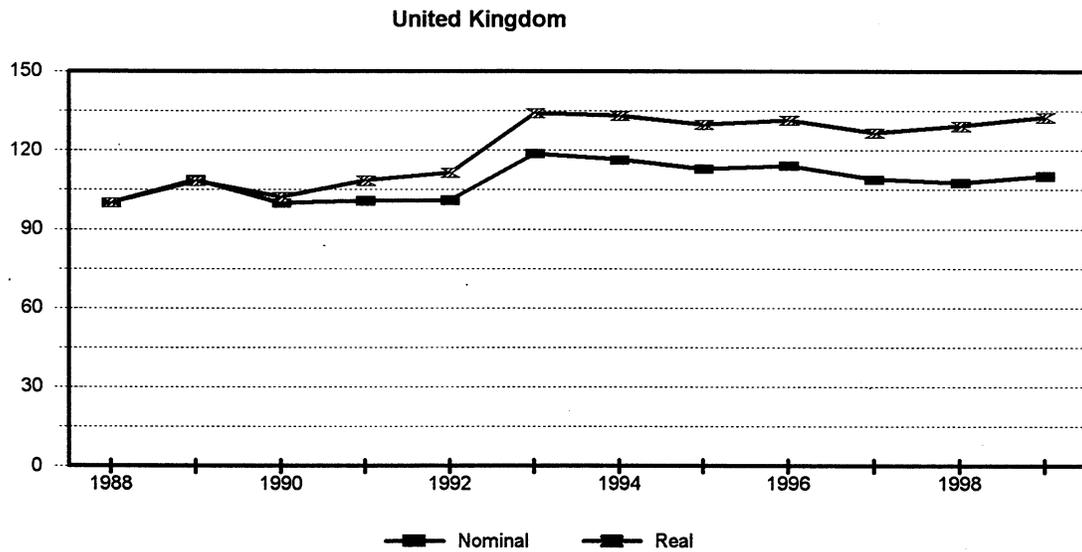
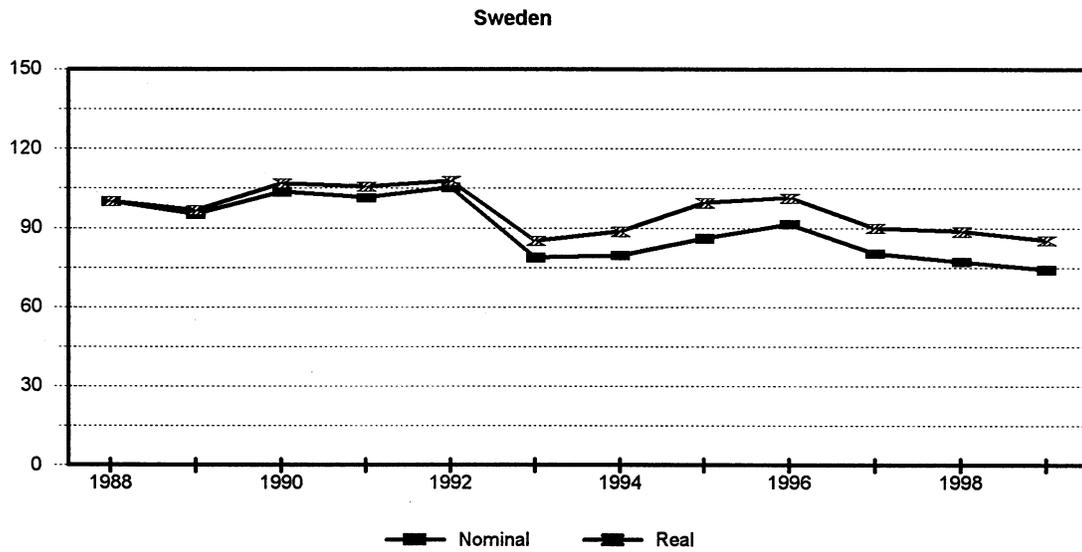


Figure continued on next page.

Figure F-1-Continued

Exchange rates: Indexes of nominal and real exchange rates of selected currencies relative to the U.S. dollar, 1988-99<sup>1</sup>



<sup>1</sup> Lack of a Chinese producer price series precluded calculation of a real exchange rate for China. A large devaluation and lack of producer price information led to the truncation of exchange rate information for Romania.

Source: International Monetary Fund, *International Financial Statistics*, March 2000 and 1999 Yearbook.



**APPENDIX G**  
**SCOPE RULINGS**



Commerce has made the following scope rulings related to the antidumping duty orders on antifriction bearings other than tapered roller bearings. This information was compiled from appendix A to Commerce's *Final Results of Expedited Sunset Reviews: Antifriction Bearings from Japan* (64 FR 60275).

**Scope Determinations Made in the Final Determinations of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany, 54 FR 19006, 19019 (May 3, 1989):**

Products covered:

- Rod end bearings and parts thereof
- Antifriction bearings used in aviation applications
- Aerospace engine bearings
- Split cylindrical roller bearings
- Wheel hub units
- Slewing rings and slewing bearings (slewing rings and slewing bearings were subsequently excluded by the International Trade Commission's negative injury determination (See International Trade Commission: Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand and the United Kingdom, 54 FR 21488 (May 18, 1989))
- Wave generator bearings
- Bearings (including mounted or housed units and flanged or enhanced bearings) ultimately utilized in textile machinery

Products excluded:

- Plain bearings other than spherical plain bearings
- Airframe components unrelated to the reduction of friction
- Linear motion devices
- Split pillow block housings
- Nuts, bolts, and sleeves that are not integral parts of a bearing or attached to a bearing under review
- Thermoplastic bearings
- Stainless steel hollow balls
- Textile machinery components that are substantially advanced in function(s) or value
- Wheel hub units imported as part of front and rear axle assemblies; wheel hub units that include tapered roller bearings; and clutch release bearings that are already assembled as parts of transmissions

**Scope Rulings Completed Between April 1, 1990, and June 30, 1990 (See Scope Rulings, 55 FR 42750 (October 23, 1990))**

Products excluded:

- Antifriction bearings, including integral shaft ball bearings, used in textile machinery and imported with attachments and augmentations sufficient to advance their function beyond load-bearing/friction-reducing capability

**Scope Rulings Completed Between July 1, 1990, and September 30, 1990 (See Scope Rulings, 55 FR 43020 (October 25, 1990))**

Products covered:

- Rod ends
- Clutch release bearings
- Ball bearings used in the manufacture of helicopters
- Ball bearings used in the manufacture of disk drives

**Scope Rulings Published in Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof; Final Results of Antidumping Administrative Review (AFBs I), 56 FR 31692, 31696 (July 11, 1991)**

Products covered:

- Load rollers and thrust rollers, also called mast guide bearings
- Conveyor system trolley wheels and chain wheels

**Scope Rulings Completed Between April 1, 1991, and June 30, 1991 (See Notice of Scope Rulings, 56 FR 36774 (August 1, 1991))**

Products excluded:

- Textile machinery components including false twist spindles, belt guide rollers, separator rollers, damping units, rotor units, and tension pulleys

**Scope Rulings Completed Between July 1, 1991, and September 30, 1991 (See Scope Rulings, 56 FR 57320 (November 8, 1991)):**

Products covered:

- Snap rings and wire races
- Bearings imported as spare parts
- Custom-made specialty bearings

Products excluded:

- Certain rotor assembly textile machinery components
- Linear motion bearings

**Scope Rulings Completed Between October 1, 1991, and December 31, 1991 (See Notice of Scope Rulings, 57 FR 4597 (February 6, 1992))**

Products covered:

- Chain sheaves (forklift truck mast components)
- Loose boss rollers used in textile drafting machinery, also called top rollers
- Certain engine main shaft pilot bearings and engine crank shaft bearings

**Scope Rulings Completed Between January 1, 1992, and March 31, 1992 (See Scope Rulings, 57 FR 19602 (May 7, 1992))**

Products covered:

- Ceramic bearings
- Roller turn rollers
- Clutch release systems that contain rolling elements

Products excluded:

- Clutch release systems that do not contain rolling elements
- Chrome steel balls for use as check valves in hydraulic valve systems

**Scope Rulings Completed Between April 1, 1992, and June 30, 1992 (See Scope Rulings, 57 FR 32973 (July 24, 1992))**

Products excluded:

- Finished, semiground stainless steel balls
- Stainless steel balls for non-bearing use (in an optical polishing process)

**Scope Rulings Completed Between July 1, 1992, and September 30, 1992 (See Scope Rulings, 57 FR 57420 (December 4, 1992))**

Products covered:

- Certain flexible roller bearings whose component rollers have a length-to-diameter ratio of less than 4:1
- Model 15BM2110 bearings

Products excluded:

- Certain textile machinery components

**Scope Rulings Completed Between October 1, 1992, and December 31, 1992 (See Scope Rulings, 58 FR 11209 (February 24, 1993))**

Products covered:

- Certain cylindrical bearings with a length-to-diameter ratio of less than 4:1

Products excluded:

- Certain cartridge assemblies comprised of a machine shaft, a machined housing and two standard bearings

**Scope Rulings Completed Between January 1, 1993, and March 31, 1993 (See Scope Rulings, 58 FR 27542 (May 10, 1993))**

Products covered:

- Certain cylindrical bearings with a length-to-diameter ratio of less than 4:1

**Scope Rulings Completed Between April 1, 1993, and June 30, 1993 (See Scope Rulings, 58 FR 47124 (September 7, 1993))**

Products covered:

- Certain series of INA bearings

Products excluded:

- SAR series of ball bearings
- Certain eccentric locking collars that are part of housed bearing units

**Scope Rulings Completed Between October 1, 1993, and December 31, 1993 (See Scope Rulings, 59 FR 8910 (February 24, 1994))**

Products excluded:

- Certain textile machinery components

**Scope Rulings Completed Between January 1, 1994, and March 31, 1994**

Products excluded:

- Certain textile machinery components

**Scope Rulings Completed Between October 1, 1994 and December 31, 1994 (See Scope Rulings, 60 FR 12196 (March 6, 1995))**

Products excluded:

- Rotek and Kaydon--Rotek bearings, models M4 and L6, are slewing rings outside the scope of the order.

**Scope Rulings Completed Between April 1, 1995 and June 30, 1995 (See Scope Rulings, 60 FR 36782 (July 18, 1995))**

Products covered:

- Consolidated Saw Mill International (CSMI) Inc.--Cambio bearings contained in CSMI's sawmill debarker are within the scope of the order.
- Nakanishi Manufacturing Corp.--Nakanishi's stamped steel washer with a zinc phosphate and adhesive coating used in the manufacture of a ball bearing is within the scope of the order.

**Scope Rulings Completed Between January 1, 1996 and March 31, 1996 (See Scope Rulings, 61 FR 18381 (April 25, 1996))**

Products covered:

- Marquardt Switches--Medium carbon steel balls imported by Marquardt are outside the scope of the order.

**Scope Rulings Completed Between April 1, 1996 and June 30, 1996 (See Scope Rulings, 61 FR 40194 (August 1, 1996))**

Products excluded:

- Dana Corporation--Automotive component, known variously as a center bracket assembly, center bearings assembly, support bracket, or shaft support bearing, is outside the scope of the order.
- Rockwell International Corporation--Automotive component, known variously as a cushion suspension unit, cushion assembly unit, or center bearing assembly, is outside the scope of the order.
- Enkotec Company, Inc.--“Main bearings” imported for incorporation into Enkotec Rotary Nail Machines are slewing rings and, therefore, are outside the scope of the order.



**APPENDIX H**  
**DATA ON ADP BEARINGS**



**Table H-1**

**Aerospace drive path (ADP) ball bearings: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999**

\* \* \* \* \*

**Table H-2**

**Aerospace drive path (ADP) cylindrical roller bearings: Summary data concerning the U.S. market, 1997-98, January-September 1998, and January-September 1999**

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