

**UNITED STATES TARIFF COMMISSION**

**TUBELESS-TIRE VALVES FROM  
CANADA**

**Determination of No Injury or Likelihood Thereof  
in Investigation No. AA1921-82 Under the  
Antidumping Act, 1921, as Amended**



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**UNITED STATES TARIFF COMMISSION**

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[AA1921-82]

TUBELESS-TIRE VALVES FROM CANADA

Determination of No Injury or Likelihood Thereof

On September 28, 1971, the Tariff Commission received advice from the Treasury Department that tubeless-tire valves from Canada are being, and are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted Investigation No. AA1921-82 to determine whether an industry in the United States is being, or is likely to be, injured, or is prevented from being established by reason of the importation of such merchandise into the United States.

A public hearing was held on November 22, 1971. Notice of the investigation and hearing was published in the Federal Register of October 5, 1971 (36 F.R. 19426).

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission <sup>1/</sup> determined unanimously that an industry in the United States is not being and is not likely to be, injured or prevented from being established, by reason of the importation of tubeless-tire valves from Canada and sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

#### Statement of Reasons

In our opinion an industry in the United States is not being, or is not likely to be, injured, or prevented from being established, by reason of the importation of tubeless-tire valves from Canada sold at less than fair value (LTFV). Imports of LTFV valves from Canada have been too small in relation to the size of the domestic market, and the margins of dumping (the amounts by which the valves were sold below the Canadian home market price) have been so insignificant that the LTFV imports have virtually no influence on the U.S. market prices for tubeless-tire valves.

#### The industry

The industry or industries considered in this case consist of those firms or parts of firms in the United States engaged in the production of snap-in tubeless-tire valves suitable for use with passenger

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<sup>1/</sup> Commissioners Leonard and Young did not participate in the decision.

automobile wheels (hereafter referred to as tubeless-tire valves). Since 1966 there have been no more than 10 firms engaged in the production of such tubeless-tire valves in the United States during any one year. The three largest firms (the Big Three) account for about two-thirds of U.S. production; three tire-producing firms, for a fifth; and the other firms for the remainder.

#### The U.S. market

Tubeless-tire valves are generally marketed in the United States along with new tires. However, about 35 to 40 percent of the sales are for replacement purposes (i.e., they are sold in the so-called aftermarket). Imported tubeless-tire valves, including those sold at LTFV, enter consumption only through the aftermarket; all the valves produced by the small U.S. manufacturers and about a third of those produced by the Big Three also enter consumption through the aftermarket. The new tire market takes virtually all of the production of tubeless-tire valves by the tire manufacturers and about two-thirds of the Big Three's output of tubeless-tire valves. Seven models of tubeless-tire valves are sold in the United States; only six of these models are imported from Canada. The models are differentiated only by size in order to fit the type of wheel rims to which they are to be attached. About 80 percent of total U.S. consumption, however, is accounted for by two models: The TR 413 and the TR 418.

Annual apparent U.S. consumption of tubeless-tire valves is closely related to the number of new passenger automobiles produced

and also to the number of such vehicles in use. Although annual total consumption of tubeless-tire valves has fluctuated in recent years, it has been expanding. Consumption was about 38 percent larger in 1970 than in 1966, and consumption in January-September 1971 was 27 percent larger than in the corresponding period of 1970. Both the new tire market for valves and the aftermarket have trended upward since 1966. The aftermarket, unlike the new tire market, has increased without interruption since 1966.

Inventories of tubeless-tire valves held by U.S. producers have declined since 1966.

U.S. market prices for tubeless-tire valves are usually made available in published price lists, subject to various discounts according to class of purchaser, size of purchase, type of packaging, and method of payment. The valves are nearly always priced on a delivered basis, with the producers or importers absorbing the freight. Thus, prices do not vary from one part of the country to another, in either the new tire market or the aftermarket.

#### Effect of LTFV imports from Canada

Imports of tubeless-tire valves from Canada began in 1969, increased in 1970, and declined in 1971. In 1970, imports from Canada accounted for about 2.4 percent of apparent U.S. consumption. Information from the Treasury Department indicates that about half of the imports from Canada were sold at LTFV. Thus, at their highest level (1970), the LTFV imports accounted for about 1.4 percent of apparent consumption. When the LTFV imports of the two models that account for

80 percent of U.S. consumption (TR 413 and TR 418) are considered separately, it is clear that the market penetration of the LTFV imports is extremely small. LTFV imports in 1970 of these two models were equivalent to only 0.8 percent and 0.6 percent, respectively, of the total U.S. market for such models.

Although imports of tubeless-tire valves from other countries as well as from Canada have been increasing since 1968, prices of domestically produced valves have trended upward. Moreover, for valves delivered to distributors in the United States, U.S. producers' prices have generally been higher than those for the Canadian products. Evidence obtained in this investigation shows that during 1969 and 1970 when there were LTFV imports from Canada, only one U.S. producer lowered his prices. That producer increased his sales annually in the U.S. market from 1966 to 1971.

Had the imports of LTFV valves from Canada been subject to dumping duties, the amount of such duties would have been considerably less than the difference in U.S. market price between the large U.S. producers' valves and the LTFV valves. Only for the one small U.S. producer that lowered his prices in 1970 were the dumping margins found to be, for the most part, greater than the difference in the U.S. market between his prices and the prices for the LTFV imports. Moreover, tubeless-tire valves from Italy undersell the LTFV valves from Canada.

Conclusion

As the market penetration by LTFV imports from Canada is extremely small and as the dumping margins have virtually no depressing or suppressing effect on prices for tubeless-tire valves in the U.S. market, we conclude that if the domestic industry is injured by reason of imports of such valves from Canada, sold at less than fair value, such injury is de minimis. Moreover, because the dumping margins have had virtually no effect on prices of the subject valves in the U.S. market, we conclude that there is no likelihood of injury to a domestic industry as contemplated by the Antidumping Act.



