

# **MOTORCYCLES FROM JAPAN**

**Determination of No Injury in  
Investigation No. AA1921-187 Under  
the Antidumping Act, 1921,  
as Amended, Together With the  
Information Obtained  
in the Investigation**



**USITC PUBLICATION 923  
NOVEMBER 1978**

# UNITED STATES INTERNATIONAL TRADE COMMISSION

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# NEWS

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## USITC REPORTS NO INJURY TO U.S. INDUSTRY BY LTFV IMPORTS OF MOTORCYCLES FROM JAPAN

The United States International Trade Commission today reported to the Secretary of the Treasury its determination, by a 4-to-0 vote, that there is no injury or likelihood of injury or prevention of establishment of an industry in the United States by reason of sales of motorcycles from Japan at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended.

Chairman Joseph O. Parker, Vice Chairman Bill Alberger, and Commissioners George M. Moore and Catherine Bedell concurred in the determination. Commissioner Paula Stern, not having participated in the case, abstained.

The Commission's investigation began on August 11, 1978, after receipt of a determination of LTFV sales of the product by the Treasury Department. A public hearing in connection with the investigation was held on September 28, 1978, in Washington, D.C.

The investigation covered the LTFV sales of motorcycles with internal-combustion engines having piston displacements greater than 90 cubic centimeters produced by Honda Motor Co., Ltd., and Kawasaki Heavy Industries, Ltd. Suzuki Motor Co., Ltd., was excluded from

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USITC REPORTS NO INJURY TO U.S. INDUSTRY BY LTFV IMPORTS OF MOTORCYCLES FROM JAPAN

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Treasury's LTFV determination. During the Commission's investigation the Treasury Department submitted an amended determination advising that it had discontinued its antidumping investigation of Yamaha Motor Co., Ltd. Motorcycles imported from these four Japanese firms account for the majority of U.S. consumption of motorcycles.

Motorcycles are produced in the United States by Harley-Davidson Motor Co., Inc., of Milwaukee, Wis., a subsidiary of AMF, Inc., and Kawasaki Motors Corp., U.S.A., a wholly owned subsidiary of Kawasaki Heavy Industries, Japan, with a manufacturing plant located in Lincoln, Nebr.

U.S. producers' capacity utilization increased each year from 1973 through 1977, and domestic shipments during 1972-77 increased more than 200 percent. Inventory levels were 50 percent lower in March 1978 than in March 1976, and employment of production and related workers increased slightly in January-June 1978.

Domestic producers increased their market share almost 8 percent from 1975 to 1977. Harley-Davidson's shipments of heavyweight on-highway motorcycles have remained fairly constant since 1975. The total share of the U.S. market held by imports from Honda and Kawasaki declined by about 25 percent from 1975 to January-June 1978.

The Commission's report, Motorcycles From Japan (USITC Publication 923), contains the views of the Commissioners and information developed during the investigation (No. AA1921-187). Copies may be obtained by calling (202) 523-5178 or from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436.

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

[AA1921-187]

MOTORCYCLES FROM JAPAN


Notice of Investigation and Hearing

Having received advice from the Department of the Treasury on August 3, 1978, that motorcycles from Japan, with the exception of merchandise produced by Suzuki Motor Co., Ltd., are being, or are likely to be, sold at less than fair value, the United States International Trade Commission on August 11, 1978, instituted investigation No. AA1921-187 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), 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. For the purpose of its determination concerning sales at less than fair value, the Treasury Department defined "motorcycles" as motorcycles having engines with total piston displacement over 90 cubic centimeters, whether for use on or off the road.

A public hearing in connection with the investigation will be held in the Commission's hearing room, United States International Trade Commission, 701 E Street, NW., Washington, D.C. 20436, beginning at 10:00 a.m., e.d.t., on Thursday, September 28, 1978. All persons shall have the right to appear by counsel or in person, to present evidence and be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, shall be filed with the Secretary of the Commission at his office in Washington, D.C., not later than noon, Friday, September 22, 1978.

There will be a prehearing conference in connection with this investigation which will be held in Washington, D.C. at 10:00 a.m., e.d.t., on Friday, September 22, 1978, in room 117, U.S. International Trade Commission Building, 701 E Street, NW.

By order of the Commission.



Kenneth R. Mason  
Secretary

Issued: August 14, 1978



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



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

(AA1921-187)

November 3, 1978

MOTORCYCLES FROM JAPAN

Determination of No Injury

On the basis of its investigation, the United States International Trade Commission (Commission) has unanimously determined (Commissioner Stern not participating) 1/ that an industry in the United States is not being and is not likely to be injured, and is not prevented from being established, by reason of the importation of motorcycles from Japan that are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

On August 3, 1978, the Commission received advice from the Department of the Treasury (Treasury) that motorcycles from Japan are being, or are likely to be, sold at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Treasury excluded from its LTFV determination motorcycles produced by Suzuki Motor Co., Ltd. On August 11, 1978, the Commission instituted investigation no. AA1921-187 under section 201(a) of said act 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. On October 18, 1978, the Commission was advised by Treasury that its determination of sales at LTFV was being amended to discontinue the investigation with respect to motorcycles produced and sold by Yamaha Motor Co., Ltd., and to report certain changes in the margins by which sales by Honda Motor Co., Ltd., and Kawasaki Heavy Industries, Ltd. are at less than fair value. Suzuki Motor Co., Ltd. remained excluded from the investigation.

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1/ Commissioner Stern assumed her duties as a Commissioner on October 16, 1978, and was not a Commissioner at the time of the public hearing or during most of the investigative period.

Notice of the institution of the investigation and of the public hearing held in connection therewith was published in the Federal Register of August 17, 1978 (43 F.R. 36519). On September 28 and 29, 1978, a hearing was held in Washington, D.C., at which all persons who requested the opportunity were permitted to appear in person or by counsel.

In arriving at its determination, the Commission gave due consideration to written submissions from interested parties and information adduced at the hearing as well as information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

STATEMENT OF REASONS OF CHAIRMAN JOSEPH O. PARKER AND  
COMMISSIONERS BILL ALBERGER, GEORGE M. MOORE, AND  
CATHERINE BEDELL

In order for a Commissioner to make an affirmative determination in an investigation under the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), it is necessary to find that an industry in the United States is being or is likely to be injured, or is prevented from being established, and the injury or likelihood thereof must be by reason of imports at less than fair value (LTFV).

Determination

On the basis of the information obtained in the investigation, we determine that an industry in the United States is not being and is not likely to be injured, and is not being prevented from being established, by reason of the importation of motorcycles from Japan which the Department of the Treasury has determined are being, or are likely to be, sold at LTFV.

The imported article and the domestic industry

Motorcycles are two-wheeled motorized vehicles powered by internal combustion engines having piston displacements greater than 90 cubic centimeters (cc). Motorcycles are classified by use as on-highway, dual-purpose, and off-highway types and by engine size as lightweight (91cc to 250cc), middleweight (251cc to 700cc), and heavyweight (over 700 cc). In this investigation we consider the relevant domestic industry to consist of the facilities in the United States used in the production of motorcycles. Harley-Davidson Motor Co., Inc., a subsidiary of AMF, Inc. (the complainant in this case), and Kawasaki Motors Corp., U.S.A., a wholly owned subsidiary of Kawasaki Heavy Industries, Ltd., Japan, produce motorcycles in the United States.

LTFV sales from Japan

The Department of the Treasury's investigation of U.S. imports of motorcycles from Japan covered the 8-month period extending from November 1, 1976, through June 30, 1977. This investigation covered four Japanese companies-- Honda Motor Co., Ltd.; Yamaha Motor Co., Ltd.; Kawasaki Heavy Industries, Ltd.; and Suzuki Motor Co., Ltd.--which together accounted for approximately 98 percent of the Japanese motorcycles sold to dealers or independent distributors in the United States during the period under consideration. On the basis of an amended determination of sales at LTFV, which was received by the Commission on October 18, 1978, Treasury found that 18.2 percent of the sales compared were at margin and that the weighted average margin on all sales compared was 2.08 percent.

Weighted average margins by company were as follows: 2.6 percent for Honda; 0.82 percent for Yamaha, 6.9 percent for Kawasaki, and 0.15 percent for Suzuki. Treasury determined that the margin applicable to Yamaha's sales was minimal in relation to the total volume of its exports to the United States, and after receiving assurances from Yamaha of no future sales at LTFV, Treasury discontinued its investigation with respect to that firm. Treasury had previously determined (on August 3, 1978) that Suzuki's margin was de minimis and excluded that firm from its determination of sales at LTFV.

U.S. market conditions, 1972-77

U.S. consumption of motorcycles increased from 873,000 units in 1972 to 1.1 million units in 1973 or by more than 24 percent, apparently in reaction to the oil embargo and growing consumer concern over energy problems. Japanese producers responded to this increased demand and its anticipated continuation by expanding their exports to the United States by more than 50 percent between 1973 and 1974. However, U.S. motorcycle demand fell sharply, by more than 40 percent from 1973 to 1975, as energy concerns lessened. It also became evident

that U.S. consumers were more interested in purchasing motorcycles as recreational products than as an alternate means of transportation; this recreational market was also adversely affected by the economic recession of 1974-75. As the U.S. economy improved in 1976, consumption increased about 20 percent and remained at this level through 1977. The result of the misreading of motorcycle demand in 1974 and 1975 was the accumulation of large inventories by importers and to a lesser degree by U.S. producers in 1975 and 1976. As new-model-year motorcycles were imported prices of some of the carry over inventory of prior year models were reduced to the point where they were found by the Secretary of the Treasury to have been sold at less than fair value in 1976 and 1977. As of March 31, 1978, inventories of prior-year-model (1975 and 1976) motorcycles had been virtually eliminated from both importers' and U.S. producers' stocks.

No injury by reason of LTFV sales

Since the operations of the two U.S. producers of motorcycles differ significantly with respect to the types and sizes of motorcycles produced and the amount of fabrication performed in the United States, we have examined their performances separately.

Kawasaki, which entered the U.S. market as a producer in 1975, reported increased production, increased capacity utilization, increased shipments, and increased employment in 1976 and 1977. After absorbing significant losses associated with startup costs, it reported a profit in 1977 and again in January-June 1978. In view of these factors and its own claim of no injury at the Commission's public hearing, 1/ it is clear that Kawasaki is not being injured by LTFV imports.

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1/ See transcript of the hearing, p. 269.

Although Harley-Davidson has produced a number of different motorcycle types and sizes, it is known primarily as a heavyweight motorcycle producer. In 1973, Harley-Davidson established an assembly line in its U.S. production facility for the assembly of lightweight on-highway and dual-purpose motorcycles. These models were also being produced at that time in Harley-Davidson's plant in Italy. The company's production of lightweight motorcycles began at a time when the overall U.S. demand for motorcycles was declining. From 1973 to 1975, overall demand for motorcycles declined by 40 percent and demand for lightweight models, especially the dual-purpose type, experienced an even sharper decline. Japanese producers, who had developed the U.S. market for lightweight motorcycles in the 1960's continued to supply the great bulk of the U.S. market for these motorcycles throughout the period for which the Commission obtained data, 1972-77 and January-June 1978.

Harley-Davidson's lightweight production commenced in November 1973, peaked in 1974, and then declined in 1975. U.S. production of lightweight models was discontinued by October 1976. Thus, Harley-Davidson was not actively engaged in the production of lightweight motorcycles during the period (November 1976-June 1977) in which Treasury determined LTFV sales occurred.

The Commission received oral and written testimony that Harley-Davidson's lightweight models were not competitive in terms of quality and performance with Japanese models and that consumer acceptance of Harley-Davidson's lightweight models was poor since they did not conform to the image or quality buyers

had come to expect on the basis of the company's reputation as a manufacturer of heavyweight motorcycles. 1/ In addition, some of Harley-Davidson's dealers were unwilling to stock the company's lightweight models. These factors indicate that the lightweight motorcycle operations were not injured by reason of LTFV imports.

An analysis of Harley-Davidson's heavyweight motorcycle operations reveals that the firm has had continued success in its sales of heavyweights, the segment of the U.S. market in which it has traditionally held a dominant position. Harley-Davidson's production of heavyweight motorcycles increased by over 20 percent from 1973 to 1977 and capacity utilization increased about 25 percent in the same period. Inventories of prior-year models were minimal. Information was received during the Commission's investigation indicating that Harley-Davidson even found it necessary to back-order some heavyweight motorcycles. Employment was stable and prices continually increased, even during the period in which Treasury found sales at LTFV. Profit and loss data supplied to the Commission by Harley-Davidson show that its overall motorcycle operations were profitable in each of the years 1972-76 and profits increased in 1977. Clearly, Harley-Davidson has not been injured by LTFV imports in its heavyweight motorcycle operations.

No likelihood of injury by reason of LTFV sales

The facts in the instant case also reveal there is no likelihood of future injury to the domestic industry from LTFV sales. The inordinately high inventories of imported prior-year-model motorcycles which led to the LTFV pricing have been reduced to a normal level and thereby reducing the pressure on importers to make

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1/ See transcript of the hearing, pp. 322-357 and 396-407; post hearing briefs from Honda, Kawasaki and Yamaha; and Commission report pp. A-32-34.

sales at LTFV. Furthermore, Kawasaki, which at one time imported all its motorcycles from Japan, has established a U.S. production facility whose output has eliminated its need to import certain types and sizes of motorcycles and Honda has announced that it will open a U.S. production facility in the summer of 1979 which will likewise decrease its dependence on imports. Kawasaki Heavy Industries and Honda are the only Japanese firms with respect to which Treasury has made an LTFV determination. As a share of the U.S. motorcycle market, the combined imports of these two producers declined by about 25 percent from 1975 to January-June 1978.

It is also evident that demand for heavyweight motorcycles of the type produced by Harley-Davidson is increasing. Heavyweight motorcycles, as a share of total U.S. motorcycle consumption increased from about 10 percent in 1972 to about 30 percent in January-June 1978. Demand for certain Harley-Davidson models was sufficiently strong in 1978 that the company found it necessary on several occasions to provide its dealers with lists of overcommitted orders, i.e., orders that were not produced in the month requested and which the dealer could cancel or hold for future scheduling when production slots became available.

#### No prevention of establishment of an industry

There are currently two domestic producers of motorcycles which manufacture a variety of types and sizes in their U.S. facilities. Harley-Davidson, which currently produces only heavyweight sizes, has been manufacturing motorcycles in the United States since 1903. This firm made substantial quantities of motorcycles in the United States during each of the years for which the Commission obtained data -- 1972-1977 -- and in January-June 1978. In addition, this firm reported a profit on its motorcycle operations in each of these years and again in January-June 1978. Kawasaki, which commenced U.S. motorcycle production in



1975, produces both middleweight and heavyweight sizes. This firm also produced substantial quantities of motorcycles in its U.S. plant in 1975, 1976, 1977, and January-June 1978. Notwithstanding the significant startup costs in 1975 and 1976 which accompanied the commencement of production in the United States by Kawasaki, that company reported a profit in 1977 and in January-June 1978 thereby establishing itself as a viable producer. In addition, a representative of American Honda Motor Co., Inc., testified at the Commission's hearing that it would commence production of motorcycles in the United States in the summer of 1979. 1/ It is clear that there is an established and a growing industry producing motorcycles in the United States.

#### Conclusion

We therefore conclude on the basis of the information obtained in the investigation that an industry in the United States is not being and is not likely to be injured and is not being prevented from being established by reason of the importation of motorcycles from Japan which are being or are likely to be, sold at LTFV.

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1/ See transcript of hearing, p. 367.



## SUMMARY

Investigation No. AA1921-187 was instituted on August 11, 1978, by the U.S. International Trade Commission following the receipt of advice from the Department of the Treasury on August 3, 1978, that motorcycles from Japan, with the exception of merchandise produced by Suzuki Motor Co., Ltd., are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended.

The complaint, which led to Treasury's determination of sales at LTFV, was filed by counsel representing Harley-Davidson Motor Co. Treasury's investigation of U.S. imports from Japan covered the 8-month period extending from November 1, 1976, through June 30, 1977. Treasury made price comparisons on approximately 90 percent of the total U.S. sales by Honda Motor Co., Ltd., Yamaha Motor Co., Ltd., Kawasaki Heavy Industries, Ltd., and Suzuki Motor Co., Ltd., during the period of its investigation. The weighted average margin on all sales compared by Treasury was 2.59 percent. Individual company margins ranged from a high of 7.26 percent for Kawasaki to a low of 0.28 percent for Suzuki. Treasury determined that Suzuki's weighted average margin was de minimis and exempted Suzuki from its determination of LTFV sales.

On October 18, 1978, the Commission received advice from the Department of the Treasury that its August 3, 1978, determination of sales at LTFV was being amended to reflect revised dumping margins and to discontinue the investigation with respect to motorcycles produced and sold by Yamaha. The revised weighted average margins were as follows: Honda, 2.6 percent; Kawasaki, 6.9 percent; Suzuki, 0.15 percent; and Yamaha 0.82 percent.

Motorcycles are two-wheeled motorized vehicles powered by internal-combustion engines having piston displacements greater than 90 cubic centimeters (cc). Motorcycles are used for a variety of purposes including commuting to and from work, touring, recreation, and on-road and off-road racing.

Motorcycles are produced in the United States by Harley-Davidson Motor Co., Inc., and Kawasaki Motors Corp., U.S.A., a wholly owned subsidiary of Kawasaki Heavy Industries, Japan. Harley-Davidson currently produces 1000cc, 1200cc, and 1340cc engine size on-highway motorcycles at its plant in York, Pa. From 1973 through 1976, 90cc, 175cc, and 250cc on-highway and dual-purpose motorcycles were produced. Harley-Davidson acquired 50 percent ownership of an Italian production facility in 1960, increasing that ownership to 100 percent in 1973. This plant, which produced 90cc, 125cc, 175cc, 250cc, and 350cc motorcycles, discontinued production in July 1978. Kawasaki Motors Corp., U.S.A., started motorcycle production at its Lincoln, Neb., plant in January 1975. Since that time, Kawasaki has produced 400cc, 650cc, 900cc, and 1000cc on-highway motorcycles.

Although a number of countries export motorcycles to the United States, their volume is small compared with the exports of the "Big Four" companies located in Japan--Honda Motor Co., Ltd.; Yamaha Motor Co., Ltd.; Suzuki Motor Co., Ltd, and Kawasaki Heavy Industries. Honda is the largest producer of motorcycles in Japan, with Kawasaki being the smallest of the "Big Four". Sales of motorcycles in the United States by all four of the Japanese producers are made through their respective wholly owned subsidiaries located in the Los Angeles, Calif., area. These subsidiaries are American Honda Motor Co., Inc.; Yamaha Motor Corp., U.S.A.; U.S. Suzuki Motor Corp.; and Kawasaki Motors Corp., U.S.A.

U.S. consumption of motorcycles increased by more than 24 percent, from 873,000 units in 1972 to 1.1 million units in 1973. Consumption declined about 16 percent in 1974, and then dropped almost 30 percent in 1976 to 646,000 units. As the economy improved in 1976 consumption increased about 20 percent and increased slightly through 1977. Apparent consumption was 450,000 units during January-June 1978, representing a 13-percent decline from consumption in the corresponding period of 1977. An analysis of consumption by engine size revealed a shift in the market from smaller cc motorcycles to larger, more sophisticated, high-performance machines. A further shift is found in the growth of demand for both on- and off-highway motorcycles at the expense of dual-purpose types.

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In analyzing motorcycle prices, the Commission compared only those models on which margins were found by Treasury and models which were in the same type and size categories. These price comparisons showed that the prices of U.S.-made on-highway and dual-purpose lightweight motorcycles declined during the period in which Treasury found LTFV sales. Import price competition had little impact in the middleweight market segment, where the price of the domestically produced model compared actually increased even though imported prices were cut substantially. Price competition in the heavyweight market segment had minimal impact on Harley-Davidson's ability to maintain the price on its \*\*\*.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Introduction.

On August 3, 1978, the U. S. International Trade Commission received advice from the Department of the Treasury that motorcycles from Japan, with the exception of merchandise produced by Suzuki Motor Co., Ltd., are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 (a)). 1/ Accordingly, on August 11, 1978, the Commission instituted investigation No. AA1921-187 under section 201(a) of said act 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. By statute, the Commission must render its determination within 3 months of its receipt of advice from Treasury or, in this case, by November 3, 1978.

In connection with the investigation, a public hearing was held in Washington, D.C., on September 28 and 29, 1978. Notice of the institution of the investigation and the public hearing was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's office in New York City, and by publishing the notice in the Federal Register of August 17, 1978 (43 F.R. 36519). 2/

The complaint which led to Treasury's determination of sales at LTFV was filed by counsel representing the Harley-Davidson Motor Co., Inc., a subsidiary of AMF, Inc. Treasury's notice of investigation was published in the Federal Register of July 15, 1977 (42 F.R. 36586). Notice was published in the Federal Register of January 20, 1978 (43 F.R. 2968), stating that the Secretary of the Treasury had concluded that the determination provided for in section 201(b)(1) of the Act (19 U.S.C. 160(b)), could not be reasonably made within 6 months. The determination was therefore to be made within no more than 9 months. A notice of tentative determination of sales at LTFV and notice of withholding of appraisement were published in the Federal Register of April 26, 1978 (43 F.R. 17900-02). Treasury's final determination of sales at LTFV was published in the Federal Register of August 8 (43 F.R. 35140). 3/

On October 18, 1978, the Commission received advice from the Treasury Department entitled "Modification of Its Determination of Sales at Less Than Fair Value and an Exclusion From Investigation and Discontinuance of Investigation." This notice amended Treasury's final determination to discontinue

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1/ A copy of Treasury's letter to the Commission concerning LTFV sales of motorcycles from Japan is presented in app. A.

2/ A copy of the Commission's Federal Register notice of investigation and hearing is presented in app. B.

3/ Copies of Treasury's Federal Register notices are presented in app. C.

the antidumping investigation with respect to motorcycles produced and sold by Yamaha, and to report certain changes in the LTFV margins applicable to sales of Honda, Kawasaki, and Yamaha motorcycles. 1/

#### Description and Uses

Motorcycles are two-wheeled motorized vehicles powered by internal-combustion engines having piston displacements greater than 90 cubic centimeters (cc). Motorized two-wheeled vehicles with piston displacement of 90cc or less consist primarily of motor/pedal bicycles (mopeds), minibikes and cycles, and scooters. In addition to being less powerful, these smaller vehicles are usually different in design and less versatile than motorcycles. A moped, for instance, is a low-performance vehicle with maximum speed ranges from 18 to 28 miles-per-hour (mph). Typically, mopeds weigh from 60 to 100 pounds and handle like ordinary pedal bikes. All have engines of 50cc or less, which is smaller than the engine on an average power lawn mower. Minibikes and cycles are also smaller and lighter than regular motorcycles. They are difficult to see on highways and are often unstable at highway speeds because of their shorter wheelbase and smaller tires. These vehicles are used primarily for recreation and as training vehicles for new riders. Most minibikes have engines of 90cc or less; however, there are a few models that have engines larger than 90cc.

The domestic producers and the major U.S. importers of motorcycles agree that mopeds, minibikes and cycles, and scooters are not comparable to motorcycles. Harley-Davidson, in its complaint to Treasury, did not include mopeds, minibikes and cycles, or scooters. Likewise, Treasury did not investigate the possibility of sales at LTFV of such merchandise. Therefore, only motorcycles powered by internal-combustion engines having a piston displacement greater than 90cc will be discussed in the ensuing sections of this report and are included within the scope of this investigation.

Motorcycles are used for a variety of purposes that include commuting to and from work, touring, recreation, and on- and off-road racing. Within the general category of motorcycles, there are numerous variations, based largely upon the principal intended use. The differences in use dictate what is required in the characteristics of the motorcycle.

The use of motorcycles, as police pursuit vehicles (once a major use of large motorcycles) has declined. Police departments have switched to the safer, more versatile patrol car. Although some law enforcement agencies still use heavyweight motorcycles, a significant share of the motorcycles currently used are small, lightweight units utilized more for transportation than pursuit.

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1/ A copy of Treasury's letter to the Commission is presented in app. A.

### On-highway motorcycles

On-highway motorcycles, as the name implies, are intended for use only on hard-surfaced roadways. This type of motorcycle is required by the Federal Motor Vehicle Safety Standards to be equipped with such items as turn signals, lights (front, tail, and brake), rearview mirror, and a horn. The generally stiff suspension system contributes to a firm ride and a high resistance to steering wander. On-highway motorcycles are generally operated at moderate to high engine speeds. Full fenders are mounted close to the tread surface of the tire to protect the rider from water, stones, and other material thrown from the tire treads. The exhaust system is low-hanging, usually passing beneath the foot pegs, extending to the rear of the motorcycle. The wheel rims and tires are moderately narrow, and the tread on the tires is similar to that on automobile tires.

On-highway motorcycles range in engine size from slightly over 90cc to 1340cc. Each size motorcycle is designed to provide certain operating characteristics. For example, a 125cc unit might provide medium speed, light weight, economy of operation, reliability, and maneuverability. A single motorcycle model may include many of these characteristics, but not necessarily all of them.

Motorcycles of less than 250cc (sometimes referred to as lightweight motorcycles) are economical to operate and maintain, but are rarely powerful enough to cruise for extended periods at freeway or expressway speeds. Motorcycles with engine sizes of approximately 360cc to 650cc are agile for city driving and are powerful enough to be driven safely for extended periods on freeways and expressways. They are more expensive to operate and maintain than the smaller motorcycles, however.

Motorcycles with engine sizes of approximately 750cc and over are large and fast. They are usually intended for use on the open highway, and are more difficult to handle in stop and go traffic than the smaller motorcycles. They are also more expensive to operate and maintain.

### Dual-purpose motorcycles

Dual-purpose motorcycles, which are also referred to as street-trail motorcycles, comprise a class of motorcycles that meet the Federal Motor Vehicle Safety Standards for legal street operations and have characteristics that make them suitable for off-highway use such as riding on dirt trails. These motorcycles usually have greater ground clearance and in some cases will incorporate open lug pattern tread tires (knobby tires) which give improved traction and steering control on dirt surfaces. The fenders are usually

mounted high off the wheel so that mud will not pack between the tire and fender. The exhaust system sweeps upward from the engine and extends below and behind the seat. This design protects the exhaust system from damage caused by contact with low obstacles. Almost all of the dual-purpose motorcycles have an engine size of 400cc or less, with the majority of the models falling between 90cc and 250cc.

### Off-highway motorcycles

Off-highway motorcycles are vehicles intended for sporting or recreational use strictly in off-highway areas. These motorcycles are not certified as being in compliance with the Motor Vehicle Safety Standards for use on highways. They are used in a wide variety of activities such as racing in closed-course competition, cross-country competitive riding, off-highway casual riding, and special types of competition such as hill climbing and maneuvering on obstacle courses. With the exception of casual riding (trail) motorcycles, the off-highway motorcycles usually have special features (specialized gearing, special seating, special tires, and so forth) that, because of their intended competitive use, restrict the number that are produced or imported. The vast majority of off-highway motorcycles have engine sizes of less than 250cc, but there are racing motorcycles (for closed-course competition) that have engine sizes of up to 750cc.

In addition to these three use categories, the motorcycle market is also segmented by engine displacement size. As previously stated, engine sizes range from slightly over 90cc to 1340cc. For purposes of analysis, motorcycles are classified in this report in three size categories: Lightweight motorcycles, ranging from slightly over 90cc to 250cc; middleweight motorcycles, ranging from 251cc to 700cc, and heavyweights, with any engine greater than 700cc. These categories are not intended to represent rigid classes which do not overlap, but rather serve as a means of organizing the various motorcycles into like classes. The size ranges within categories conform to accepted industry definitions.

### U.S. Tariff Treatment

Motorcycles having engines with total piston displacement of more than 90cc are dutiable under the provisions of item 692.50 of the Tariff Schedules of the United States (TSUS). The column 1 (most-favored-nation) rate of duty applicable to articles entered under this item is 5 percent ad valorem. This rate has been in effect since January 1, 1972, when the final stage of the concessions granted in the Kennedy round of trade negotiations became effective. In 1970 and 1971 the rates of duty for motorcycles were 7 and 6 percent respectively. The column 2 rate of duty is 10 percent ad valorem.



Title V of the Trade Act of 1974 authorizes the establishment of a Generalized System of Preferences (GSP) for eligible articles imported from beneficiary developing countries. The President has designated motorcycles as eligible for duty-free treatment under the provisions of GSP, but countries eligible for GSP treatment currently possess little or no capacity to produce motorcycles.

#### Channels of Distribution

In 1977 the five leading brands of motorcycles sold in the United States--Honda, Yamaha, Kawasaki, Suzuki, and Harley-Davidson--accounted for about 95 percent of retail sales. Harley-Davidson sells its motorcycles directly to dealers without the use of regional warehouses. The Japanese motorcycles are imported by American subsidiaries of the foreign producers and distributed to dealers through subsidiary-owned regional warehouses. An exception to this is Kawasaki Motors Corp., U.S.A., which imports its motorcycles and also produces them at its Lincoln, Nebr., plant. The company's method of distribution differs from that of the other companies as illustrated in figure 1.

\* \* \* \* \*

#### Nature and Extent of Sales at LTFV

Treasury's investigation of U.S. imports of motorcycles from Japan covered the 8-month period from November 1, 1976, through June 30, 1977. This investigation covered four Japanese companies--Honda Motor Company, Ltd.; Yamaha Motor Co., Ltd.; Kawasaki Heavy Industries, Ltd.; and Suzuki Motor Co., Ltd.--which together accounted for approximately 98 percent of the Japanese motorcycles sold to dealers or independent distributors in the United States during the period under consideration. Treasury made price comparisons on approximately 90 percent of the total U.S. sales by these four manufacturers during the period of its investigation. The results of these price comparisons are shown in the following table.

Motorcycles: Comparison of sales by 4 Japanese manufacturers,  
Nov. 1, 1976-June 30, 1977

Firm	Net value of sales	Net value of sales compared	Sales compared	Sales at margin	Sales at margin	Range of margins	Weighted average margin 1/
	1,000 dollars	1,000 dollars	Percent	1,000 dollars	Percent	Percent	Percent
Honda-----	***	***	95.6	***	16.9	1.1 -52.3	2.9
Yamaha-----	***	***	93.3	***	26.8	.9 -54.0	1.96
Kawasaki---	***	***	57.1	***	24.9	3.9 -53.95	7.26
Suzuki-----	***	***	88.0	***	7.8	.64- 4.95	0.28
Total--	***	***	89.5	***	18.8	.9 -54.0	2.59

1/ Based on all sales compared.

Source: Derived from confidential files of the U.S. Department of the Treasury.

The weighted average margin on all sales compared by Treasury was 2.59 percent. Individual company margins ranged from a high of 7.26 percent for Kawasaki to a low of 0.28 percent for Suzuki. Treasury determined that Suzuki's weighted average margin was de minimis and exempted Suzuki from its determination of LTFV sales.

All four Japanese producers sold their motorcycles to related subsidiaries in the United States. For this reason the basis of comparison used to determine LTFV sales was between exporter's sales price and the home-market price of such or similar merchandise. Exporter's sales price in the instant case represents the price realized by U.S. distributors (in all cases wholly owned subsidiaries of the Japanese manufacturers) on sales to the first non-related party, the retail dealership. An exception was made in the case of Honda model GL 1000K2, where the basis of comparison was between exporter's sales price and sales of such merchandise sold in a third country (Canada). There were no home-market sales of this model.

Since imports from Japan account for about \*\*\* percent of total U.S. consumption of motorcycles, and because LTFV imports alone during the period of the Treasury investigation were about \*\*\* percent greater than the U.S. producers' share of the U.S. market and about \*\*\* percent greater than Harley-Davidson's share, the weighted average dumping margins are analyzed in the following table, based on sales at margin rather than on all sales compared.

Motorcycles: Sales at margin, dumping margins, and weighted average margins 1/for 4 Japanese manufacturers, Nov. 1, 1976-June 30, 1977

Firm	Sales at margin	Dumping margin	Weighted average margin
	1,000 dollars	1,000 dollars	Percent
Honda-----	***	***	17.4
Yamaha-----	***	***	7.3
Kawasaki-----	***	***	29.5
Suzuki-----	***	***	3.6
Total-----	***	***	13.8

1/ Based on only those sales examined by Treasury which were found to be sold at LTFV margins.

Source: Derived from confidential files of the U.S. Department of the Treasury.

Treasury's investigation disclosed that the pricing tactic employed by Japanese motorcycle companies was primarily a matter of "model year" discounting. In general, a manufacturer's "model year" begins in the fall of the year, continuing to the succeeding fall. In the instant case, the U.S. subsidiaries of the Japanese producers amassed sizable inventories of motorcycles which had been imported in a particular year (e.g. 1975) but not sold in that year. As the 1976 model year motorcycles became available, the distributor would cut the price on these "prior" year models to make way for the new models. Price cuts increased the longer a particular model-year motorcycle remained in stock.

Treasury's investigation examined the "prior model year" issue. The results of their model-year comparisons are shown in the following table.

Motorcycles: Model-year comparisons of sales by 4 Japanese manufacturers, Nov. 1, 1976-June 30, 1977

\* \* \* \* \*

Source: Derived from confidential files of the U.S. Department of the Treasury.

Treasury's finding of LTFV margins was based on comparisons of specific motorcycles models sold in the United States by the U.S. subsidiaries of the Japanese producers during the period of investigation. Because of the large number of models involved, Treasury did not make comparisons on any model of which less than 1,000 units were sold during the period of investigation. Counsel for Harley-Davidson contended that this arbitrary cut-off point led to the elimination of some models which were almost certainly being sold at LTFV and which directly competed with Harley-Davidson models. Counsel further contended that although the largest motorcycle on which margins were found was a 750cc model and the smallest model Harley-Davidson produced in 1977 was a 1000cc model, the LTFV sales still caused the prices of Harley-Davidson models to be suppressed.

On October 18, 1978, the Commission was advised by Treasury that its determination of sales at LTFV concerning motorcycles from Japan was being amended on the basis of the receipt and analysis of additional information. The amended determination made the following changes in the determinations that was transmitted to the Commission on August 3, 1978. <sup>1/</sup> Comparisons were made on approximately 89 percent of total sales of motorcycles by all manufacturers investigated for the period under investigation (a revision from the comparison of 90 percent as stated in the original determination). Margins were found on approximately 18.2 percent of sales (originally 18.6 percent) ranging from 0.3 to 54.2 percent (originally 0.9 to 54.0 percent) and resulting in a weighted average margin of 2.08 percent on all sales compared (originally 2.59 percent). Weighted average margins found with respect to the companies under investigation are shown in the following tabulation (in percent):

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<sup>1/</sup> All the information heretofore presented in the section on the Nature and Extent of Sales of LTFV in this report was based on the August 3, 1978, advice from Treasury.

(In percent)

Company	: Amended : margin	:Original : margin
Honda-----	: 2.6	: 2.9
Kawasaki-----	: 6.9	: 7.26
Suzuki-----	: .15	: .28
Yamaha-----	: .82	: 1.96
	:	:

In the case of Yamaha, Treasury considered the amended weighted average margin of 0.82 percent to be minimal in relation to the total volume of its exports to the United States. In addition, formal assurances were received from Yamaha that it would make no future sales at LTFV. Treasury, therefore, discontinued its investigation with respect to Yamaha Motor Co., Ltd., and terminated its order to withhold appraisement on motorcycles produced by that company.

The amended final margins on those motorcycles sold at LTFV by Kawasaki, Honda, and Yamaha, by manufacturers, by models, and by model years, are presented in Appendix G.

#### Domestic Producers

Harley-Davidson Motor Co., Inc., of Milwaukee, Wis. (the complainant), a subsidiary of AMF, Inc., is one of two producers of motorcycles in the United States. Kawasaki Motors Corp., U.S.A., a wholly owned subsidiary of Kawasaki Heavy Industries, Japan, is the other domestic producer. Kawasaki's manufacturing plant is located in Lincoln, Nebr.

The first commercially produced motorcycle in the United States was manufactured by the E.R. Thomas Motor Co. in 1901. Since that time there have been many companies that have produced motorcycles domestically. All except Harley-Davidson and Kawasaki have ceased production. The following companies discontinued producing motorcycles in the United States during 1973-78:

<u>Company</u>	<u>Principal offices</u>	<u>Year production ceased</u>
Rupp Industries-----	Mansfield, Ohio	1973
Yankee Motor Corp-----	Schenectady, N.Y.	1973
Fox Corp-----	Janesville, Wis.	1974
Rokon, Inc-----	Keene, N.H.	1978

An official of Rokon, which produced approximately \*\*\* motorcycles in 1974, its peak year in the period 1972-77, stated it was forced out of the domestic market because of price competition from Japanese imports.

Mr. John Taylor, president of Yankee Accessory Corp. and former president of Yankee Motor Corp., appearing at the Commission's public hearing, testified, "By the fall of 1973, low Japanese pricing had made it all but impossible for us to operate profitably in this market. Therefore, in late September 1973, the manufacturing of Yankee motorcycles stopped."

Harley-Davidson, which started producing motorcycles in 1903, merged with AMF, Inc., in 1969. It has three domestic plants engaged in the production of motorcycles or motorcycle parts. The Milwaukee plant produces engines and transmissions for motorcycles and golf cars. At the York, Pa., plant, motorcycle parts other than engines and transmissions are manufactured and, along with components produced in Milwaukee, are assembled into complete machines. The York plant also assembles golf cars. The Tomahawk, Wis., plant produces fiberglass and certain other motorcycle components, as well as certain non-motorcycle products.

\* \* \* \* \*

Harley-Davidson discontinued production at the Italian plant in July 1978. In addition to the motorcycles already described, Harley-Davidson produced a variety of other motorcycle models at its facilities in the United States and Italy. A list of these models, with dates and location of production, can be found in appendix D.

Kawasaki Motors Corp., U.S.A., started motorcycle production at its Lincoln, Nebr., plant in January 1975. Since 1975, Kawasaki has domestically produced 400cc, 650cc, 900cc, and 1000cc on-highway motorcycles. The plant also produces snowmobiles and jet skis.

\* \* \* \* \*

Kawasaki has produced 400cc, 650cc, 900cc, and 1000cc motorcycles both in Japan and at the Lincoln plant since that plant opened in 1975. Thus, the company has imported and domestically produced virtually identical motorcycles. Counsel for Kawasaki testified at the public hearing that the company "has increased its production and sales both for domestic consumption and for

export by displacing KMC imports and other imports from Japan . . . Over the longer term, we plan to expand domestic (U.S.) production and sales by displacing KMC imports and competing directly with other competitive bike imports." 1/ \*\*\*.

### Foreign Producers

Japan is, by far, the leading producer of motorcycles in the world. Motorcycles are also produced in many other countries such as West Germany (BMW), Italy (Benelli and Moto Guzzi), United Kingdom (Triumph), Spain (Bultaco and Montesa), Canada (Can-Am), and Sweden (Husquvarna). Although all of these countries export motorcycles to the United States, their volume is small compared with the exports of the "Big Four" companies located in Japan--Honda Motor Co., Ltd.; Yamaha Motor Co., Ltd.; Suzuki Motor Co., Ltd.; and Kawasaki Heavy Industries.

### Japanese producers

Honda is the largest producer of motorcycles in Japan. Kawasaki, which produced approximately 335,000 motorcycles in 1977, is the smallest of the "Big Four." Honda has four motorcycle manufacturing facilities in Japan, Suzuki has two, and Yamaha and Kawasaki each have one. Most of these facilities also produce other transportation-related products.

In Japan, all four manufacturers utilize subsidiary or affiliated wholesalers to distribute all or a major part of their sales to dealers. Kawasaki makes all of its sales to Japanese dealers through wholesalers which are wholly owned by Kawasaki. The other three Japanese firms utilize affiliated and independent wholesalers to distribute their motorcycles to dealers, with the majority of the sales going through the affiliated distributors. Sales of motorcycles in the United States, by all four of the Japanese producers, are made through their respective wholly owned subsidiaries located in the Los Angeles, Calif. area. These subsidiaries are American Honda Motor Co., Inc.; Yamaha Motor Corp., U.S.A.; U.S. Suzuki Motor Corp.; and Kawasaki Motors Corp., U.S.A.

### Japanese production and exports

Japanese production of motorcycles having engines with total piston displacement of more than 50cc increased from 2.6 million units in 1972 to 3.4 million units in 1974, and then declined to 2.8 million units in 1976 as shown

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1/ See transcript of the hearing, pp. 260-261.

in the following table. In 1977, Japanese production rebounded to 3.7 million units. The majority of total production, whether destined for the home market or for export, consists of motorcycles with engines of 250cc or less. In an informal agreement with the Japanese government, the Japanese manufacturers have agreed not to sell motorcycles of more than 750cc in the home market. However, foreign produced motorcycles over 750cc can be sold in Japan.

Motorcycles: Japanese production with engines greater than 50cc,<sup>1/</sup>  
by manufacturers, 1972-77

(In thousands of units)

Year	Honda	Yamaha	Suzuki	Kawasaki	All other	Total
1972-----	1,290	650	416	218	24	2,598
1973-----	1,210	754	443	250	22	2,679
1974-----	1,483	899	661	355	12	3,410
1975-----	1,240	731	515	274	11	2,771
1976-----	1,094	760	615	284	8	2,761
1977-----	1,329	1,247	760	335	4	3,675

<sup>1/</sup> Includes minibikes and cycles greater than 50cc.

Source: Japan Automobile Manufacturers Association, Inc.

The vast majority of Japanese motorcycle production is earmarked for export as shown in the following table, and Japanese exports of motorcycles have followed the same general trend as production. The United States is the largest consumer of Japanese-made motorcycles. In 1977 the United States received approximately 25 percent of Japan's total motorcycle exports. Japanese motorcycle exports to the United States consisted of all types and sizes of motorcycles; in contrast, Japanese exports to other countries were primarily lightweights. Other major consuming countries are Nigeria, Taiwan, Indonesia, Thailand, Iran, the United Kingdom, Malaysia, and France. Japanese exports as a percent of production have increased annually from approximately 80 percent in 1973 to almost 93 percent in 1977.



Motorcycles: Japanese production with engines greater than 50cc,<sup>1/</sup>  
exports of such merchandise, 1972-77

Year	: Japanese : : production:	: Japanese : : exports :	: Ratio of exports : to production
	: <u>1,000</u> : <u>units</u>	: <u>1,000</u> : <u>units</u>	: <u>Percent</u>
1972-----	: 2,598	: 2,157	: 83.0
1973-----	: 2,679	: 2,149	: 80.2
1974-----	: 3,410	: 2,909	: 85.3
1975-----	: 2,771	: 2,402	: 86.7
1976-----	: 2,761	: 2,540	: 92.0
1977-----	: 3,675	: 3,401	: 92.5
	: :	: :	: :

<sup>1/</sup> Includes minibikes and cycles greater than 50cc.

Source: Japan Automobile Manufacturers Association, Inc.

Apparent U.S. consumption

The dumping investigation conducted by Treasury compared Japanese home-market prices with prices at which motorcycles were sold by U.S.-distributors to retail dealers. For this reason, data on apparent U.S. consumption in this report are based on sales to dealers rather than sales to consumers. Also, because the preponderance of U.S. motorcycle consumption is accounted for by imports from Japan (about \*\*\* percent in 1977) and U.S. production (about \*\*\* percent in 1977), the U.S. market will be reviewed for purposes of analysis as consisting only of Japanese and U.S.-produced motorcycles.

U.S. consumption of motorcycles increased by more than 24 percent, from 873,000 units in 1972 to 1.1 million units in 1973 in reaction to the Arab oil embargo and increased consumer concern over energy problems (table 1, appendix F). As the embargo ended and fuel problems lessened, consumption began to drop off. Although manufacturers had assumed motorcycles would be in great demand as economical transportation, the experience of 1973-74 reflected the consumer's perception, of motorcycles as primarily recreational products. Because of this perception, the demand for motorcycles is especially subject to pressures of recession, as was shown in 1975 when consumption dropped almost 30 percent to 646,000 units. As the economic situation improved in 1976, consumption increased about 20 percent and remained at this level through 1977. Apparent consumption was 450,000 units during January-June 1978, representing a 13-percent decline compared with the corresponding period of 1977.

As shown in the following table, the sharpest decline in consumption was with dual-purpose motorcycles, where consumption declined more than 50 percent

from 1973 to 1977. Relative to other types of motorcycles, demand for on-highway vehicles has shown the greatest strength. This suggests that the manufacturers' basic forecast of rising demand for motorcycles as an energy-efficient form of transportation may not have been wholly wrong, yet recreational demand remains the primary force affecting the market.

Motorcycles: Apparent U.S. consumption, by types, 1972-77, January-June 1977, and January-June 1978

(In thousands of units)

Period	On- highway	Dual- purpose	Off- highway	Total
1972-----	474	336	63	873
1973-----	597	368	123	1,087
1974-----	444	339	121	903
1975-----	385	151	110	646
1976-----	439	210	130	778
1977-----	486	176	118	780
January-June--				
1977-----	331	98	84	514
1978-----	291	83	75	450

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

The demand for motorcycles is strongly influenced by the intended use of the motorcycle and the degree of riding experience of the potential consumer. There is a tendency to "trade up" in the market, which is reflected by the shifts in market share between different types and sizes of motorcycles. An analysis of consumption by engine size (table 2) reveals a shift in the market from smaller motorcycles to larger, more sophisticated, high-performance machines. A further shift is found in the growth of both on- and off-highway motorcycles at the expense of dual-purpose types. As the rider gains experience he becomes more discriminating as to what he wants from a particular motorcycle. Rather than choosing a hybrid cycle which is intended for a variety of uses, he or she will concentrate on finding a model which satisfies particular needs, be they highway touring, trail riding, or competition racing.

#### U.S. imports from Japan

Imports from Japan are comprised of all types and sizes of motorcycles, except dual-purpose heavyweight models which are not produced in Japan or elsewhere (table 3). Imports peaked in 1974 at \*\*\* units, then declined more

than 60 percent to \*\*\* units in 1976 as shown in the following table. Imports recovered by more than 40 percent in 1977 and continued to increase in 1978. Imports for the period January-June 1978 increased 45 percent compared with imports in the corresponding period of 1977.

Motorcycles: U.S. imports for consumption from Japan, 1/ by types, 1972-77, January-June 1977, and January-June 1978

(Quantity in units)						
Period	: On-	: Dual-	: Off-	:	:	Total
	: highway	: purpose	: highway	:	:	
	*	*	*	*	*	*

1/ Includes imports of Honda, Kawasaki, Yamaha, and Suzuki, which account for about 98 percent of total imports from Japan.

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

The trends in imports in absolute terms and in terms of types of motorcycles parallel the trends in apparent consumption with the exception of 1974 and January-June 1978. Consumption peaked in 1973, but imports continued to increase through 1974. Although consumption in January-June 1978 is below consumption levels during the corresponding period of 1977, imports have increased about 45 percent. These two exceptions are attributable in large part to the inability of producers to accurately forecast motorcycle demand in the U.S. market. New models are introduced in the fall of the year, which means that production of these models must start in the spring of the previous model year, with shipments scheduled for the summer months. This lead time limits the ability of the Japanese producers and their U.S.-subsidiaries to react to sudden declines in demand.

Shipments of imported motorcycles more closely follow the trends in consumption, peaking in 1973, declining in 1974 and 1975, then gradually recovering in 1976. As shown in the following table, U.S. shipments of Japanese motorcycles declined about 4 percent in 1977 and continued to decline in 1978.

Motorcycles: Shipments to dealers of Japanese imports, by types,  
1972-77, January-June 1977, and January-June 1978

(In units)

Period	: On- : highway	: Dual- : purpose	: Off- : highway	: Total
*	*	*	*	*

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

Data on shipments of imported Japanese motorcycles, by engine sizes, are detailed in table 4. Shipments of middleweight, on-highway motorcycles accounted for almost 30 percent of total import shipments in 1977. The largest declines in shipments were in the on-highway and dual-purpose lightweight categories, which both fell about 50 percent from 1972 to 1977. The most significant increases were in the heavyweight on-highway segment of the market, where import shipments rose almost 140 percent. The substantial growth in this segment reflects the introduction of Japanese 1000cc on-highway motorcycles in 1975. Prior to that time, this market segment had been dominated by Harley-Davidson. Currently, this is the only market for which Harley-Davidson produces.

U.S. producers' shipments

Shipments of U.S.-produced motorcycles increased annually from \*\*\* units in 1972 to \*\*\* units in 1975 (the year in which Kawasaki began producing in the United States), declined \*\*\* percent in 1976, then increased more than \*\*\* percent to \*\*\* units in 1977, as shown in the following table. Shipments consisted primarily of heavyweight on-highway motorcycles (tables 5-7).

Motorcycles: U.S. shipments of domestically produced motorcycles, by types, 1972-77, January-June 1977, and January-June 1978

Period	:	On-	:	Dual-	:	Off-	:	Total
	:	highway	:	purpose	:	highway	:	
*		*		*		*		*

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

\* \* \* \* \*

Testimony was received during the public hearing alleging that Harley-Davidson was unable to fill all its dealers' orders in a timely fashion owing to production backlogs and parts shortages. This claim was substantiated by the submission of copies of Harley-Davidson memos to dealers advising them of "overcommitted orders" for certain models for delivery in specific months, particularly in 1978. These overcommitted orders resulted largely from the individual dealer's desire to receive orders as close to the peak selling season as possible in order to reduce inventory costs. Thus the overcommitted orders were primarily a reflection of Harley-Davidson's inability to ship orders from inventory or from its planned production schedule in accordance with dealers' requested delivery dates and not to a lack of capacity to produce the total annual motorcycle requirements of its dealers.

\* \* \* \* \*

Domestic producers' shipments of motorcycles to Government agencies (including police departments) increased erratically, as shown in the following tabulation:

<u>Year</u>	<u>Quantity (units)</u>	<u>Value (1,000 dollars)</u>
1972-----	***	***
1973-----	***	***
1974-----	***	***
1975-----	***	***
1976-----	***	***
1977-----	***	***

U.S. exports

\* \* \* \* \*

The principal U.S. export markets have been Canada and European countries. Exports have consisted almost entirely of heavyweight on-highway motorcycles.

Consideration of Injury or Likelihood of Injury

Utilization of production facilities

U.S. producers were requested to report their capacity to produce motorcycles for the years 1972-77 and January-June 1977 and January-June 1978. Capacity was defined as the number of units produced by operating production facilities one shift per day, 5 days per week, and reflecting the firm's normal product mix during each period for which data were reported.

\* \* \* \* \*

Motorcycles: U.S. production and U.S. production capacity, 1972-77,  
January-June 1977, and January-June 1978

\* \* \* \* \*

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

\* \* \* \* \*

Employment

\* \* \* \* \*

Average number of production and related workers producing motorcycles,  
by companies, 1972-77, January-June 1977, and January-June 1978

\* \* \* \* \*

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

Average number of man-hours worked by production and related workers producing motorcycles, by companies, 1972-77, January-June 1977, and January-June 1978

\* \* \* \* \*

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

\*\*\*. The workers at Harley-Davidson are represented by the Allied Industrial Workers of America and the International Association of Machinists and Aerospace Workers. Representatives of both these unions testified at the public hearing that although some jobs were lost because a shifting of assembly operations from Milwaukee to York, the majority of the jobs were lost as a direct result of unfair Japanese competition.

Title II, chapter 2, of the Trade Act of 1974 provides for adjustment assistance to workers, firms, and communities when increased imports have contributed importantly to their economic difficulties. On September 2, 1975, workers at Harley-Davidson's Milwaukee plants were certified by the U.S. Labor Department as eligible for import adjustment assistance. On July 26, 1978, workers at Harley-Davidson's plants were denied adjustment assistance.

Financial experience

\* \* \* \* \*



Profit-and-loss experience of U.S. producers of motorcycles on their motorcycle operations and investment in fixed assets employed in the production of motorcycles, by companies, 1972-77, and January-June 1978

Company and period	Net sales	Net operating profit	Fixed assets employed in the production of motorcycles		Ratio of net operating profit to--			
			Original cost	Book value	Net sales	Fixed assets Original cost	Book value	
	: 1,000 : :dollars	: 1,000 : :dollars	: 1,000 : :dollars	: 1,000 : :dollars	:	: Percent	: Percent	: Percent
	*	*	*	*	*	*	*	*

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

\* \* \* \* \*

Research and development.--U.S. producers' expenditures for research and development on motorcycles during 1972-77 and January-June 1978 are shown in the following tabulation:

\* \* \* \* \*

Capital expenditures.--As indicated in the following table, substantial capital expenditures were undertaken by domestic producers during the period January 1972- June 1978.

\* \* \* \* \*

Motorcycles: Capital expenditures by U.S. producers, 1972-77 and  
January-June 1978

(In thousands of dollars)

Period	:	Land	:	Building	:	Machinery
	:	improvements	:	improvements	:	and equipment

\* \* \* \* \*

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

Inventories

U.S. producers provided information regarding their inventories of domestically produced motorcycles on March 31 and September 30 for the period January 1975- March 1978. Inventories are traditionally high in March in anticipation of the spring selling season and low in September in anticipation of new-model-year introductions. A summary of the data provided is found in the following table.

Motorcycles: U.S. producers' inventories of domestically produced motorcycles, by types, 1/ Mar. 31 of 1975-78 and Sept. 30 of 1975-77

(In units)

Date	:	On-	:	Dual	:	Total
	:	highway	:	highway	:	

\* \* \* \* \*

1/ There were no reported inventories of off-highway motorcycles.

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

\* \* \* \* \*

Data on inventories by model year can be found in tables 11 - 13.

Inventories of imported Japanese motorcycles are of special importance in this case because of the nature of the LTFV sales. Treasury's investigation determined that the majority of LTFV sales were of prior year models being sold during the period of investigation. Testimony at the public hearing by both domestic producers and importers confirmed that inaccurate projections of demand in 1975 led to increased inventories in 1975 and 1976 model-year motorcycles which were later sold at sharply discounted prices. In order to examine this phenomenon adequately, the Commission requested detailed inventory data from the four Japanese importers. Responses are summarized in the following table and presented in detail in table 14. Data were collected for March 31 and September 30 for the period January 1973- March 1978. These dates represent high and low inventory levels, respectively. Inventories were further segmented into present models, prior models, and new models. Present models reported as of September 30, 1975, for example, would be those designated by the producer as 1975 model year; prior models would be those designated as any year before 1975, and new models would be those designated as 1976 model year.

Motorcycles: Inventories of imported Japanese motorcycles, by types,  
Mar. 31 of 1973-78 and Sept. 30 of 1973-77

(In thousands of units)

Date	On- highway	Dual- purpose	Off- highway	Total
1973:	:	:	:	:
Mar. 31-----	277	152	21	450
Sept. 30-----	130	69	23	222
1974:	:	:	:	:
Mar. 31-----	24	20	43	87
Sept. 30-----	87	55	54	196
1975:	:	:	:	:
Mar. 31-----	328	227	72	626
Sept. 30-----	292	223	77	591
1976:	:	:	:	:
Mar. 31-----	250	163	85	498
Sept. 30-----	213	77	67	357
1977:	:	:	:	:
Mar. 31-----	89	52	42	183
Sept. 30-----	92	57	29	178
1978:	:	:	:	:
Mar. 31-----	148	78	29	254

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

Inventories in 1973 represented the normal inventory distribution, with higher levels in March and lower levels in September when new models were about to be introduced. In 1974, inventory levels were very low in March but began to build up in September, when they should have been falling. Inventories jumped sharply in 1975, when they were six times greater on March 31 of that year than they had been on the same date in the prior year. Demand for motorcycles fell off rapidly in 1975, but committed orders continued to be imported. Inventory levels dropped in 1976 as imports were reduced, but the percentage of prior-year models in inventory increased sharply. As of September 30, 1976, prior-year models accounted for more than 35 percent of total inventories compared with 3 percent on the corresponding date in 1975. In 1977 inventory levels were further reduced and the share of prior-year models dropped to 10 percent. As of March 31, 1978 inventories had increased almost 40 percent compared with inventories on the corresponding date of 1977.

As with U.S. producers, the fluctuations in U.S. importers' inventories can be further illustrated by an analysis of the ratios of importers' inventories to importers' shipments.

<u>Year</u> <u>1/</u>	<u>Importers'</u> <u>inventories</u> <u>(1,000 units)</u>	<u>Ratio of importers'</u> <u>inventories to</u> <u>importers' shipments</u> <u>(Percent)</u>
1973-----	222	***
1974-----	196	***
1975-----	591	***
1976-----	357	***
1977-----	178	***

1/ As of Sept. 30.

Although the ratios in 1973 and 1974 are significantly higher than those for U.S. producers, they are not unusually high since importers have a significant lead time on their orders, which means they would always carry more inventories than producers. However, the ratio of \*\*\* percent in 1975 reflects the very severe inventory problems faced by importers in that year. Inventory levels were sharply reduced in 1976 causing some decline in the ratio, but it was not until 1977 that the ratio returned to an acceptable level.

#### Consideration of the Causal Relationship Between Alleged Injury and LTFV Sales

##### Market penetration

As shown in the following table, the ratio of U.S. import shipments from Japan to apparent U.S. consumption has trended downward since 1972.

\* \* \* \* \*

Motorcycles: Ratios of shipments of imports from Japan and domestic producers' shipments to apparent U.S. consumption, by specified firms, 1972-77, January-June 1977, and January-June 1978.

\* \* \* \* \*

---

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

\* \* \* \* \*

The major penetration of the U.S. market took place in the mid-60's when Japanese imports first began entering the country. Testimony at the public hearing tended to support the view that at the time of Japanese entrance into the U.S. market, heavyweight motorcycles were the principal types of motorcycles being sold. The Japanese did not introduce a super-heavyweight (900cc to 1340cc) until well into the 1970's. Because of this, much of the Japanese experience in the U.S. market has been in the area of market expansion rather than penetration.

### Prices

In analyzing motorcycle prices, the Commission has attempted to compare only those models on which margins were found by Treasury and models which fall in the same type and size categories. Further, the Commission requested quarterly pricing data from all parties in the investigation for the years 1976 and 1977 and January-August 1978. Models found sold at LTFV were primarily prior-year models sold during the period of Treasury's investigation. To analyze adequately this type of sale, respondents were asked to trace the sales of a particular 1975 or 1976 model from January 1976-September 1978. The results of this analysis are shown in the following tables.

Motorcycles: Price comparisons of domestically produced and imported light-weight models, by types, and by quarters, 1976-77, January-August 1978

Period	On-highway				Dual-purpose			
	Domestic <u>1/</u>		Imported <u>2/</u>		Domestic <u>3/</u>		Imported <u>4/</u>	
	Weighted: average price	Units sold	Weighted: average price	Units sold	Weighted: average price	Units sold	Weighted: average price	Units sold
1976:								
Jan.-Mar----	***	***	***	***	***	***	***	***
Apr.-June---	***	***	***	***	***	***	***	***
July-Sept---	***	****	***	***	***	***	***	***
Oct.-Dec----	***	***	***	***	***	***	***	***
1977:								
Jan.-Mar----	***	***	***	***	***	***	***	***
Apr.-June---	***	***	***	***	***	***	***	***
July-Sept---	***	***	***	***	***	***	***	***
Oct.-Dec----	***	***	***	***	***	***	***	***
1978:								
Jan.-Mar----	***	***	***	***	***	***	***	***
Apr.-June---	***	***	***	***	***	***	***	***
July-Aug----	***	***	***	***	***	***	***	***

1/ Domestic models compared were a 1976 Harley-Davidson \*\*\* and a 1976 Harley-Davidson \*\*\*.

2/ Imported model compared was a 1975 Honda \*\*\* with an amended final dumping margin on sales of this model of \*\*\* percent.

3/ Domestic models compared were a 1976 Harley-Davidson \*\*\*, a 1975 Harley-Davidson \*\*\* and a 1976 Harley-Davidson \*\*\*.

4/ Imported models compared were a 1975 Honda \*\*\* with an amended final dumping margin of \*\*\* percent; a 1975 Kawasaki \*\*\* with an amended final dumping margin of \*\*\* percent and a 1976 Kawasaki \*\*\* with an amended final dumping margin of \*\*\* percent.

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

The weighted average price of domestically produced on-highway light-weight motorcycles designated as 1976 models dropped almost 10 percent in the year they were introduced. The price of comparable imported models dropped by almost 30 percent in the same year. Prices of domestically produced models fell by an additional 20 percent by the second quarter of 1977. Prices of

domestically produced models declined irregularly through 1978, but there were no sales of imported 1975 or 1976 models in 1978. Prices of domestically produced on-highway lightweight motorcycles were 22 percent higher than prices for comparable imported models in January-March 1976. By the last quarter of 1976, the price gap had increased to 37 percent. Price cuts were even more severe in the dual-purpose lightweight category, with domestic prices declining almost 20 percent in 1976 in response to comparable cuts in prices of imported models. Prices continued to fall through 1978. Prices of domestically produced dual-purpose lightweight models in January-March 1976 were 14 percent higher than prices of comparable imported models. By the end of 1976 the price difference had increased to 18 percent.

Motorcycles: Price comparisons of domestically produced and imported middle-weight on-highway models, by types, and by quarters, 1976-77, January-August 1978

Period	Domestic <u>1/</u>		Imported <u>2/</u>	
	Weighted average price	Units sold	Weighted average price	Units sold
1976:				
Jan.-Mar-----:	***	***	***	***
Apr.-June-----:	***	***	***	***
July-Sept-----:	***	***	***	***
Oct.-Dec-----:	***	***	***	***
1977:				
Jan.-Mar-----:	***	***	***	***
Apr.-June-----:	***	***	***	***
July-Sept-----:	***	***	***	***
Oct.-Dec-----:	***	***	***	***
1978:				
Jan.-Mar-----:	***	***	***	***
Apr.-June-----:	***	***	***	***
July-Aug-----:	***	***	***	***

1/ Domestic model compared was a 1976 Kawasaki \*\*\*.

2/ Imported models compared were a 1975 Honda \*\*\* with an amended final dumping margin of \*\*\* percent and a 1976 Kawasaki \*\*\* with an amended final dumping margin of \*\*\* percent.

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

Price competition in the middleweight area did not appear to affect Kawasaki's domestically produced model, the price of which was actually higher in 1977 than when first introduced in 1976. The weighted average price of



imported models dropped 10 percent in 1976 and an additional 4 percent in 1977. In January-March 1976, Kawasaki's price was 13 percent higher than the imported models. The proposed Harley-Davidson \*\*\* on-highway model was targeted to sell at \*\*\*. A comparable imported model was introduced in 1976 at a weighted average price of \*\*\* and was sold in April-June 1977 for \*\*\* per unit.

Motorcycles: Price comparisons of on-highway domestically produced and imported heavyweight models, by types, and by quarters, 1976-77, January-August 1978

Period	Domestic <u>1/</u>		Imported <u>2/</u>	
	Weighted average price	Units sold	Weighted average price	Units sold
1976:				
Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1977:				
Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1978:				
Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Aug-----	***	***	***	***

1/ Domestic model compared was a 1976 Harley-Davidson \*\*\*.

2/ Imported model compared was a 1976 Kawasaki \*\*\* with an amended final dumping margin of \*\*\* percent.

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

In the heavyweight segment of the market, LTFV prices appear to have had a minimal impact on Harley-Davidson's ability to maintain the price on its \*\*\*. Although the price of the Kawasaki \*\*\* dropped almost 20 percent in 1976, Harley-Davidson's model was only reduced \*\*\* and then only on a minimum number of units. In January-March 1976 Harley-Davidson's model was priced 34 percent higher than the comparable imported model.

LTFV prices appear to have had the greatest impact in the lightweight on-highway and dual-purpose categories. The Commission received no pricing data which would indicate that the prices of domestically produced middle-weight and heavyweight motorcycles were depressed by LTFV sales.

Lost sales

The Commission requested that domestic producers report any loss of sales of motorcycles to imports from Japan since January 1, 1975, and document such sales losses wherever possible. Harley-Davidson was unable to respond to the request since sales lost to Japanese manufacturers were lost at the retail level. When a consumer decides to purchase a Japanese motorcycle rather than a Harley-Davidson not even the Harley-Davidson dealer would be aware of the purchase unless it was a multibrand dealer and made the sale itself. Harley-Davidson advised the Commission that individual dealers may have known of instances where they lost a Harley-Davidson sale to a Japanese motorcycle.

During the public hearing and in a submission to the Commission, Mr. Howard L. Whittington, a Harley-Davidson dealer, stated he had experienced a loss of sales because of Japanese motorcycles. The sale in question was a bid by the county of Fairfax, Va. to purchase eight police motorcycles. The Commission contacted the buyer for the county of Fairfax who stated the bid had gone to Mr. William Bloom, president and owner of Crossroads Cycle Co., Bailey's Crossroads, Va. When contacted by the Commission, Mr. Bloom stated he had won the contract and he was a Kawasaki dealer, however, the motorcycles in question were produced at Kawasaki's Lincoln, Nebr., plant rather than imported from Japan.

In an attempt to better understand the nature of retail sales, the Commission conducted a telephone survey of motorcycle dealers. Approximately 50 dealers were contacted of whom 44 provided useable responses. All respondents were multibrand dealers selling Harley-Davidsons and at least one brand of Japanese motorcycles found to have been sold at LTFV. These dealers were located throughout the country. The actual breakout of brands carried was Honda, 37.2 percent; Kawasaki, 31.4 percent; and Yamaha, 31.4 percent. Many of the questions asked concerned the dealership itself, such as which models it sold and in what quantities, length of time in business, and so forth. Responses to these questions were not tabulated. However, the Commission did tabulate responses to the following questions:

- (1) How do the lightweight Harley-Davidson motorcycles compare in quality to comparable Japanese motorcycles?

Response:	<u>Acceptable</u>	<u>Not as good</u>	<u>Unacceptable</u>	<u>No response</u>
	18 percent	43 percent	23 percent	16 percent

- (2) Are Harley-Davidson heavyweight motorcycles competitive with Japanese motorcycles in terms of style and image?

Response:	<u>Yes</u>	<u>No</u>	<u>Cannot compare</u>
	95 percent	2 percent	2 percent

- (3) Are Harley-Davidson heavyweight motorcycles comparable in quality to Japanese motorcycles:

Response:	<u>Yes</u>	<u>No</u>	<u>Other</u>
	30 percent	39 percent	31 percent

- (4) In your experience, which of the following factors is usually the first thing a customer considers when he or she first comes in to buy a motorcycle?

(A) Brand	---32 percent
(B) Price	---11 percent
(C) Other	---57 percent

- (5) Have you found that customers tend to buy up--in other words, move from the smaller motorcycles to the heavyweights as they gain experience?

Response:	<u>Yes</u>	<u>No</u>	<u>Cannot answer</u>
	98 percent	0	2 percent

- (6) Do riders of the smaller Japanese motorcycles tend to stay with Japanese motorcycles if they buy up or do they switch to Harley-Davidson?

Stay with Japanese	----- 67 percent
Switch to Harley-Davidson	--- 14 percent
Other	----- 18 percent

Question four originally included two additional factors--intended use and engine size. Dealer responses tended to include these considerations as part of brand identification. The consensus was that a potential customer usually knew the type and size motorcycle he wanted and also knew which manufacturers produced those models. Therefore, when brand is cited as the first factor in a consumer's decision, he or she has already eliminated those brands which do not carry the particular motorcycle he or she desires. The "other" response to the question primarily concerned the type of customer involved in a particular sale. Dealers characterized the buyer of a Japanese motorcycle

as a price-conscious consumer who would "shop-around" before choosing a particular motorcycle. Some Harley-Davidson buyers were characterized as being insensitive to price, or "presold." They know what they want and in many cases would not consider a Japanese model. Also, price was cited as a more important factor in the sale of lightweight motorcycles where the buyer is interested in economy and ease of maintenance, for what is primarily a recreational vehicle. Buyers of heavyweight motorcycles are more sensitive to style, image, and performance than price.

APPENDIX A

TREASURY DEPARTMENT'S LETTER TO THE COMMISSION ADVISING THE COMMISSION  
OF ITS DETERMINATION OF LTFV SALES FROM JAPAN



THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

APP-2-04-O:D:T-RR-11f

78 AUG 3 PM 2:10  
Dear Mr. Chairman:

AUG 3 1978

In accordance with section 201(a) of the Antidumping Act, 1921, as amended, you are hereby advised that motorcycles from Japan, with the exception of that merchandise produced by Suzuki Motor Co., Ltd., are being, or are likely to be, sold at less than fair value within the meaning of the Act.

For purposes of Treasury's investigation, the term "motorcycles" means motorcycles having engines with total piston displacement over 90 cubic centimeters, whether for use on or off the road.

The U.S. Customs Service is making the files relative to this determination available to the International Trade Commission under separate cover. These files are for the Commission's use in connection with its investigation as to 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 this merchandise into the United States. Since some of the data in these files is regarded by the the Treasury to be of a confidential nature, it is requested that the Commission consider all information therein contained for the use of the Commission only, and not to be disclosed to others without prior clearance with the Treasury Department.

Sincerely yours,

*Robert M. Anderson*  
General Counsel

10-  
The Honorable  
Joseph O. Parker, Chairman  
United States International Trade Commission  
Washington, D.C. 20435

Enclosures

78 AUG 3 1978  
U.S. INTL. TRADE COMMISSION

Stamp: NUMBER  
11525



A-37

THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

OCT 13 1978

*re checked #528  
AA 1971-187*

Dear Mr. Chairman:

In accordance with section 201(a) of the Antidumping Act, 1921, as amended, the Treasury Department advised the Commission on August 3, 1978, that motorcycles from Japan, with the exception of that merchandise produced by Suzuki Motor Co., Ltd., are being, or are likely to be, sold at less than fair value within the meaning of the Act. The "Determination of Sales at Less Than Fair Value and Exclusion from Investigation" was published in the Federal Register of August 8, 1978 (43 FR 35140). Since August 3, additional information has been received and analyzed by the Department on the basis of which a notice of "Modification of Determination of Sales at Less Than Fair Value and Exclusion from Determination, and Discontinuance of Investigation" has been issued and will be published. A copy is enclosed for your convenience. We note that the Revised Determination reduces the margins of sales at less than fair value with respect to three companies, in the case of Yamaha Motor Co., Ltd., to the extent that the investigation as to that company has been discontinued. Suzuki remains excluded from the investigation.

Sincerely yours,

*Robert H. Mundheim*  
Robert H. Mundheim

The Honorable  
Joseph O. Parker, Chairman  
U.S. International Trade  
Commission  
Washington, D.C. 20436

Enclosure

DEPARTMENT OF THE TREASURY  
OFFICE OF THE SECRETARY

## MOTORCYCLES FROM JAPAN

MODIFICATION OF DETERMINATION OF SALES AT LESS  
THAN FAIR VALUE AND EXCLUSION FROM INVESTIGATION,  
AND DISCONTINUANCE OF INVESTIGATION

AGENCY: U.S. Treasury Department

ACTION: Modification of Determination of Sales at Less Than  
Fair Value and Exclusion from Investigation, and  
Discontinuance of Investigation

## SUMMARY:

This notice is to advise the public that the determination of sales at less than fair value under the Antidumping Act, 1921, as amended, concerning motorcycles from Japan is being amended to discontinue the antidumping investigation with respect to motorcycles produced and sold by Yamaha, and to report certain changes in the margins by which sales of Honda and Kawasaki are at less than fair value. Honda and Kawasaki will, therefore, remain subject to the Determination of Sales at Less Than Fair Value; Suzuki remains excluded from the investigation.

## EFFECTIVE DATE:

(Date of publication in the Federal Register).

## FOR FURTHER INFORMATION CONTACT:

Richard Rimlinger, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue, NW, Washington, D.C. 20229, telephone (202) 566-5492.



## SUPPLEMENTARY INFORMATION:

A "Determination of Sales at Less Than Fair Value and Exclusion from Investigation" with respect to motorcycles from Japan was published in the Federal Register of August 8, 1978 (43 FR 35140-2). In that notice it was determined that motorcycles from Japan, with the exception of those produced and sold by Suzuki Motor Co., Ltd., are being sold at less than fair value within the meaning of section 201(a) of the Antidumping Act of 1921 as amended (19 U.S.C. 160(a)).

Subsequent to the publication of this notice, information was received indicating that recalculations of certain prices used for fair value comparisons were appropriate. The following amendments to the original Determination reflect the changes resulting from those recalculations.

Subheading (d) in the "Statement of Reasons" of that notice is hereby amended to indicate that an adjustment has been made to home market prices for credit costs attributable to differences in payment terms between United States and Japanese home market sales. The items subject to such adjustments, indicated under this subheading remain unchanged.

Subheading (f) in the "Statement of Reasons" is hereby amended to indicate the following revisions: Comparisons have been made on approximately 89 percent of the total sales of the subject merchandise to the United States by all manufacturers investigated for the period under investigation. Margins were found on approximately 18.2 percent of the sales ranging from 0.3 to 54.2 percent resulting in a weighted average margin of 2.08 percent on all sales compared. Weighted average margins found with respect to the companies under investigation, computed over all sales compared, were as follows: Honda, 2.6 percent; Kawasaki, 6.9 percent; Suzuki, 0.15 percent; and Yamaha 0.82 percent.

In the case of Yamaha, the weighted average margin on that firm's sales compared was considered to be minimal in relation to the total volume of exports. In addition, formal assurances have been received from that producer that it would make no future sales at less than fair value within the meaning of the Act.

In view of the significant change in the value of the yen since June 1977, the end of our reference period for investigation purposes, it was determined that information on Yamaha sales during a later period should be requested and scrutinized in order to determine

whether Yamaha had revised current prices so as to eliminate all less than fair value sales. Accordingly, information was requested from Yamaha on all motorcycles sold to unrelated U.S. buyers during the period May-July 1978 and appropriate home market sales for comparison purposes. This information has been received, verified, analyzed, and indicates that during the three-month period sales by Yamaha were made at prices which were less than fair value by an amount considered minimal.

This information then was analyzed to determine whether margins resulted solely from exchange rate fluctuations. Section 153.52(b) of the Customs Regulations (19 CFR 153.52(b)) provides:

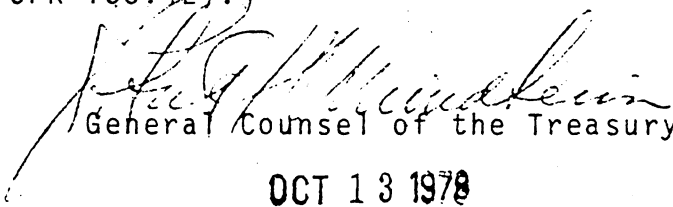
"For purposes of fair value investigations, manufacturers, exporters, and importers concerned will be expected to act within a reasonable period of time to take into account price differences resulting from sustained changes in prevailing exchange rates. Where prices under consideration are affected by temporary exchange rate fluctuations, no differences between the prices being compared resulting solely from such exchange rate fluctuations will be taken into account in fair value investigations."

For each of the three quarters reviewed, Customs analyzed home market sales by applying the Federal Reserve exchange rate for the quarter preceding the one under examination. The one quarter lag was used because section 153.52(b) allows foreign sellers a "reasonable period" in which to adjust prices. This analysis resulted in a determination that the differences between the prices being compared resulted solely from such exchange rate fluctuations. It has therefore been determined to discontinue the antidumping investigation with respect to Yamaha Motor Co., Ltd., in accordance with section 153.38, Customs Regulations (19 CFR 153.38). The order issued April 26, 1978, (42 FR 17900-02) to withhold appraisement on the subject merchandise from Japan is hereby terminated with respect to Yamaha effective upon publication of this notice.

Accordingly, the notice of "Determination of Sales at Less Than Fair Value and Exclusion from Investigation" referred to above is modified to discontinue the antidumping investigation with respect to motorcycles produced and sold by Yamaha Motor Co., Ltd., and to reflect the change in computing home market price and the statistical changes resulting from recalculations of the prices used for fair value comparisons.

The United States International Trade Commission is being advised of this modification.

This notice is published pursuant to 153.42,  
Customs Regulations (19 CFR 153.42).

  
General Counsel of the Treasury

OCT 13 1978

Robert H. Mundheim



APPENDIX B

U.S. INTERNATIONAL TRADE COMMISSION NOTICE CONCERNING INVESTIGATION  
NO. AA1921-187, MOTORCYCLES FROM JAPAN

interested parties to comment on the application; and to allow any persons asserting a claim to the lands or having bona fide objections to the proposed natural gas pipeline right-of-way to file their objections in this office.

Any person asserting a claim to the lands or having bona fide objections must include evidence that a copy thereof has been served on the applicant.

Any comment, claim, or objections must be filed with the Chief, Branch of Adjudication, Bureau of Land Management, Colorado State Office, Room 700, Colorado State Bank Building, 1600 Broadway, Denver, Colo. 80202, as promptly as possible after publication of this notice.

ANDREW W. HEARD, Jr.  
Leader, Craig Team,  
Branch of Adjudication.  
[FR Doc. 78-22993 Filed 8-16-78; 8:45 am]

[4310-31]

Geological Survey

[Coal Land Classification Order Wyoming No. 154]

WYOMING

Coal Land Classification Order

Pursuant to authority under the Act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and as delegated to me by Departmental Order 2563, May 2, 1950, under authority of Reorganization Plan No. 3 of 1950 (64 Stat. 1262), the following described lands, insofar as title thereto remains in the United States, are hereby classified as shown:

SIXTH PRINCIPAL MERIDIAN, WYOMING

Reclassified Coal Land From Noncoal Land

Prior classification of the following subdivisions as noncoal land is hereby revoked and the land is reclassified as coal land:

T. 46 N., R. 99 W.,  
Sec. 23, SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 36, NW $\frac{1}{4}$ NW $\frac{1}{4}$

The area described aggregates 80 acres (32 ha), more or less, of which all are reclassified as coal land.

Dated: August 7, 1978.

W. A. RADLINSKI,  
Acting Director.

[FR Doc. 78-22982 Filed 8-16-78; 8:45 am]

[6220-01]

INTERNATIONAL COMMUNICATION AGENCY

CULTURALLY SIGNIFICANT WORKS OF ART

Amendment of Determination; Extension of Pompeii A.D. 79 Exhibits Within the United States

Pursuant to the authority vested in me by Pub. L. 89-259 of October 19, 1965 (79 Stat. 983, 22 U.S.C. 2459) and Executive Order 12047 of March 27, 1973 (43 FR 12359; March 29, 1973) I hereby amend public notice No. 598, published in the FEDERAL REGISTER on March 9, 1978 (43 FR 9685), by adding to the places of exhibition or display: The Art Institute of Chicago, Chicago, Ill., on or about August 12, 1978, to on or about November 25, 1978, and the Dallas Museum of Fine Arts, Dallas, Tex., on or about January 2, 1979, to on or about March 12, 1979.

These additional exhibitions are pursuant to amendments to the loan agreement between the Museum of Fine Arts, Boston, Mass., and the Government of Italy referred to in public notice No. 598 published on March 9, 1978 (43 FR 9685).

Notice of this amendment of the determination is ordered to be published in the FEDERAL REGISTER.

JOHN E. REINHARDT,  
Director, International,  
Communication Agency.

AUGUST 11, 1978.

[FR Doc. 78-23000 Filed 8-16-78; 8:45 am]

[7020-02]

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-55]

CERTAIN NOVELTY GLASSES

Preliminary Conference

Notice is hereby given that a preliminary conference will be held in connection with the above styled investigation at 10 a.m., on Wednesday, August 20, 1978, in room 610, Bicentennial Building, 600 E Street NW., Washington, D.C. Notice of this investigation was published in the FEDERAL REGISTER on July 11, 1978 (43 FR 29840). The purposes of this preliminary conference are to establish a discovery schedule, to discuss the procedures to be followed in pursuing such discovery, to set the dates for the pre-hearing conference and hearing, and to resolve any other matters necessary to the conduct of this investigation.

If any questions should arise not covered by these instructions, the parties or their counsel shall call the

chambers of the undersigned presiding officer.

The Secretary shall serve a copy of this notice upon all parties of record and shall publish it in the FEDERAL REGISTER.

Issued: August 14, 1978.

Judge DONALD K. DUVALL,  
Presiding Officer.

[FR Doc. 78-23035 Filed 8-16-78; 8:45 am]

[7020-02]

[Investigation No. 337-TA-36]

CERTAIN PLASTIC FASTENER ASSEMBLIES

Cancellation of Hearing

The hearing in this matter noticed for 10 a.m. on August 16, 1978, in room 610 of the Bicentennial Building, 600 E Street NW., Washington, D.C., is hereby cancelled.

The Secretary shall serve a copy of this notice on all parties of record and shall publish it in the FEDERAL REGISTER.

Issued: August 14, 1978.

JANET D. SAXON,  
Administrative Law Judge.

[FR Doc. 78-23094 Filed 8-16-78; 8:45 am]

[7020-02]

IAA1921-1871

MOTORCYCLES FROM JAPAN

Investigation and Hearing

Having received advice from the Department of the Treasury on August 3, 1978, that motorcycles from Japan, with the exception of merchandise produced by Suzuki Motor Co., Ltd., are being, or are likely to be, sold at less than fair value, the U.S. International Trade Commission on August 11, 1978, instituted investigation No. AA1921-187 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 152 (a)), 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. For the purpose of its determination concerning sales at less than fair value, the Treasury Department defined "motorcycles" as motorcycles having engines with total piston displacement over 90 cubic centimeters, whether for use on or off the road.

A public hearing in connection with the investigation will be held in the Commission's hearing room, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, beginning at 10 a.m., e.d.t., on Thursday, September 28, 1978. All persons



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## NOTICES

shall have the right to appear by counsel or in person, to present evidence and be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, shall be filed with the Secretary of the Commission at his office in Washington, D.C., not later than noon, Friday, September 22, 1978.

There will be a prehearing conference in connection with this investigation which will be held in Washington, D.C., at 10 a.m., e.d.t., on Friday, September 22, 1978, in room 117, U.S. International Trade Commission Building, 701 E Street NW.

By order of the Commission.

Issued August 14, 1978.

KENNETH R. MASON,  
*Secretary.*

[FR Doc 78-23096 Filed 8-16-78; 8:45 am]

[4410-18]

## DEPARTMENT OF JUSTICE

Office of the Attorney General

[AAG/A Order No. 4-78]

## PRIVACY ACT OF 1974

## System of Records

On Friday, September 30, 1977, notice of the existence of the Civil Rights Investigative System (Justice/LEAA-008) was published in the FEDERAL REGISTER's annual compilation of Privacy Act issuances (42 FR 53318). Categories of records in the system consist of civil rights complaint control logs and civil rights litigation reference files.

On Tuesday, May 9, 1978, notice was published in the Notice Section of the FEDERAL REGISTER that the Department of Justice, Law Enforcement Assistance Administration, proposed to promulgate rules pursuant to 5 U.S.C. 552a(k) to exempt this system from the access requirements of 5 U.S.C. 552a(d). On the same day the Department published a proposed rule in the Proposed Rules Section of the FEDERAL REGISTER to effect this exemption. No comments were received regarding the proposed regulations.

Pursuant to the authority vested in the Attorney General by 5 U.S.C. 552a and delegated to me by Attorney General Order No. 793-78, the regulations published on May 9 are adopted with one minor correction. The correction is identified and the regulations are reprinted in the Rules Section of today's FEDERAL REGISTER.

Dated: August 8, 1978.

KEVIN D. ROONEY,  
*Assistant Attorney General  
for Administration.*

[FR Doc. 78-23119 Filed 8-16-78; 8:45 am]

[4410-01]

[AAG/A Order No. 6-78]

## PRIVACY ACT OF 1974

## Systems of Records; Adoption of Routine Uses

Pursuant to provisions of the Privacy Act, 5 U.S.C. 552a, on April 27, 1978, the Department of Justice published in the FEDERAL REGISTER a proposal to add routine uses and make other modifications to systems of records published in their entirety in the FEDERAL REGISTER on September 30, 1977 (42 FR 53288 through 53429). No comments were received regarding the proposed routine uses or the other modifications.

Pursuant to the authority vested in the Attorney General by 5 U.S.C. 552a and delegated to me by Attorney General Order No. 793-78, the system changes as published on April 27, are hereby adopted.

Dated: August 8, 1978.

KEVIN D. ROONEY,  
*Assistant Attorney General  
for Administration.*

[FR Doc. 78-23121 Filed 8-16-78; 8:45 am]

[4410-02]

[AAG/A Order No. 7-78]

## PRIVACY ACT OF 1974

## System of Records (Amended)

Pursuant to the general notice requirements of 5 U.S.C. 553(b), (c) and (e), notice is hereby given that the Department of Justice proposes to amend 28 CFR § 16.96 as it relates to the FBI Central Record System (Justice/FBI-002) published annually and most recently on September 30, 1977.

On August 27, 1975, the Department published a notice establishing the above-named system. On the same day, the Department published a rule exempting the system from subsections (c)(3) and (4), (d), (e)(1), (2) and (3), (e)(4)(G) and (H), (e)(5) and (8), (f), (g) and (m) of the Privacy Act pursuant to 5 U.S.C. 552a(j) and (k). While justification for exemption from the access provisions of subsection d(1) was given, the reasons for exemption from the record amendment provisions of subsection (d)(2), (3) and (4) of the Privacy Act were not given. The proposed rule published in the Proposed Rules Section of today's FEDERAL REGISTER will correct this omission by adding a sentence to 28 CFR

§ 16.96(b)(2) to supplement the published reasons for exempting the system from subsection (d) of the Privacy Act.

Because investigative information is collected daily over long periods and the information is altered and updated on a daily basis by the FBI, amendment of records based on requests from individuals would be impractical.

Comments may be submitted in writing to the Administrative Counsel, Office of Management and Finance, Room 1113, Department of Justice, Washington, D.C. 20530. All comments must be received on or before September 18, 1978. No oral hearings are contemplated.

Dated: August 10, 1978.

KEVIN D. ROONEY,  
*Assistant Attorney General  
for Administration.*

[FR Doc. 78-23122 Filed 8-16-78; 8:45 am]

[4410-05]

Bureau of Prisons

NATIONAL INSTITUTE OF CORRECTIONS  
ADVISORY BOARD

## Meeting

Notice is hereby given that the National Institute of Corrections Advisory Board in accordance with section 10(a) (2) of the Federal Advisory Committee Act (Pub. L. 92-463; 86 Stat. 770) will meet on Sunday, October 29, 1978, starting at 1 p.m. in the conference room of the Federal Bureau of Prisons Regional Office, K.C.I. Bank Building, 8800 NW 112th Street, Kansas City, Mo.

This meeting is one of the regularly scheduled triannual meetings of the Advisory Board.

Signed at Washington, D.C. this 10th day of August, 1978.

ALLEN F. BREED,  
*Director.*

[FR Doc. 78-22986 Filed 8-16-78; 8:45 am]

[4410-09]

Drug Enforcement Administration

## ALMAR PHARMACY

## Denial of Registration

On June 11, 1976, Albert Marcovsky was convicted of seven counts of illegally distributing controlled substances and one related count of conspiracy to distribute controlled substances in violation of 21 U.S.C. 841 and 846. The criminal offenses of which Mr. Marcovsky was convicted involved the distribution of tens of thousands of dosage units of methaqualone, a schedule II controlled substance. Mr. Marcovsky paid a fine of



APPENDIX C

TREASURY DEPARTMENT NOTICES ON MOTORCYCLES FROM JAPAN  
AS PUBLISHED IN THE FEDERAL REGISTER

36586

## NOTICES

No. 59,022 Emergency Energy Shortage Economic Injury Loans (E, F).  
 No. 59,023 Strategic Arms Economic Injury Loans (E, F).  
 No. 59,024 Water Pollution Control Loans (E, F).  
 No. 59,025 Air Pollution Control Loans (E, F).

Date: July 11, 1977.

A. VERNON WEAVER,  
 Administrator.

[FR Doc.77-20090 Filed 7-14-77;8:45 am]

## DEPARTMENT OF THE TREASURY

Office of the Secretary

## MOTORCYCLES FROM JAPAN

## Antidumping Proceeding Notice

AGENCY: United States Treasury Department.

ACTION: Initiation of Antidumping Investigation.

**SUMMARY:** This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of motorcycles from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of merchandise sold for exportation to the United States are less than the prices in the home market.

EFFECTIVE DATE: July 14, 1977.

FOR FURTHER INFORMATION CONTACT:

Edward F. Haley or Anthony L. Russo, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue, NW, Washington, D.C. 20229, telephone 202-566-5492.

**SUPPLEMENTARY INFORMATION:** On June 8, 1977, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26 and 153.27), from counsel acting on behalf of the Harley-Davidson Motor Company, Inc., a domestic producer of the subject merchandise, indicating a possibility that motorcycles from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.). This information was submitted by the law firm of Steptoe and Johnson, representing the Harley-Davidson Motor Company, Inc., a subsidiary of AMP, Inc.

For purposes of this notice, the term "motorcycles" refers to motorcycles having engines with total piston displacement over 98 cubic centimeters, whether for use on or off the road.

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of any industry in the United States. This evidence indicates a significant increase in U.S. market share on the part of Japa-

nese imports of heavyweight motorcycles has occurred during the period 1971 through 1976. During the last year, Petitioner's sales, production and capacity utilization with reference to heavyweight motorcycles has significantly declined. Further, there is information indicating that the margin by which the domestic producer is being undersold by Japanese imports would be completely or almost completely eliminated were the apparent margins of dumping eliminated. There is also information on record indicating that U.S. production of smaller motorcycle sizes could be established, absent the alleged less than fair value sales of such smaller motorcycles from Japan.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of information from all sources is as follows:

The information received tends to indicate that the prices of merchandise sold for exportation to the United States are less than the prices for home consumption, or to third countries.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

HUGO A. RANTA,  
 Acting General Counsel.

JULY 8, 1977.

[FR Doc.77-20318 Filed 7-14-77;8:45 am]

## INTERSTATE COMMERCE COMMISSION

[Notice No. 437]

## ASSIGNMENT OF HEARINGS

JULY 12, 1977.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC 114457 Sub No. 266 Dart Transit Company, now being assigned October 12, 1977 (1 day), for hearing in Chicago, Illinois, in a hearing room to be later designated.

MC 123407 Sub No. 348, Sawyer Transport, Inc., now being assigned October 13, 1977 (1 day), for hearing in Chicago, Illinois, in a hearing room to be later designated.

MC 720 Sub No. 23 Bird Trucking Company, Inc., now being assigned October 14, 1977 (1 day), for hearing in Chicago, Illinois,

in a hearing room to be later designated. MC 28060 Sub No. 34 Willers, Inc., DBA Willers Truck Service postponed indefinitely.

H. G. HOMER, JR.,  
 Acting Secretary.

[FR Doc.77-20423 Filed 7-14-77;8:45 am]

## FOURTH SECTION APPLICATION FOR RELIEF

JULY 12, 1977.

An application, as summarized below, has been filed requesting relief from the requirements of Section 4 of the Interstate Commerce Act to permit common carriers named or described in the application to maintain higher rates and charges at intermediate points than those sought to be established at more distant points.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the General Rules of Practice (49 CFR 1100.40) and filed by August 1, 1977.

FSA No. 43397—*Joint Rail-Water Container Rates—Italian Line*. Filed by Italian Line, (No. 6), for itself and interested rail carriers. Rates on general commodities, between rail carriers terminals at U.S. ports, and water carriers terminals in France, Spain, Italy, and Portugal.

Grounds for relief—Water competition.

Tariffs—Italian Line Eastbound Midwest/Mediterranean tariff No. 1, I.C.C. No. 5, F.M.C. No. 23, and Westbound Mediterranean/Midwest tariff No. 1, I.C.C. No. 6, F.M.C. No. 24. Rates are published to become effective on August 1, 1977.

By the Commission.

H. G. HOMER, JR.,  
 Acting Secretary.

[FR Doc.77-20429 Filed 7-14-77;8:45 am]

[Notice No. 196]

## MOTOR CARRIER TRANSFER PROCEEDINGS

JULY 15, 1977.

Application filed for temporary authority under Section 210a(b) in connection with transfer application under Section 212(b) and Transfer Rules, 49 CFR Part 1132:

No. MC-FC 77200. By application filed July 8, 1977, ROBERT BELVILLE, JR., Administrator of the Estate of Robert Belville, Sr., an individual, d/b/a NEW YORK AND VERMONT MOTOR EXPRESS, Smith Street, Barre, VT 05641, seeks temporary authority to transfer a portion of the operating rights of BARRE GRANITE TRANSFER, INC., So. Vine Street, Barre, VT 05641, under section 210a(b). The transfer to ROBERT BELVILLE, JR., Administrator of the Estate of Robert Belville, Sr., an individual, d/b/a NEW YORK AND VERMONT MOTOR EXPRESS, of a portion of the

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## NOTICES

[4810-31]

## DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms  
[Notice No. 78-2]ADVISORY COMMITTEE ON EXPLOSIVES  
TAGGING

## Closed Meeting

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), notice is hereby given that a closed meeting of the Advisory Committee on Explosives Tagging will be held on March 1, 1978, at the Federal Building, 12th and Pennsylvania Avenue NW., Washington, D.C., room 5041, beginning at 9:30 a.m. (e.s.t.).

The Advisory Committee will discuss detailed proprietary scientific and technical data concerning various candidate explosive tagging systems that can be used in the detection and identification of explosives. The information which will be presented and discussed during the meeting will constitute trade secrets and commercial or financial information obtained from a person and privileged or confidential within the ambit of Title 5, United States Code, section 552b(c)(4). Accordingly, the meeting of the Advisory Committee will, under authority of section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463), not be open to the public.

All communications regarding this Advisory Committee meeting should be addressed to the Bureau of Alcohol, Tobacco and Firearms, Washington, D.C. 20226, Attention: Mr. Robert F. Dexter, Committees Manager, Technical Services Division, Explosives Technology Branch, room 8233.

Signed: January 12, 1978.

REX D. DAVIS,  
Director.

[FR Doc. 78-1850 Filed 1-19-78; 8:45 am]

[4830-01]

## DEPARTMENT OF THE TREASURY

Internal Revenue Service

## DEPARTMENT OF LABOR

Pension and Welfare Benefit Programs

PROPOSED CLASS EXEMPTION TO PERMIT  
PLANS TO PURCHASE CUSTOMER NOTES  
FROM EMPLOYERS MAINTAINING PLANS

## Hearing

By notice published in the FEDERAL REGISTER (42 FR 55321, October 14, 1977), the Department of Labor and the Internal Revenue Service (hereinafter collectively referred to as the agencies), announced the pendency of a proposed class exemption from the restrictions of sections 408 and 407(a)

of the Employment Retirement Income Security Act of 1974, and from the taxes imposed by section 4975 (a) and (b) of the Internal Revenue Code of 1954. The proposed exemption would permit employee benefit plans to purchase certain notes from employers any of whose employees are covered by the plan where the employers receive such notes from their customers in the ordinary course of their business and other conditions of the exemption are satisfied.

A public hearing on the proposed class exemption will be held on March 9, 1978, beginning at 10 a.m. in the Internal Revenue Service Auditorium, Seventh Floor, 7100 Corridor, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, D.C. 20224.

Any interested person who desires to present oral comments at the hearing and who wishes to be assured of being heard should submit a statement to that effect, an outline of the topics to be discussed (at least six copies), and the time to be allocated to each topic by 3:30 p.m. on February 14, 1978. The statement and outline should be submitted to the Internal Revenue Service, 1111 Constitution Avenue NW., Washington, D.C. 20224, Attention: E:EP:PT, Application No. D-639 Hearing.

An agenda will be prepared containing the order of presentation of oral comments and the time allotted to each commentator. Information with respect to the contents of the agenda may be obtained on or after February 24, 1978, by telephoning Charles Scallera, Washington, D.C., 202-566-3045. This is not a toll free number.

At the conclusion of oral comments by persons listed in the agenda, to the extent time permits, other persons will be permitted to make oral comments. The public hearing will be transcribed.

Persons making oral comments should be prepared to answer questions relating to the pending exemption and their comments.

Signed at Washington, D.C., this 16th day of January 1978.

ALVIN D. LURIE,  
Assistant Commissioner (Employee Plans and Exempt Organizations), Internal Revenue Service United States Department of Treasury.

IAN D. LANOFF,  
Administrator of Pension and Welfare Benefit Programs, Labor-Management Services Administration, U.S. Department of Labor.

[FR Doc. 78-1440 Filed 1-19-78; 8:45 am]

[4810-25]

Office of the Secretary

## ASSET DEPRECIATION RANGE GUIDELINES

Study of Assets Used in Contract Construction  
(Including Offshore Oil and Gas Drilling)

The Office of Industrial Economics (OIE) of the Office of the Secretary of the Treasury has initiated a study of the guideline depreciation periods and repair allowance percentages for assets used in contract construction (including offshore oil and gas drilling). These assets are currently included in asset guideline classes 15.1 and 15.2 (Rev. Proc. 77-10, 1977-1 C.B. 548) of the Class Life Asset Depreciation Range System (IRC Secs. 167(m) and 263(e) and Reg. Sec. 1.167(a)-11).

All persons interested in this study may submit comments in writing to OIE. Information from all interested persons is solicited. All mail concerning this study should be addressed to:

Office of Industrial Economics, Contract Construction Project, P.O. Box 28018, Washington, D.C. 20005.

Dated: January 17, 1978.

Approved by:

KARL RUHE,  
Director, Office of  
Industrial Economics.

[FR Doc. 78-1623 Filed 1-19-78; 8:45 am]

[4810-25]

## MOTORCYCLES FROM JAPAN

Antidumping: Extension of Investigatory  
Period

AGENCY: U.S. Customs Service, Treasury Department.

ACTION: Extension of Antidumping investigatory period.

SUMMARY: This notice is to advise the public that the Secretary of the Treasury has determined that a tentative determination as to whether sales at less than fair value of motorcycles from Japan have occurred cannot reasonably be made in six months. This decision will be made in not longer than nine months from the date of the initiation of the investigation. Sales at less than fair value generally occur when the price of merchandise sold for exportation to the United States is less than the price of such or similar merchandise sold in the home market or to third countries.

EFFECTIVE DATE: January 20, 1978.

FOR FURTHER INFORMATION  
CONTACT:

Mr. Edward F. Haley or Mr. Anthony L. Russo, Operations Officers, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C.

## NOTICES

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Avenue, NW., Washington, D.C. 20229, telephone 202-566-5492.

**SUPPLEMENTARY INFORMATION:** On June 8, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs Regulations (19 CFR 153.26 and 153.27), indicating that motorcycles from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). This information was submitted by counsel acting on behalf of the Harley-Davidson Motor Co., Inc., a subsidiary of AMF, Inc. On the basis of this information and subsequent preliminary investigation by the Customs Service, an "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of July 15, 1977 (42 FR 36584).

For purposes of this notice, the term "motorcycles" means those motorcycles having engines with total piston displacement over 90 cubic centimeters, whether for use on or off the road.

Pursuant to section 201(b)(2) of the Act (19 U.S.C. 160(b)(2)), notice is hereby given that the Secretary concludes that the determination provided for in section 201(b)(1) of the Act (19 U.S.C. 160(b)(1)), cannot reasonably be made within six months. The determination under section 201(b)(1) of the Act (19 U.S.C. 160(b)(1)) will, therefore, be made within no more than nine months.

The reasons and bases for the above conclusion are as follows: The need for the collection and analysis of further information, particularly with respect to the issue of the comparability of the merchandise sold in the relevant markets and with respect to the prices of similar merchandise sold to appropriate third countries, makes it inadvisable to take tentative action at this time.

This notice is published pursuant to section 201(b)(2) of the Act (19 U.S.C. 160(b)(2)).

Dated: January 17, 1978.

ROBERT H. MUNDHEIM,  
General Counsel of the  
Treasury.

[FR Doc. 78-1615 Filed 1-19-78; 8:45 am]

[7035-01]

**INTERSTATE COMMERCE  
COMMISSION**

[Notice No. 569]

**ASSIGNMENT OF HEARINGS**

JANUARY 17, 1978.

Cases assigned for hearing, postponement, cancellation, or oral argument appear below and will be pub-

lished only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the official docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC 103066 (Sub 58), Stone Trucking Co., now assigned January 18, 1978, at Columbus, Ohio, is canceled, application dismissed.

MC 43867 (Sub-No. 36), A. Leander McAllister Trucking Co., and MC 114211 (Sub-No. 318), Warren Transport, Inc., now being assigned March 10, 1978 (1 day), for hearing in San Francisco, Calif., in a hearing room to be later designated.

MC 66886 (Sub 56), Belger Cartage Service, Inc., now assigned February 2, 1978, at Birmingham, Ala., is canceled, application dismissed.

MC 100449 (Sub 75), Mallinger Truck Line, Inc., now being assigned March 14, 1978 (1 day) at Kansas City, Mo., in a hearing room to be later designated.

MC 134755 (Sub 109), Charter Express, Inc., now being assigned March 15, 1978 (1 day), at Kansas City, Mo., in a hearing room to be later designated.

MC-F-13153, McCarthy Truck Line, Inc.—Control—(B) East Nebraska Motor Freight Inc., and (BB) Kruse Transportation Co., Inc.; and MC 121586 (Sub 2), Kruse Transportation Co., Inc.; MC-F-13168, McCarthy Truck Line—Control—Nebraska Iowa Missouri Express, Inc.; MC-F-13419, McCarthy Truck Line Inc.—Investigation of control—East Nebraska Motor Freight Inc., Kruse Transportation Co., Inc., Nebraska Iowa Missouri Express, Inc., and Dewayne Marley, d.b.a. Pike Truck Line; and MC 121540 (Sub 4), East Nebraska Freight, Inc., now assigned March 20, 1978 (1 week), at Lincoln, Nebr., in a hearing room to be later designated.

MC-F-12753, Whitfield Transportation, Inc.—Purchase—Haywood L. Washum, d.b.a. Los Angeles-Yuma Freight Lines, and MC 108461 (Sub 126), Whitfield Transportation, Inc., now assigned March 14, 1978, at Phoenix, Ariz., will be held at the Hyatt Regency, Second and Adams Streets.

MC-F-13020, Gray Moving & Storage, Inc.—Purchase—American Security Van Lines, and MC 112070 (Sub 14), Gray Moving & Storage, Inc., now assigned March 1, 1978, at Denver, Colo., will be held in Room 158, U.S. Customs House, 721 19th Street.

MC 120981 (Sub 22), Bestway Express, Inc., now assigned February 27, 1978, at Nashville, Tenn., will be held in Room A-961, U.S. Courthouse, 801 Broadway, and February 28, 1978, through March 3, 1978, in Room 115, U.S. Courthouse, 801 Broadway.

MC 115826 (Sub 272), W. J. Digby, Inc., now assigned February 28, 1978, at Denver, Colo., will be held in Room 158, U.S. Customs House, 721 19th Street.

MC 57697 (Sub 7), Lester Smith Trucking, Inc., now assigned March 8, 1978, at Denver, Colo., will be held in Room 158, U.S. Customs House, 721 19th Street.

MC 114632 (Sub 120), Apple Lines, Inc., now assigned March 8, 1978, at Denver, Colo.,

will be held in Room 158, U.S. Customs House, 721 19th Street.

MC 143112, Western Kansas Express, Inc., now assigned February 22, 1978, at Wichita, Kans., will be held in Room 501C, West Towers, Federal Building, 401 North Market.

MC 143633, James E. Ashley, d.b.a. Ashley Hauling Equipment Co., now being assigned March 16, 1978 (2 days), at Kansas City, Mo., in a hearing room to be later designated.

MC 143749, Garwood Wrecker Service, now being assigned March 22, 1978 (3 days), at Kansas City, Mo., in a hearing room to be later designated.

MC 139999 (Sub 25), Redfeather Fast Freight, Inc., and MC 114632 (Sub 111), Apple Lines, Inc., now being assigned March 20, 1978 (2 days), at Kansas City, Mo., in a hearing room to be later designated.

MC 133937 (Sub 20), Carolina Cartage Co., Inc., now assigned February 27, 1978, at Columbia, S.C., is canceled, application dismissed.

H. G. HOMME, Jr.,  
Acting Secretary.

[FR Doc. 78-1664 Filed 1-19-78; 8:45]

[7035-01]

[No. 570]

**ASSIGNMENT OF HEARINGS**

JANUARY 17, 1978.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the official docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

**CORRECTION**

MC 114632 (Sub-No. 111), Apple Line, Inc., published in the FEDERAL REGISTER of December 28, 1977, page 64755, now assigned for hearing on December 27, 1978, at Kansas City, Mo., is to be disregarded.

H. G. HOMME, Jr.,  
Acting Secretary.

[FR Doc. 78-1668 Filed 1-19-78; 8:45 am]

[7035-01]

[Docket No. AB-1 (Sub-No. 29)]

**CHICAGO & NORTH WESTERN  
TRANSPORTATION CO.**

**Notice of Findings**

Chicago & North Western Transportation Co. abandonment between Hayward and Bayfield, also between Ashland Junction and Ashland, all in Sawyer, Ashland, and Bayfield Counties, Wis.

[4910-06]

[FRA Waiver Petition No. HS-78-4]

**SAVANNAH STATE DOCKS RAILROAD CO.****Petition for Exemption From the Hours of Service Act**

The Savannah State Docks Railroad has petitioned the Federal Railroad Administration pursuant to 45 U.S.C. 64a(e) for an exemption, with respect to certain employees, from the Hours of Service Act, as amended, 45 U.S.C. 61-64(b).

Interested persons are invited to participate in this proceeding by submitting written data, views, or comments. Communications should be submitted in triplicate to the Docket Clerk, Office of Chief Counsel, Federal Railroad Administration, Attention: FRA Waiver Petition No. HS-78-4, Room 5101, 400 Seventh Street SW., Washington, D.C. 20590. Communications received before May 31, 1978, will be considered before final action is taken on this petition. All comments received will be available for examination by interested persons during business hours in Room 5101, Nassif Building, 400 Seventh Street SW., Washington, D.C. 20590.

Issued in Washington, D.C. on April 18, 1978.

**ROBERT H. WRIGHT,**  
*Acting Chairman,*  
*Railroad Safety Board.*

[FR Doc. 78-11251 Filed 4-25-78; 8:45 am]

[4910-06]

Federal Railroad Administration

[Docket No. RFA 511-76-1; Notice No. 2]

**GUARANTEE OF OBLIGATIONS****Receipt of Application**

**Project:** Notice is hereby given by the Federal Railroad Administrator that the Missouri-Kansas-Texas Railroad Co. ("applicant"), 701 Commerce Street, Dallas, Tex. 75202, has applied for an amendment to the Guarantee Agreement, dated June 15, 1977, between applicant and the United States. Applicant seeks to secure a further guarantee by the United States under section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831) of notes in the principal amount of \$4,500,000, the proceeds of which shall be used by applicant to rehabilitate and improve its main line between Bellmead (Waco) and Temple, Tex., a total of 43.7 track miles including sidings ("project"), as part of the estimated total cost of \$5,189,885.

The project will result in the elimination of deficient ties, replacement of approximately 5 miles of worn rail, addition of more ballast, roadbed stabil-

ization, and replacement in part of worn signals and signal lines.

**Justification for Project:** The applicant anticipates that completion of this project will result in substantial savings in operating expenses, improved transit time and overall efficiency, improved safety of operations, and better service to the public. It is anticipated that increased revenues and decreased expenses will enable applicant to repay the principal and interest on the increased principal amount.

**Comments:** Interested persons may submit written comments on the application to the Associate Administrator for Federal Assistance, Federal Railroad Administration, 400 Seventh Street SW., Washington, D.C. 20590, not later than 15 days after the date on which this notice is published in the FEDERAL REGISTER. Such submission shall indicate the docket number shown on this notice and state whether the commenter supports or opposes the application and the reasons therefor.

The comments will be taken into consideration by the Federal Railroad Administrator in evaluating the application. However, formal acknowledgment of the comments will not be provided.

Dated: April 25, 1978.

**CHARLES SWINBURN,**  
*Associate Administrator for Fed-*  
*eral Assistance, Federal Rail-*  
*road Administration.*

[1505-01]

**DEPARTMENT OF THE TREASURY**

Internal Revenue Service

[Delegation Order No. 156, Amdt. 5]

**REGIONAL COMMISSIONERS ET AL**

Delegation of Authority

**Correction**

In FR Doc. 78-10322 appearing at page 16237 in the issue for Monday, April 17, 1978, the following corrections should be made:

(1) In the heading "Amdt. 65" is changed to read "Amdt. 5".

(2) At the end of the document, the date on which it was signed should have read "April 7, 1978" instead of "April 4, 1978".

[4810-25]

Office of the Secretary

[Treasury Department Order No. 234-5]

**DIRECTIVE TO SELL GOLD**

By virtue of the authority vested in me as Secretary of the Treasury, the

Gold Reserve Act of 1934 and Reorganization Plan No. 26 of 1950, I hereby authorize and direct the Under Secretary for Monetary Affairs to take all necessary and proper measures, including direction of other officials of the Department and utilization of the services of other government agencies for periodic public sales of gold from the United States' gold stocks. Any actions heretofore taken by the Under Secretary for Monetary Affairs in connection with such sales are hereby ratified and confirmed as the actions of the Secretary.

Dated: April 19, 1978.

**W. MICHAEL BLUMENTHAL,**  
*Secretary of the Treasury.*

[FR Doc. 78-11257 Filed 4-25-78; 8:45 am]

[4810-22]

**MOTORCYCLES FROM JAPAN**

**Antidumping Withholding of Appraisal Notice**

**AGENCY:** U.S. Treasury Department.  
**ACTION:** Withholding of appraisal.

**SUMMARY:** This notice is to advise the public that there are reasonable grounds to believe or suspect that there are sales of motorcycles from Japan to the United States at less than fair value within the meaning of the Antidumping Act, 1921. Appraisal, for the purpose of determining the proper duties applicable to entries of this merchandise, will be suspended for 6 months. Interested persons are invited to comment on this action not later than May 26, 1978.

**EFFECTIVE DATE:** April 26, 1978.

**FOR FURTHER INFORMATION CONTACT:**

Mr. Edward F. Haley, Operations Officer, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C., 20229, telephone 202-566-5492.

**SUPPLEMENTARY INFORMATION:** On June 8, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs Regulations (19 CFR 153.26 and 153.27), indicating that motorcycles from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). This information was submitted by counsel acting on behalf of the Harley-Davidson Motor Co., Inc., a subsidiary of AMF, Inc. On the basis of this information and subsequent preliminary investigation by the Customs Service, an "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of July 15, 1977 (42 F.R. 36584).

## NOTICES

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Pursuant to section 201(b)(2) of the Act (19 U.S.C. 160(b)(2)), notice was published in the FEDERAL REGISTER of January 20, 1978 (43 F.R. 3968), stating that the Secretary had concluded that the determination provided for in section 201(b)(1) of the Act (19 U.S.C. 160(b)), could not reasonably be made within 6 months. The determination under section 201(b)(1) of the Act (19 U.S.C. 160(b)(1)) was, therefore to be made within no more than 9 months.

For purposes of this notice, the term "motorcycles" means motorcycles having engines with total piston displacement over 90 cubic centimeters, whether for use on or off the road.

#### TENTATIVE DETERMINATION OF SALES AT LESS THAN FAIR VALUE

On the basis of information developed in Customs investigation and for the reasons noted below, pursuant to section 201(b)(1) of the Act (19 U.S.C. 160(b)(1)), I hereby determine that there are reasonable grounds to believe or suspect that the exporter's sales price of motorcycles from Japan is less, or is likely to be less, than the fair value, and thereby the foreign market value of such or similar merchandise.

#### STATEMENT OF REASONS ON WHICH THIS DETERMINATION IS BASED

The reasons and bases for the above tentative determination are as follows:

a. *Scope of the investigation.* It appears that virtually all imports of the subject merchandise from Japan were manufactured by Honda Motor Co., Ltd., Yamaha Motor Co., Ltd., Kawasaki Heavy Industries, Ltd., and Suzuki Motor Co., Ltd. Therefore the investigation was limited to these manufacturers.

b. *Basis of comparison.* For the purpose of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison appears to be between exporter's sales price and the adjusted home market price of such or similar merchandise. Exporter's sales price, as defined in section 204 of the Act (19 U.S.C. 163), was used since sales by all four manufacturers were made to U.S. firms related to those manufacturers within the meaning of section 207 of the Act (19 U.S.C. 166). Home market prices, as defined in section 153.2, Customs Regulations (19 CFR 153.2(b)), were used for fair value purposes since such or similar merchandise appears to have been sold in the home market in sufficient quantities to provide an adequate basis for comparison.

In accordance with section 153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning imports from Japan sold in the United States during the 8-month period November 1, 1976, through June 30, 1977, and home market sales of motorcycles during the period corresponding to the dates of export of those motorcycles sold in the United States during the above 8-month period.

c. *Exporter's sales price.* For the purpose of this tentative determination of sales at less than fair value, all of the merchandise was sold or agreed to be sold in the United

States, before or after the time of importation, by or for the account of the exporter, within the meaning of section 207 of the Act. Accordingly, the exporter's sales price to unrelated U.S. dealers with deductions for Japanese inland freight and insurance, U.S. duty, U.S. port handling, U.S. inland freight, U.S. dealer preparation, tires and tubes excise tax, owner's manual, warranty costs, financing expenses, direct advertising, co-op advertising, discounts, rebates, selling expenses and sales promotion, as appropriate. An addition was made for the Japanese commodity tax incurred with respect to home market sales but not collected or rebated by reason of exportation to the United States, in accordance with section 204 of the Act (19 U.S.C. 163).

d. *Home market price.* For the purposes of this tentative determination of sales at less than fair value, the home market prices have been calculated on the basis of the weighted-average prices to unrelated dealers. Adjustments were made for inland freight, owner's manuals, rebates, discounts, warranty costs, financing expenses, selling expenses, sales promotion, and direct advertising, with an addition for cost of export packing, as appropriate, in accordance with section 153.10, Customs Regulations (19 CFR 153.10). Adjustment was made for differences in merchandise sold in the two markets, as appropriate, in accordance with Section 153.11, Customs Regulations (19 CFR 153.11).

During our extended investigatory period, additional information was obtained in connection with the comparability of merchandise sold to the United States with that sold in the home market. This information has been reviewed and analyzed by a special consultant selected by the U.S. Customs Service for this purpose. As a result of his analyses, certain additional information in connection with sales to third countries has been requested, for the purpose of making Fair Value comparisons for motorcycles sold to the United States for which no comparable home market model is now deemed to exist. This information will be verified and analyzed prior to the Final Determination.

During our extended investigatory period information was requested concerning direct factory overhead expenses applicable to the cost of manufacture of motorcycles sold to the United States and similar merchandise sold in the home market, and if applicable, third countries. This information will be analyzed prior to the Final Determination and will be utilized in determining differences in cost of manufacture of similar merchandise in the two markets, under Section 153.11, Customs Regulations (19 CFR 153.11).

It has been claimed that, with respect to 1974, 1975 and 1976 model year motorcycles sold during the investigatory period, an adjustment should be made to account for the fact that these motorcycles were considered "current" when sold in Japan, where motorcycles are not marketed by model year designations, but were not considered "current" when sold in the United States, where this merchandise is sold by model year designation. Information demonstrating that the practice of reducing prices on prior model year motorcycles is customary in the United States market not having been received, this adjustment has been denied. If sufficient documentation supporting this claim is received in a timely fashion, adjustment may be made at the time of the Final Determination.

Additionally, petitioner has claimed that rebates have been paid by respondents to unrelated U.S. dealers subsequent to our investigatory period in connection with sales to those dealers occurring during the period and that such rebates should be deducted from exporter's sales prices. This claim will be investigated prior to the Final Determination and will, to the extent consistent with our findings on the preceding claim for prior model year adjustment, be adjusted for whenever the net price paid is thereby affected.

Petitioner has requested that the scope of the investigation be broadened to include motorcycle components other than those imported for sale as spare parts. As motorcycle components are an entirely separate and distinct "class or kind" of merchandise from motorcycles subject to this investigation, it has been concluded that, absent a showing that components are being imported as "kits" or in a similar aggregate form for assembly in the United States, motorcycle components cannot be appropriately included within the scope of this proceeding.

Counsel for Yamaha has claimed adjustment based alternatively, on Section 153.15, Customs Regulations (19 CFR 153.9, 153.15), for greater costs incurred in selling to home market, vis-a-vis, U.S. dealers. These fixed selling costs relate to the larger home market sales force needed to service dealers who are greater in number than in the U.S. and who purchase in smaller lots and hold smaller inventories. The requested adjustment is in addition to those elements of direct and indirect selling expenses already the subject of adjustment under subsections (a) and (b), respectively, of Section 153.10 of the Customs Regulations (19 CFR 153.10(a)(b)). The possibility of making adjustment for such costs in the context of Sections 153.10 and 153.15 was previously considered in the case of Ice Hockey Sticks from Finland. In our "Notice of Modification of Determination of Sales at Less Than Fair Value" published in the FEDERAL REGISTER of March 10, 1978, (43 FR 9912) in connection with that case, we stated:

"Treasury is aware of, and sensitive to, the possibility that present regulations and Treasury policies regarding these two issues may not have to the past properly recognized all expenses which may warrant adjustments. However, it has been determined that a review and possible alteration of regulations and policies with respect to such a fundamental area of the administration of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) should not be implemented on a case-by-case basis."

As we further stated in that notice, a comprehensive review of this area is currently underway. Our past practice under Section 153.9, which provides for adjustment in differences in costs specifically attributable to quantities involved in sales in the two relevant markets, limits the scope of such adjustment to differences in production costs resulting from the quantities produced. Expenses which are sales or promotional in nature are appropriately dealt with under Sections 153.10 and/or 153.15. Expenses of the type for which adjustment is claimed are in fact costs which are subject to "offset" in a situation such as the instant one involving the use of exporter's sales price, under §153.10(b). Acceptance of the claimed adjustment beyond the offset amount would therefore be contrary to a literal reading of that section. This claim has therefore been denied.



Petitioner has claimed that §153.10(b), which provides that in making comparisons using exporter's sales price, reasonable allowance will be made for actual selling expenses incurred in the home market up to the amount of the selling expenses incurred in the United States market, should be interpreted on an item-by-item basis. Under such reading, adjustment for indirect expenses in the home market would be limited to an offset up to the amount of actual expenses incurred for each particular category of selling expenses.

Our consistent practice over many years has been to the contrary. We have concluded that that practice, taking cognizance as it does, of varying market conditions and requirements in the two markets, should not be deviated from, particularly at a time when this area of administration of the law is the subject of overall review to determine whether adjustment for fixed or indirect selling expenses should be broadened.

Petitioner has claimed that advertising expenses directed to the promotion of sales of a particular motorcycle model should be deducted from the price of that particular model, rather than allocated over the entire class or kind of merchandise subject to the investigation. While it has been concluded that this claim is well-founded, it has not been possible to perform the necessary recalculations in time for this Tentative Determination. This will be done prior to the Final Determination.

Petitioner has requested that Treasury examine whether prices of the subject merchandise have been revised to fully reflect increases in the value of the Japanese yen during the time subsequent to the conclusion of our investigatory period, i.e., June 30, 1977. It is not normally possible, nor generally is it our policy, to examine pricing behavior subsequent to the investigatory period, otherwise than in the context considering a request for discontinuance under Section 153.33, Customs Regulations (19 CFR 153.33), in connection with which it must be determined whether necessary price revisions have occurred to eliminate any present sales at less than fair value.

e. *Result of fair value comparisons.* Using the above criteria, preliminary analysis suggests that the exporter's sales price probably will be lower than the home market price of such or similar merchandise. Comparisons were made on about 80 percent of the motorcycle sold in the United States by the manufacturers during the period of investigation. Margins were tentatively found on 9 percent of the sales compared. The weighted-average margin on the basis of all sales compared is 1.7 percent. Weighted-average margins found with respect to the companies under investigation, computed over all sales compared, were as follows: Honda, 1.4 percent; Kawasaki, 3.6 percent; Yamaha, 1.9 percent; and Suzuki, 0.7 percent. Accordingly, Customs officers are being directed to withhold appraisal of motorcycle from Japan in accordance with Section 153.48, Customs Regulations (19 CFR 153.48).

In accordance with §153.40, Customs Regulations (19 CFR 153.40), interested persons may present written views or arguments, or request in writing that the Secretary of the Treasury afford an opportunity to present oral views.

Any request that the Secretary of the Treasury afford an opportunity to

present oral views should be addressed to the Commissioner of Customs, 1301 Constitution Avenue NW., Washington, D.C. 20229, in time to be received by his office not later than May 8, 1978. Such request must be accomplished by a statement outlining the issues wished to be discussed.

Any written views or arguments should likewise be addressed to the Commissioner of Customs in time to be received by his office not later than May 26, 1978. All persons submitting written views of arguments should avoid repetitious and merely cumulative material. Counsel for petitioner and respondents are requested to serve all written submissions on all other counsel and to file their submissions in ten copies with the Commissioner of Customs.

This notice, which is published pursuant to §153.35(b), Customs Regulations (19 CFR 153.35(b)), shall become effective April 26, 1978. It shall cease to be effective at the expiration of 6 months from the date of this publication, unless previously revoked.

ROBERT H. MUNDHEIM,  
*General Counsel of the Treasury.*

APRIL 19, 1978.

[FR Doc. 78-11258 Filed 4-25-78; 8:45 am]

#### [4810-40]

[Public Debt Series-No. 9-78]

#### TREASURY NOTES OF SERIES N-1980

Redesignation of Interest Rate

APRIL 20, 1978.

The Secretary of the Treasury announced on April 19, 1978, that the interest rate on the notes described in Department Circular, Public Debt Series, No. 9-78, dated April 13, 1978, will be 7% percent per annum. Accordingly, the notes are hereby redesignated 7% percent Treasury Notes of Series N-1980. Interest on the notes will be payable at the rate of 7% percent per annum.

PAUL H. TAYLOR,  
*Acting Fiscal  
Assistant Secretary.*

[FR Doc. 78-11255 Filed 4-25-78; 8:45 am]

#### [7035-01]

#### INTERSTATE COMMERCE COMMISSION

[Notice No. 645]

#### ASSIGNMENT OF HEARINGS

APRIL 21, 1978.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does

not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

No. MC 95876 (Sub-No. 204), Anderson Trucking Service, Inc., now being assigned for continued hearing on May 16, 1978, at the Offices of the Interstate Commerce Commission, Washington, DC. MC 116915 Sub 34, Eck Miller Transportation Corp., is now assigned for hearing June 6, 1978 (1 day) at Louisville, KY, at a location to be later designated.

No. FF 504, Gray International Freight Forwarding Co., now assigned June 15, 1978, at Denver, CO is canceled and application dismissed.

MC 99581 Sub 4, Vaca Valley Bus Lines, Inc. now being assigned June 19, 1978 (2 days) for continued hearing in San Francisco, CA in a hearing room to be later designated.

FD 28697, Southern Railway Co. Discontinuance of Trains Nos. 1 and 2 between Washington, DC and Atlanta, GA, now assigned for hearing and continued hearings on the dates listed below, will be held at the locations listed below: May 12, 1978 at the offices of the Interstate Commerce Commission, Washington, DC; May 19, 1978 in room B-67, Federal Building, 220 7th Street Northwest, Charlottesville, WV; May 20, 1978 in the Federal Courtroom, Second Floor, U.S. Post Office and Federal Building, Church Street, Lynchburg, VA; May 22, 1978 in the Federal Courtroom, Second Floor, Post Office Building, 700 Main Street, Danville, VA; May 23, 1978 in the Second Floor Courtroom, U.S. Post Office and Courthouse Building, 324 West Market Street, Greensboro, SC; May 24, 1978 in The Rond Courtroom, Third Floor, Rowan County Courthouse, 2nd block of North Main Street, Salisbury, NC; May 25, 1978 in the Meeting Room, Fourth Floor, Knight Publishing Co., The Observatory News Building, 600 South Tryon Street, Charlotte, NC; May 26, 1978 at City Hall, Council Chambers, 145 West Broad Street, Spartanburg, SC; May 27, 1978 Sheraton Palmetto Inn, 4295 Augusta Road, Greenville, SC; May 30, 1978 at Fort Hill Federal Savings & Loan, 207 College Avenue, Clemson, SC; May 31, 1978 at the Stevenson County Library, Savannah Street, Toccoa, GA; June 1, 1978 at City Hall, 116 Broad Street Southeast, Gainesville, GA; June 2, 1978 in Room 556, Federal Office Building, 275 Peachtree Street Northeast, Atlanta, GA; June 5,

paragraph, advise the Secretary that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of such merchandise into the United States, this investigation will be terminated. Otherwise, the investigation will continue to conclusion.

This notice is published pursuant to § 153.30 of the Customs regulations (19 CFR 153.30).

Dated: August 1, 1978.

ROBERT H. MUNDHEIM,  
General Counsel of the Treasury.  
[FR Doc. 78-21936 Filed 8-7-78; 8:45 am]

## [4810-40]

[Public Debt Series—No. 18-781

SERIES B-1985

Treasury Notes

AUGUST 3, 1978.

The Secretary of the Treasury announced on August 2, 1978, that the interest rate on the notes designated Series B-1985, described in Department Circular—Public Debt Series—No. 18-78, dated July 27, 1978, will be 8¼ percent. Interest on the notes will be payable at the rate of 8¼ percent per annum.

L. W. PLUMLY,  
Acting Fiscal  
Assistant Secretary.

[FR Doc. 78-21939 Filed 8-7-78; 8:45 am]

## [4810-25]

Office of the Secretary

## MOTORCYCLES FROM JAPAN

Antidumping: Determination of Sales at Less Than Fair Value and Exclusion From Investigation

AGENCY: U.S. Treasury Department.

ACTION: Determination of sales at less than fair value and exclusion from investigation.

SUMMARY: This notice is to advise the public that an antidumping investigation has resulted in a determination that motorcycles from Japan are being sold at less than fair value. Sales at less than fair value generally occur when the price of merchandise for exportation to the United States is less than the price of such or similar merchandise sold in the home market or to third countries. This case is being referred to the U.S. International Trade Commission for a determination whether such sales have caused or are likely to cause injury to an industry in the United States.

EFFECTIVE DATE: August 8, 1978.

## FOR FURTHER INFORMATION CONTACT:

Richard Rimlinger, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On June 8, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs regulations (19 CFR 153.26 and 153.27), indicating that motorcycles from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the act"). This information was submitted by counsel acting on behalf of the Harley-Davidson Motor Co., Inc., a subsidiary of AMF, Inc. On the basis of this information and subsequent preliminary investigation by the Customs Service, an "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of July 15, 1977 (42 FR 36584).

Pursuant to section 201(b)(2) of the act (19 U.S.C. 160(b)(2)), notice was published in the FEDERAL REGISTER of January 20, 1978 (43 FR 3968), stating that the Secretary had concluded that the determination provided for in section 201(b)(1) of the act (19 U.S.C. 160(b)), could not reasonably be made within 6 months. The determination under section 201(b)(1) of the act (19 U.S.C. 160(b)(1)) was, therefore, to be made within no more than 9 months.

A "Withholding of Appraisal Notice" was published in the FEDERAL REGISTER of April 26, 1978 (42 FR 17900-02).

For purposes of this notice, the term "motorcycles" means motorcycles having engines with total piston displacement over 90 cubic centimeters, whether for use on or off the road.

## FINAL DETERMINATION OF SALES AT LESS THAN FAIR VALUE

On the basis of information developed in Customs' investigation and for the reasons noted below, I hereby determine that motorcycles from Japan, other than those produced and sold by Suzuki Motor Co., Ltd., are being sold at less than fair value within the meaning of section 201(a) of the act (19 U.S.C. 160(a)). In the case of motorcycles from Japan produced and sold by Suzuki Motor Co., Ltd., I hereby exclude such merchandise from this determination.

## STATEMENT OF REASONS ON WHICH THIS DETERMINATION IS BASED

The reasons and bases for the above final determination are as follows:

a. *Scope of the investigation.* It appears that virtually all imports of the subject merchandise from Japan were manufactured by Honda Motor Co., Ltd., Yamaha Motor Co., Ltd., Kawasaki Heavy Industries, Ltd., and Suzuki Motor Co., Ltd. Therefore, the investigation was limited to these manufacturers.

b. *Basis of comparison.* For the purpose of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the act, the proper basis of comparison, with the exception of one model sold by Honda Motor Co., Ltd. (the GL 1000 K2), is between exporter's sales price and the home market price of such or similar merchandise on all sales.

In the case of Honda model GL 1000 K2, the proper basis of comparison was between exporter's sales price and sales of such merchandise sold in a third country. Exporter's sales price as defined in section 204 of the act (19 U.S.C. 163) was used since sales by all four manufacturers were made to U.S. firms related to those manufacturers within the meaning of section 207 of the act (19 U.S.C. 166).

Home market price, as defined in section 153.2, Customs regulations (19 CFR 153.2), was used since such or similar merchandise, with one exception, was sold in the home market in sufficient quantities to provide a basis for fair value comparisons. Third-country sales, as defined in section 153.3, Customs regulations (19 CFR 153.3), were used for Honda model GL 1000 K2 since, upon advice of an independent technical consultant, the Treasury Department has determined that there were no sales in the Japanese home market of such or similar merchandise within the meaning of section 212(3) of the act (19 U.S.C. 171(3)).

Sales of the GL 1000 K2 to Canada were selected for fair value comparisons, since the Canadian model was virtually identical to the U.S. model and was, thus, considered to be "such or similar" within the meaning of section 212(3)(A) of the act. Accordingly, no comparisons were made under section 212(3)(B) with merchandise sold in other third countries.

In accordance with section 153.31(b), Customs regulations (19 CFR 153.31(b)), pricing information was obtained concerning imports from Japan sold in the United States during the 8-month period November 1, 1976, through June 30, 1977, and Canadian and home market sales of motorcycles during the period corresponding to the dates of export of those motorcycles sold in the United States during the above 8-month period.

c. *Exporter's sales price.* For the purposes of this determination of sales at

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less than fair value, all of the merchandise was sold or agreed to be sold in the United States, before or after the time of importation, by or for the account of the exporter, within the meaning of section 207 of the act. Accordingly, the exporter's sales price was calculated based on prices to unrelated U.S. dealers with deductions for Japanese inland freight and insurance, U.S. duty, U.S. port handling, U.S. inland freight, setup and preparation, tires and tubes excise tax, direct advertising, co-op advertising, discounts, rebates, selling expenses, and sales promotion, as appropriate. An addition was made for the Japanese commodity tax incurred with respect to home market sales but not collected or rebated by reason of exportation to the United States, in accordance with section 204 of the act (19 U.S.C. 163).

After the tentative determination, information was presented indicating that respondents might have paid rebates after the investigatory period in connection with motorcycles sold during the period, in addition to the rebates disclosed to the Customs Service in the course of its investigation. Respondents were requested to supplement their responses to report any such additional rebates. Some supplementary information has been received, and taken into consideration in the calculation of exporter's sales price. A further Customs verification effort directed to the question of unreported rebates is underway. Should it reveal the existence of additional unreported rebates, this final determination of sales at less than fair value will be amended, as appropriate.

**d. Home market price.** For the purposes of this determination of sales at less than fair value, the home market prices have been calculated on the basis of the weighted-average prices to unrelated dealers. Adjustments were made for inland freight, owners' manuals, rebates, discounts, warranty costs, financing expenses, selling expenses, sales promotion, and direct advertising, with an addition for cost of export packing, as appropriate, in accordance with § 153.10, Customs regulations (19 CFR 153.10). Adjustment was made for differences in merchandise sold in the two markets, as appropriate, in accordance with section 153.11, Customs regulations (19 CFR 153.11).

(i) **Model-year adjustment.** It has been claimed by counsel for certain of the respondents that, with respect to 1974, 1975, and 1976 model-year motorcycles sold during the investigatory period, an adjustment should be made to account for the fact that these motorcycles were considered "current" when sold in Japan, where motorcycles are not marketed by model-year designations, but were not considered

"current" when sold in the United States, where this merchandise is sold by model-year designation.

Counsel for petitioner has claimed that discounts given in connection with sales of certain prior model-year Japanese motorcycles are not "customary" in the U.S. market, and that such a "custom," if it existed, was established by respondents in order to sell excess inventory and was unrelated to the fact that these motorcycles were of a prior model year.

An adjustment of the type here claimed by respondents must be predicated upon a practice of discounting prior model-year motorcycles. This practice must be shown to be consistent, both as to timing of the discount to coincide with the introduction of new model-year motorcycles and as to the amount of the discount. Further, such a practice must be shown to be carried out in response to consumer perception that prior model-year motorcycles will be discounted. However, the recent introduction of such a practice or custom will not prevent its recognition.

Based on the evidence presented on the above points, it has been concluded that the adjustment must be denied. The introduction of new models did not result in an automatic reduction of prices on prior models as part of the alleged custom. Older models were discounted at varying times and in varying amounts and in connection with various promotional programs unrelated to the introduction of new models. Further, when older models constitute a substantial portion of sales (in this case for some exporters from 26 to 58 percent of all sales made in the period of investigation) and, in some cases, continue to be shipped after the introduction of new models, the sales of prior model-year motorcycles may not be disregarded in assessing the exporter's sales policies.

(ii) **Valuation of "differences" in merchandise.** Section 153.11, Customs regulations (19 CFR 153.11), provides that in making comparisons between similar merchandise, due allowance shall be made for differences in the merchandise. Primarily, such allowance will be based upon differences in the cost of manufacture, including differences in the costs of materials, labor, and direct factory overhead. Counsel for petitioner has claimed that such adjustment must be made based on the costs of producing differences in the merchandise which have been previously identified. Counsel for certain of the respondents have urged that the adjustment may be determined by simply comparing the total of all costs of producing the two similar products.

It has been concluded that the methodology urged by the respondents

may distort the adjustment by introducing cost differences totally extraneous to, and which do not result from, the objective differences in the merchandise. The adjustments for differences in the merchandise have, therefore, been based on those cost differences directly attributable to the objective differences in the merchandise.

During the extended investigatory period, information was requested concerning direct factory overhead expenses applicable to the cost of manufacture of motorcycles sold to the United States and similar merchandise sold in the home market, and if applicable, third countries. This information has been analyzed prior to the final determination and has been utilized in determining differences in cost of manufacture of similar merchandise in the two markets, under § 153.11.

(iii) **Advertising adjustment.** The withholding of appraisement notice in this case stated:

Petitioner has claimed that advertising expenses directed to the promotion of sales of a particular motorcycle should be deducted from the price of that particular model, rather than allocated over the entire class or kind of merchandise subject to the investigation. While it has been concluded that this claim is well founded, it has not been possible to perform the necessary recalculations in time for this tentative determination. This will be done prior to the final determination.

This statement was intended to reflect the dual concepts of section 153.10(b), Customs regulations (19 CFR 153.10(b)), relating to adjustments for differences in circumstances of sale:

**First:** Allowable expenses under that provision must bear a direct relationship to the sales which are under consideration, and may not be items of general overhead attributable to all of a company's sales;

**Second:** Allowable advertising expenses under that provision must attributable to a later sale of the merchandise by a purchaser.

The concepts in section 153.10(b) have been interpreted in previous Treasury practice to mean:

1. The expense must have been incurred with respect to the particular product in question, rather than benefiting the sales of more than one product, the company's entire product line or its institutional image.

2. The expense must have been incurred with respect to the particular geographic market in question, rather than benefiting sales in all markets or markets not under consideration.

3. The expense must relate to materials or advertising media directed to purchasers in later sales; in effect, they must represent an assumption of a cost by the producer that would otherwise be borne by the customer of the producer.

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## NOTICES

In the instant case, each respondent has stated that it does not maintain records of expenditures in a way which would enable a determination of the advertising expenses incurred with respect to each model of motorcycle sold. Rather respondents' evidence establishes that funds were expended in respect of sales of "motorcycles," and then allocated by value of sales to types of motorcycles. In this case, the allocations of such expenses to models and markets made by each respondent, have been determined to be appropriate.

(iv) *Adjustment for currency value changes.* Counsel for petitioner has requested that Treasury examine whether prices of the subject merchandise have been revised to reflect fully increases in the value of the Japanese yen during the time subsequent to the conclusion of the investigatory period, i.e., June 30, 1977. It is not normally possible, nor generally is it Treasury policy, to examine pricing behavior subsequent to the investigatory period, other than in the context of considering a request for a discontinuance of investigation under § 153.33, Customs regulations (19 CFR 153.33). Under that section, an investigation may be discontinued if no more than "minimal" margins are found, if assurances of no further sales at less than fair value are received, and if the exporter has, in fact, revised prices so as to eliminate sales at less than fair value. None of the three companies, with respect to which sales at less than fair value in more than a de minimis amount have been found, have margins which would be considered "minimal" under existing Treasury practice. Should, however, information be received which would necessitate a revision of the findings of margins set forth in this notice to a level considered minimal, it will be necessary, in view of the significant change in the value of the yen since June 1977, to scrutinize closely the evidence submitted by respondents of the current pricing in the two relevant markets.

e. *Third-country sales.* During our extended investigatory period, additional information was obtained in connection with the comparability of merchandise sold to the United States with that sold in the home market. This information has been reviewed and analyzed by a special consultant selected by the U.S. Customs Service for this purpose. As a result of his analyses, the determination was made that there were no sales of motorcycles in the home market which were considered to be "such or similar" to Honda model GL 1000 K2 within the meaning of section 212(3) of the act. Therefore, third-country sales of this model were examined.

Since the GL 1000 K2 sold to Canada was virtually identical to the U.S. model, Canadian sales information was obtained and verified. For the purposes of this determination of sales at less than fair value, third-country sales price has been calculated on the weighted-average prices to unrelated Canadian dealers. Adjustments were made for: Japanese inland freight, in-transit storage costs, Japanese brokerage and handling, ocean freight, marine insurance, Canadian duty, Canadian customs brokerage, Canadian inland freight, Canadian harbor charges, Canadian local delivery and miscellaneous charges, Canadian Federal sales and excise taxes, cash and early payment discounts, and an offset to U.S. selling expenses deducted from exporter's sales price. Also, an adjustment was made for a de minimis difference in the merchandise sold in the two markets, in accordance with § 153.11, Customs regulations (19 CFR 153.11). However, so minor an adjustment on a product of such value does not prevent the consideration of the merchandise under section 212(3)(A) of the act and obviates the need to consider merchandise in other countries under section 212(3)(B).

f. *Result of fair value comparisons.* Using the above criteria, exporter's sales price was found to be lower than the home market and third-country price of such or similar merchandise. Comparisons were made on approximately 90 percent of the total sales of the subject merchandise to the United States by all manufacturers investigated for the period under investigation. Margins were found on approximately 18.8 percent of the sales ranging from 0.9 to 54 percent resulting in a weighted-average margin of 2.59 percent on all sales compared. Weighted-average margins found with respect to the companies under investigation, computed over all sales compared, were as follows: Honda, 2.9 percent; Kawasaki, 7.26 percent; Yamaha, 1.9 percent; and Suzuki, 0.28 percent.

In the case of Suzuki, the weighted-average margin is considered to be de minimis.

The Secretary has provided an opportunity to known interested persons to present written and oral views pursuant to § 153.40, Customs regulations (19 CFR 153.40).

The U.S. International Trade Commission is being advised of this determination.

The order issued April 26, 1978, to withhold appraisement on the subject merchandise from Japan, the notice of which is cited above, is hereby terminated with respect to Suzuki, effective August 8, 1978.

This determination is being published pursuant to section 201(d) of the act (19 U.S.C. 160(d)).

Dated: August 3, 1978.

ROBERT H. MUNDHEIM,  
General Counsel of the Treasury.  
[FR Doc 78-21995 Filed 8-7-78; 8:45 am]

[7035-01]

INTERSTATE COMMERCE  
COMMISSION

[Decision Volume No. 14]

## DECISION-NOTICE

JULY 21, 1978.

The following applications are governed by special rule 247 of the Commission's rules of practice (49 CFR 1100.247). These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission within 30 days after the date notice of the application is published in the *FEDERAL REGISTER*. Failure to file a protest, within 30 days, will be considered as a waiver of opposition to the application. A protest under these rules should comply with rule 247(e)(3) of the rules of practice which requires that it set forth specifically the grounds upon which it is made, contain a detailed statement of protestant's interest in the proceeding (as specifically noted below), and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. A protestant should include a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describe in detail the method—whether by joinder, interline, or other means—by which protestant would use such authority to provide all or part of the service proposed. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and one copy of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or upon applicant if no representative is named. If the protest includes a request for oral hearing, such request shall meet the requirements of section 247(e)(4) of the special rules and shall include the certification required in that section.

Section 247(f) provides, in part, that an applicant which does not intend timely to prosecute its application shall promptly request that it be dismissed, and that failure to prosecute an application under the procedures of the Commission will result in its dismissal.

Further processing steps will be by Commission notice, decision, or letter which will be served on each party of record. Broadening amendments will

APPENDIX D

MOTORCYCLE MODELS PRODUCED BY HARLEY-DAVIDSON

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APPENDIX E  
1978 MODEL SPECIFICATIONS

# SPECIFICATIONS

Make & Model	Displ. cc	Engine Type	Bore x Stroke, mm	Comp. Ratio :1	Carburetion	Ignition	Gears	Wheel- base, in.	Dry Wt., lbs.	Approx. Price
<b>ON-HIGHWAY</b>										
Benelli 250 Phantom	250	2/S Twin	56.0x47.0	10.3	2, 22mm Dell'Orto	CDI	5	52.0	315	\$ 999
Benelli 500 Quattro	498	4/S ohc Four	56.0x50.6	10.2	4, 22mm Dell'Orto	Bat@Coil	5	55.0	462	\$2295
Benelli 650 Tornado	650	4/S ohv Twin	84.0x58.0	9.0	2, 29mm Dell'Orto	Bat@Coil	5	56.0	463	\$1989
Benelli 750 Sei	747	4/S ohc Six	56.0x50.6	9.0	3, 24mm Dell'Orto	Bat@Coil	5	55.0	484	\$3995
BMW R60/7	599	4/S ohv OP-Twin	73.5x70.6	9.2	2, 26mm Bing	Bat@Coil	5	57.7	430	\$3295
BMW R80/7	797	4/S ohv OP-Twin	84.8x70.6	9.2	2, 32mm Bing	Bat@Coil	5	57.7	430	\$3595
BMW R100/7	980	4/S ohv OP-Twin	94.0x70.6	9.0	2, 32mm Bing	Bat@Coil	5	57.7	430	\$3875
BMW R100/S	980	4/S ohv OP-Twin	94.0x70.6	9.5	2, 40mm Bing	Bat@Coil	5	57.7	441	\$4565
BMW R100RS	980	4/S ohv OP-Twin	94.0x70.6	9.5	2, 40mm Bing	Bat@Coil	5	57.7	441	\$5295
Ducati 500 GTL	497	4/S ohc Twin	78.0x52.0	10.0	2, 30mm Dell'Orto	Bat@Coil	5	55.1	367	\$1879
Ducati 900 GTS	864	4/S ohc V-Twin	86.0x74.4	9.8	2, 32mm Dell'Orto	Bat@Coil	5	59.0	462	\$2579
Ducati 900 Darmah	864	4/S ohc V-Twin	86.0x74.4	9.3	2, 32mm Dell'Orto	Bat@Coil	5	59.5	475	\$3479
Ducati 900 SS	864	4/S ohc V-Twin	86.0x74.4	9.5	2, 40mm Dell'Orto	Bat@Coil	5	59.0	413	\$3600
H-D XLH-1000 Sportster	998	4/S ohv V-Twin	81.0x96.8	9.0	1, 38mm Keihin	Bat@Coil	4	58.5	495	\$3267
H-D XLCR-1000 Café Racer	998	4/S ohv V-Twin	81.0x96.8	9.0	1, 38mm Keihin	Bat@Coil	4	58.5	485	\$3660
H-D FXS-1200 Low Rider	1207	4/S ohv V-Twin	87.3x100.8	8.0	1, 38mm Keihin	Bat@Coil	4	63.2	607	\$4180
H-D FXE-1200 Super Glide	1207	4/S ohv V-Twin	87.3x100.8	8.0	1, 38mm Keihin	Bat@Coil	4	62.7	586	\$3827
H-D FLH-1200 Electra Glide	1207	4/S ohv V-Twin	87.3x100.8	8.0	1, 38mm Keihin	Bat@Coil	4	61.5	722	\$4240
Honda CB125	124	4/S ohc Single	56.5x49.5	9.4	1, 24mm Keihin	Bat@Coil	5	47.4	205	\$ 698
Honda CM185T	180	4/S ohc Twin	53.0x41.0	9.0	1, 22mm Keihin	Bat@Coil	4	50.4	280	\$ 915
Honda CB400T1	395	4/S ohc Twin	70.5x50.6	9.3	2, 32mm Keihin	Bat@Coil	5	54.7	351	\$1148
Honda CB400T2	395	4/S ohc Twin	70.5x50.6	9.3	2, 32mm Keihin	Bat@Coil	5	54.7	370	\$1298
Honda CB400A	395	4/S ohc Twin	70.5x50.6	9.3	2, 28mm Keihin	Bat@Coil	2	54.7	384	\$1398
Honda CX-500	496	4/S ohv V-Twin	78.0x52.0	10.0	2, 35mm Keihin	CDI	5	57.3	441	\$1898
Honda CB550	544	4/S ohc Four	58.5x50.6	9.0	4, 22mm Keihin	Bat@Coil	5	55.3	426	\$1749
Honda CB750K	736	4/S ohc Four	61.0x63.0	9.2	4, 28mm Keihin	Bat@Coil	5	58.9	508	\$2075
Honda CB750F	736	4/S ohc Four	61.0x63.0	9.0	4, 28mm Keihin	Bat@Coil	5	58.3	512	\$2198
Honda CB750A	736	4/S ohc Four	61.0x63.0	8.6	4, 24mm Keihin	Bat@Coil	2	58.3	540	\$2275
Honda GL1000	999	4/S ohc OP-Four	72.0x61.4	9.2	4, 31mm Keihin	Bat@Coil	5	60.8	602	\$3048
Honda CBX	1047	4/S dohc Six	64.5x53.4	9.3	6, 28mm Keihin	CDI	5	58.7	549	NA
Italjet GP50R Road Racer	50	2/S Single	38.8x42.0	11.0	1, 22mm Dell'Orto	Mag. CDI	6	50.0	125	NA
Kawasaki KZ200	198	4 S ohc Single	66.0x58.0	9.0	1, 26mm Keihin	Bat@Coil	5	50.4	278	\$ 859
Kawasaki KZ400S	398	4 S ohc Twin	64.0x62.0	9.5	2, 32mm Keihin	Bat@Coil	5	53.7	341	\$1075
Kawasaki KZ400D	398	4/S ohc Twin	64.0x62.0	9.5	2, 32mm Keihin	Bat@Coil	6	53.7	370	\$1289
Kawasaki KZ400A	398	4/S ohc Twin	64.0x62.0	9.4	2, 32mm Keihin	Bat@Coil	5	53.5	422	\$1595
Kawasaki KZ650	652	4/S dohc Four	62.0x54.0	9.5	4, 24mm Mikuni	Bat@Coil	5	55.9	465	\$1925
Kawasaki KZ650C	652	4/S dohc Four	62.0x54.0	9.5	4, 24mm Mikuni	Bat@Coil	5	55.9	483	\$2245
Kawasaki KZ750	745	4/S dohc Twin	78.0x78.0	8.5	2, 38mm Mikuni	Bat@Coil	5	57.1	481	\$1899
Kawasaki KZ1000	1015	4/S dohc Four	70.0x66.0	8.7	4, 26mm Mikuni	Bat@Coil	5	59.3	529	\$2745
Kawasaki KZ1000 Z1-R	1015	4/S dohc Four	70.0x66.0	8.7	4, 28mm Mikuni	Bat@Coil	5	59.3	542	\$3695
Laverda 500 Zeta	497	4/S dohc Twin	72.0x61.0	NA	2, 32mm Dell'Orto	CDI	6	55.1	377	\$2995
Laverda 1000 Jarama	980	4/S dohc Triple	75.0x74.0	9.0	3, 32mm Dell'Orto	CDI	5	58.5	481	\$3995
Laverda 1200 Jota America	1116	4/S dohc Triple	80.0x74.0	8.0	3, 32mm Dell'Orto	CDI	5	58.5	499	\$4250
Moto Guzzi V50	490	4/S ohv V-Twin	74.0x57.0	10.8	2, 24mm Dell'Orto	CDI	5	NA	330	NA
Moto Guzzi 850-T3 FB	844	4/S ohv V-Twin	83.0x78.0	9.5	2, 30mm Dell'Orto	Bat@Coil	5	58.0	535	\$2899
Moto Guzzi 850 Le Mans	844	4/S ohv V-Twin	83.0x78.0	10.2	2, 36mm Dell'Orto	Bat@Coil	5	58.0	435	\$3679
Moto Guzzi V 1000 I-Convert	949	4/S ohv V-Twin	88.0x78.0	9.2	2, 30mm Dell'Orto	Bat@Coil	2	58.0	560	\$3600
Moto Morini 350 Standard	344	4 S ohv V-Twin	62.0x57.0	10.0	2, 25mm Dell'Orto	CDI	6	55.6	316	\$1695
Moto Morini 350 Sport Cafe'	344	4 S ohv V-Twin	62.0x57.0	11.0	2, 25mm Dell'Orto	CDI	6	55.6	316	\$1895
Moto Morini GT 500	500	4 S ohv V-Twin	NA	NA	NA	CDI	5	NA	NA	\$1995
Suzuki GS-400C	398	4 S dohc Twin	65.0x60.0	9.0	2, 34mm Mikuni	Bat@Coil	6	54.5	378	\$1299
Suzuki GS-400XC	398	4 S dohc Twin	65.0x60.0	9.0	2, 34mm Mikuni	Bat@Coil	6	54.5	372	\$1099
Suzuki GS-550C	549	4 S dohc Four	56.0x55.8	8.6	4, 22mm Mikuni	Bat@Coil	6	56.5	432	\$1749
Suzuki GS-550EC	549	4 S dohc Four	56.0x55.8	8.6	4, 22mm Mikuni	Bat@Coil	6	56.5	452	\$1899
Suzuki GS-750C	748	4 S dohc Four	65.0x56.4	8.7	4, 26mm Mikuni	Bat@Coil	5	58.7	492	\$2199
Suzuki GS-750EC	748	4 S dohc Four	65.0x56.4	8.7	4, 26mm Mikuni	Bat@Coil	5	58.7	514	\$2349



Suzuki GS-1000C	997	4/S dohc Four	70.0x64.8	9.2	4, 26mm Mikuni	Bat@Coil	5	58.7	499	\$2749
Suzuki GS-1000EC	997	4/S dohc Four	70.0x64.8	9.2	4, 26mm Mikuni	Bat@Coil	5	58.7	514	\$2999
Triumph Bonneville	744	4/S ohv Twin	76.0x82.0	7.9	2, 30mm Amal	Bat@Coil	5	56.0	395	\$2099
Triumph Tiger	744	4/S ohv Twin	76.0x82.0	7.9	1, 30mm Amal	Bat@Coil	5	56.0	395	\$1999
Van Veen OCR-1000	996	Twin Rotary	NA	NA	1, 32mm Solex	CDI	4	NA	562	NA
Yamaha XS400-2E	391	4/S ohc Twin	69.0x52.0	9.4	2, 34mm Mikuni	Bat@Coil	6	52.5	342	\$1075
Yamaha XS400E	391	4/S ohc Twin	69.0x52.4	9.3	2, 34mm Mikuni	Bat@Coil	6	53.7	370	\$1298
Yamaha RD400E	398	2/S reed Twin	64.0x62.0	6.2	2, 28mm Mikuni	Bat@Coil	6	51.8	342	\$1289
Yamaha XS500E	498	4/S dohc Twin	73.0x59.6	9.6	2, 38mm Mikuni	Bat@Coil	5	55.1	430	\$1489
Yamaha SR500E	499	4/S ohc Single	87.0x84.0	9.0	1, 34mm Mikuni	CDI	5	55.1	359	\$1489
Yamaha XS650E	653	4/S ohc Twin	75.0x74.0	8.4	2, 38mm Mikuni	Bat@Coil	5	56.5	463	\$1698
Yamaha XS650SE	653	4/S ohc Twin	75.0x74.0	8.5	2, 34mm Mikuni	Bat@Coil	5	56.5	463	\$1889
Yamaha XS750E	747	4/S dohc Triple	68.0x68.6	9.2	3, 34mm Mikuni	TCl	5	57.6	511	\$2249
Yamaha XS750XE	747	4/S dohc Triple	68.0x68.6	9.2	3, 34mm Mikuni	TCl	5	59.2	522	\$2389
Yamaha XS1100E	1101	4/S dohc Four	71.5x68.6	9.2	4, 34mm Mikuni	TCl	5	60.8	562	\$2989

**DUAL PURPOSE**

Hodaka Road Toad RT-02	98	2/S reed Single	50.0x50.0	7.2	1, 26mm Mikuni	Magneto	5	52.3	224	\$ 595
Hodaka Wombat 125 SL/03	123	2/S reed Single	56.0x50.0	7.3	1, 26mm Mikuni	Magneto	5	54.0	237	\$ 675
Hodaka 175/SL	173	2/S Single	64.0x54.0	7.0	1, 30mm Mikuni	Magneto	5	55.0	266	\$ 995
Hodaka 250 SL	246	2/S Single	70.0x64.0	7.1	1, 30mm Mikuni	Mag CDI	5	57.0	284	\$1095
Honda XL100	99	4/S ohc Single	50.5x49.5	9.0	1, 22mm Keihin	Magneto	5	51.8	220	\$ 768
Honda XL125	124	4/S ohc Single	56.5x49.5	9.4	1, 24mm Keihin	Magneto	5	51.8	217	\$ 845
Honda XL175	173	4/S ohc Single	64.0x54.0	9.3	1, 26mm Keihin	Magneto	5	53.5	239	\$ 918
Honda XL250	248	4/S ohc Single	74.0x57.8	9.1	1, 30mm Keihin	Mag CDI	5	54.7	260	NA
Honda XL350	348	4/S ohc Single	79.0x71.0	8.5	1, 30mm Keihin	Magneto	5	55.5	313	NA
Kawasaki KE100	99	2/S r-v Single	49.5x51.8	7.0	1, 19mm Mikuni	Magneto	5	49.6	201	\$ 595
Kawasaki KE125	124	2/S r-v Single	56.0x50.6	7.0	1, 24mm Mikuni	Magneto	6	53.1	216	\$ 829
Kawasaki KD125	124	2/S r-v Single	56.0x50.6	7.0	1, 24mm Mikuni	Magneto	6	53.1	196	\$ 699
Kawasaki KE175	174	2/S r-v Single	61.5x58.8	7.0	1, 26mm Mikuni	Mag CDI	5	53.9	231	\$ 929
Kawasaki KD175	174	2/S r-v Single	61.5x58.8	7.0	1, 26mm Mikuni	Mag CDI	5	53.9	214	\$ 799
Kawasaki KE250	249	2/S Single	66.0x72.8	6.5	1, 28mm Mikuni	Mag CDI	5	56.7	265	\$1099
Kawasaki KL250	246	4/S ohc Single	79.0x64.0	8.9	1, 28mm Keihin	Magneto	5	54.1	276	\$1199
Suzuki TS-100C	98	2/S c/r Single	50.0x50.0	6.8	1, 24mm Mikuni	Magneto	5	52.0	201	\$ 659
Suzuki DS-100C	98	2/S c/r Single	50.0x50.0	6.8	1, 24mm Mikuni	Magneto	5	52.0	169	\$ 569
Suzuki TS-125C	123	2/S c/r Single	56.0x50.0	6.8	1, 24mm Mikuni	Magneto	5	52.6	207	\$ 799
Suzuki TS-185C	183	2/S c/r Single	64.0x57.0	6.4	1, 26mm Mikuni	Mag CDI	5	53.1	222	\$ 929
Suzuki DS-185C	183	2/S c/r Single	64.0x57.0	6.4	1, 26mm Mikuni	Mag CDI	5	53.9	205	\$ 839
Suzuki TS-250C	246	2/S c/r Single	70.0x64.0	6.5	1, 28mm Mikuni	Mag CDI	5	55.1	266	\$1149
Suzuki SP-370C	370	4/S ohc Single	85.0x65.2	8.7	1, 32mm Mikuni	Mag CDI	5	55.7	274	\$1349
Yamaha DT100E	97	2/S reed Single	52.0x45.6	7.4	1, 22mm Mikuni	Magneto	5	46.9	176	\$ 569
Yamaha DT125E	123	2/S reed Single	56.0x50.0	7.2	1, 24mm Mikuni	Magneto	6	53.1	212	\$ 769
Yamaha DT175E	171	2/S reed Single	66.0x50.0	6.8	1, 24mm Mikuni	Mag CDI	6	53.1	216	\$ 869
Yamaha DT250E	246	2/S reed Single	70.0x64.0	6.7	1, 28mm Mikuni	Magneto	5	55.9	259	\$1139
Yamaha DT400E	397	2/S reed Single	85.0x70.0	6.4	1, 34mm Mikuni	Mag CDI	5	55.7	268	\$1249
Yamaha XT500E	499	4/S ohc Single	87.0x84.0	9.0	1, 32mm Mikuni	Magneto	5	55.9	304	\$1448

**DIRT OFF-HIGHWAY**

Can-Am 250 MX-4	248	2/S r-v Single	72.0x61.0	14.0	1, 32mm Bing	Magneto	5	58.0	216	NA
Can-Am 370 MX-4	366	2/S reed Single	84.0x66.0	12.5	1, 36mm Bing	Magneto	5	58.0	229	NA
Carabela Marquesa MX 100	98	2/S Single	50.0x50.0	12.5	1, 30mm Mikuni	Mag CDI	6	55.5	184	\$ 798
Carabela Marquesa Enduro 100	98	2/S Single	50.0x50.0	11.5	1, 28mm Mikuni	Magneto	6	55.5	192	\$ 847
Carabela Marquesa TT-Flat Track 100	98	2/S Single	50.0x50.0	13.5	1, 30mm Mikuni	Mag CDI	5	53.0	179	\$ 898
Carabela Marquesa MX 125	124	2/S Single	54.0x52.0	12.5	1, 32mm Mikuni	Mag CDI	6	55.5	186	\$ 898
Carabela Marquesa Enduro 125	124	2/S Single	54.0x52.0	11.5	1, 28mm Mikuni	Magneto	6	55.5	196	\$ 945
Carabela Marquesa TT-Flat Track 125	124	2/S Single	54.0x52.0	13.5	1, 32mm Mikuni	Mag CDI	5	53.0	182	\$ 998
Carabela Marquesa MX175	173	2/S Single	65.0x52.0	12.5	1, 34mm Mikuni	Mag CDI	6	55.5	188	\$1032
Carabela Marquesa Enduro 175	173	2/S Single	65.0x52.0	11.5	1, 30mm Mikuni	Magneto	6	55.5	198	\$1080
Carabela Marquesa TT-Flat Track 175	173	2/S Single	65.0x52.0	13.5	1, 34mm Mikuni	Mag CDI	5	53.0	184	\$1132
Carabela Centauro MX 250	246	2/S Single	70.0x64.0	12.5	1, 36mm Mikuni	Mag CDI	5	56.8	212	\$1299
Carabela Centauro Enduro 250	246	2/S Single	70.0x64.0	11.5	1, 32mm Mikuni	Magneto	5	56.8	223	\$1360

# SPECIFICATIONS

Make & Model	Displ., cc	Engine Type	Bore x Stroke, mm	Comp. Ratio :1	Carburetion	Ignition	Gears	Wheel- base, in.	Dry Wt., lbs.	Approx. Price
Carabela Centauro TT-Flat Track 250	246	2/S Single	70.0x64.0	13.5	1,36mm Mikuni	Mag CDI	5	54.0	192	\$1399
Carabela Centauro MX 450	441	2/S Single	85.0x70.0	12.5	1,38mm Mikuni	Magneto	5	56.8	218	\$1399
Carabela Centauro Enduro 450	441	2/S Single	85.0x70.0	11.5	1,34mm Mikuni	Magneto	5	56.8	234	\$1487
Carabela Centauro TT-Flat Track 450	441	2/S Single	85.0x70.0	13.5	1,38mm Mikuni	Mag CDI	5	54.0	198	\$1499
H-D MX250	242	2/S Single	72.0x59.6	11.8	1,38mm Dell'Orto	Mag CDI	5	57.3	233	\$1695
Honda CR125	123	2/S Single	56.0x50.0	7.5	1,30mm Keihin	Mag CDI	6	54.5	195	\$1040
Honda CR250R	247	2/S reed Single	70.0x64.4	7.3	1,32mm Keihin	Mag CDI	5	56.9	216	\$1498
Husqvarna 125CR	124	2/S reed Single	55.0x52.0	13.5	1,32mm Bing	Mag CDI	6	56.7	207	\$1450
Husqvarna 250CR	245	2/S reed Single	69.5x64.5	12.3	1,38mm Mikuni	Mag CDI	6	57.4	222	\$1815
Husqvarna 250OR	245	2/S reed Single	69.5x64.5	12.3	1,38mm Mikuni	Mag CDI	6	57.4	224	\$1840
Husqvarna 390CR	384	2/S reed Single	83.0x71.0	11.5	1,38mm Mikuni	Mag CDI	6	57.4	231	\$1995
Husqvarna 390OR	384	2/S reed Single	83.0x71.0	11.5	1,38mm Mikuni	Mag CDI	6	57.4	233	\$2025
Husqvarna 390AMX	384	2/S reed Single	83.0x71.0	11.5	1,38mm Mikuni	Mag CDI	4	57.4	224	\$1995
Kawasaki KX-125	124	2/S reed Single	56.0x50.6	7.5	1,32mm Mikuni	Mag CDI	6	54.9	183	NA
Kawasaki KX-250	249	2/S reed Single	70.0x64.9	7.6	1,38mm Mikuni	Mag CDI	5	55.7	207	NA
KTM 125 MC	124	2/S Single	54.0x54.0	NA	1,34mm Bing	Mag CDI	6	56.5	200	NA
KTM 250 MC	246	2/S Single	71.0x62.0	NA	1,36mm Bing	Mag CDI	6	56.5	214	NA
KTM 400 MC	359	2/S Single	82.0x68.0	NA	1,38mm Bing	Mag CDI	6	56.5	219	NA
Maico 125 Magnum	124	2/S r/v Single	54.0x54.0	NA	1,32mm Bing	Mag CDI	6	56.5	200	\$1559
Maico 250 Magnum	247	2/S Single	67.0x70.0	12.0	1,36mm Bing	Mag CDI	5	56-58	211	\$1872
Maico 250 WR	247	2/S Single	67.0x70.0	13.0	1,36mm Bing	Magneto	5	57.0	216	\$1899
Maico 400 Magnum	386	2/S Single	77.0x83.0	12.0	1,36mm Bing	Mag CDI	5	56-58	215	\$1987
Maico 400 WR	386	2/S Single	77.0x83.0	12.0	1,36mm Bing	Magneto	5	57.0	220	\$1999
Maico 440 Magnum	438	2/S Single	82.0x83.0	12.0	1,36mm Bing	Mag CDI	5	56-58	217	\$2035
Maico 450 WR	438	2/S Single	82.0x83.0	12.0	1,36mm Bing	Magneto	5	57.0	222	\$2049
Montesa Cota 123	123	2/S Single	54.0x54.0	9.8	1,25mm Amal	Magneto	6	49.6	162	\$1096
Montesa Cota 247	247	2/S Single	72.5x60.0	10.0	1,27mm Amal	Magneto	5	52.1	192	\$1260
Montesa Cota 247 Trail	247	2/S Single	72.5x60.0	10.0	1,25mm Amal	Magneto	5	52.2	200	\$1297
Montesa Enduro 250H	246	2/S Single	70.0x64.0	12.0	1,34mm Amal	Magneto	6	56.1	224	\$1659
Montesa Cappra 250 VB	246	2/S Single	70.0x64.0	12.0	1,38mm Bing	Mag CDI	5	56.0	211	\$1749
Montesa Cota 348	306	2/S Single	78.0x64.0	9.0	1,27mm Amal	Magneto	6	51.6	196	\$1699
Montesa Cota 348 Trail	306	2/S Single	78.0x64.0	9.0	1,27mm Amal	Magneto	6	51.6	208	\$1719
Montesa Cappra 360 VB	350	2/S Single	83.5x64.0	12.0	1,38mm Bing	Mag CDI	4	56.0	221	\$1889
Ossa 250 Super Pioneer	244	2/S Single	72.0x60.0	14.0	1,32mm Bing	Mag CDI	5	55.5	217	\$1595
Ossa 250 Six Day	244	2/S Single	72.0x60.0	NA	1,36mm Bing	Mag CDI	5	55.5	207	NA
Ossa GPIII	244	2/S Single	72.0x60.0	14.9	1,38mm Bing	Mag CDI	5	57.6	207	\$1698
Ossa 310 Mountaineer	310	2/S Single	77.0x65.0	12.9	1,32mm Bing	Mag CDI	5	55.5	217	\$1595
Ossa BLT Plonker	310	2/S Single	77.0x65.0	NA	1,26mm Mikuni	Mag CDI	5	52.0	195	NA
Sachs GS-125	122	2/S Single	54.0x54.0	12	1,32mm Bing	Mag CDI	7	55.5	235	\$1450
Sachs GS-175	172	2/S Single	60.0x61.0	11.5	1,34mm Bing	Mag CDI	7	55.5	250	\$1535
Sachs GS-250	245	2/S Single	71.0x61.0	11.5	1,36mm Bing	Mag CDI	7	55.5	255	\$1698
Sachs GS-350	253	2/S Single	73.0x61.0	11.5	1,36mm Bing	Mag CDI	7	55.5	255	\$1835
Suzuki RM-100C	98	2/S c/r Single	50.0x50.0	7.9	1,30mm Mikuni	Mag CDI	6	54.9	191	\$ 899
Suzuki RM-125C	123	2/S c/r Single	54.0x54.0	8.0	1,32mm Mikuni	Mag CDI	6	55.3	194	\$1049
Suzuki PE-175C	172	2/S c/r Single	62.0x57.0	7.0	1,32mm Mikuni	Mag CDI	6	55.7	209	\$1149
Suzuki RM-250C	246	2/S c/r Single	67.0x70.0	7.8	1,36mm Mikuni	Mag CDI	5	57.1	222	\$1525
Suzuki PE-250C	246	2/S c/r Single	67.0x70.0	7.0	1,36mm Mikuni	Mag CDI	5	56.7	240	\$1499
Suzuki RM-400C	402	2/S c/r Single	80.0x80.0	6.7	1,36mm Mikuni	Mag CDI	5	57.1	231	\$1669
Suzuki DR-370C	370	4/S ohc Single	85.0x65.2	8.7	1,32mm Mikuni	Mag CDI	5	55.7	264	\$1279
Yamaha YZ100E	98	2/S reed Single	50.0x50.0	7.2	1,30mm Mikuni	Mag CDI	6	53.7	183	\$ 899
Yamaha YZ125E	123	2/S reed Single	56.0x50.0	7.7	1,32mm Mikuni	Mag CDI	6	55.9	190	\$1024
Yamaha IT175E	171	2/S reed Single	66.0x50.0	7.4	1,34mm Mikuni	Mag CDI	6	54.5	216	\$1048
Yamaha YZ250E	246	2/S reed Single	70.0x64.0	7.3	1,38mm Mikuni	Mag CDI	6	57.1	216	\$1498
Yamaha IT250E	246	2/S reed Single	70.0x64.0	7.8	1,36mm Mikuni	Mag CDI	6	56.3	247	\$1449
Yamaha YZ400E	397	2/S reed Single	85.0x70.0	7.6	1,38mm Mikuni	Mag CDI	5	57.1	227	\$1598
Yamaha IT400E	387	2/S reed Single	85.0x70.0	7.6	1,38mm Mikuni	Mag CDI	5	56.3	254	\$1549
Yamaha TT500E	499	4/S ohc Single	87.0x84.0	9.0	1,34mm Mikuni	Magneto	5	56.1	271	\$1439

**APPENDIX F**  
**STATISTICAL TABLES**

Table 1.--Motorcycles: U.S. producers' shipments, shipments of imports from Japan and apparent consumption, 1972-77, January-June 1977, and January-June 1978

Period	Producers' shipments	Shipments of imports from Japan--			Total	Apparent consumption	Ratio of imports to consumption
		By Honda and Kawasaki 1/	By Suzuki and Yamaha				
	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	Percent

\* \* \* \* \*

1/ The Japanese firms which would be subject to dumping duties in the event of an affirmative determination by the Commission.

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

Table 2.--Motorcycles: Apparent U.S. consumption, by types and by sizes, 1972-77, January-June 1977, and January-June 1978

(In units)

Period	On-highway			Dual-purpose			Off-highway			Total
	Light- weight	Middle- weight	Heavy- weight	Light- weight	Middle- weight	Heavy- weight	Light- weight	Middle- weight	Heavy- weight	
1972	95,457	287,402	90,853	292,013	54,349	***	***	***	***	872,586
1973	135,234	322,979	138,887	316,349	51,435	105,851	***	***	***	1,087,675
1974	60,924	260,334	122,726	297,368	41,325	105,763	***	***	***	903,536
1975	48,455	189,781	146,840	123,967	26,879	92,539	***	***	***	645,811
1976	45,315	226,710	166,928	176,295	33,235	112,056	***	***	***	778,881
1977	49,913	229,082	207,032	145,027	30,794	99,122	***	***	***	779,959
January-June--										
1977	40,198	154,420	136,522	75,782	22,632	71,150	***	***	***	513,848
1978	15,519	139,137	136,430	72,610	10,686	63,491	***	***	***	449,321

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

Table 3.--Motorcycles: U.S. imports from Japan, by types, sizes, and by distributors, 1972-77, January-June 1977, and January-June 1978

Distributor and period	(In units)						Total
	On-highway	Dural-purpose		Off-highway			
	Light- weight	Middle weight	Heavy- weight	Light- weight	Middle- weight	Heavy- weight	
	*	*	*	*	*	*	

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

Table 4.--Motorcycles: U.S. shipments of imports from Japan, by types, by sizes, and by distributors, 1972-77, January-June 1977, and January-June 1978

Distributor and period	(In units)						Total
	On-highway	Dual purpose	Off-highway	Light- weight	Middle- weight	Heavy- weight	
	*	*	*	*	*	*	

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

Table 5.--Motorcycles: U.S. production, by types, 1972-77, January-June 1977, and January-June 1978

(In units)

Period	: On- : highway	: Dual- : purpose	: Off- : highway	: Total
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\* \* \* \* \*

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



Table 6.--Motorcycles: U.S. production, by types, by sizes, and by manufacturers, 1972-77, January-June 1977, and January-June 1978

		(In units)						
Manufacturer and period		On-highway		Dual-purpose		Off-highway		Total
		Light- weight	Middle- weight	Light- weight	Middle- weight	Light- weight	Middle- weight	
		*	*	*	*	*	*	*

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

Table 7.--Motorcycles: U.S. shipments of domestically produced motorcycles, by types, by sizes, and by manufacturers, 1972-77, January-June 1977, and January-June 1978

Manufacturer and period	(In units)						Total
	On-highway	Dual-purpose	Off-highway	Light- weight	Middle- weight	Heavy- weight	
	*	*	*	*	*	*	

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

Table 8.--Motorcycles: U.S. exports, by exporting companies, 1972-77,  
January-June 1977, and January-June 1978

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

Table 9.--Profit-and-loss experience of Harley-Davidson on its U.S. motorcycle production operations, 1972-77, and January-June 1978

\* \* \* \* \*

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

Table 10.--Profit-and-loss experience of Kawasaki Motors Corp., U.S.A., on its U.S. motorcycle production operations, 1975-77 and January-June 1978

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

Table 11.--Inventories of U.S.-produced motorcycles held by Harley-Davidson, by types, by sizes, and by prior, present, and new models, Mar. 31 of 1975-78 and Sept. 30 of 1975-77

(In units)

Date and model	On-highway			Dual-purpose		Total
	Light-	Middle-	Heavy-	Light-	Middle-	
	weight	weight	weight	weight	weight	

\* \* \* \* \*

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

Table 12.--Inventories of U.S.-produced motorcycles held by Kawasaki Motors Corp., U.S.A., by types, by sizes, and by prior, present, and new models, Mar. 31 of 1975-78 and Sept. 30 of 1975-77

(In units)

Date and model	On-highway				Total
	Light-	Middle-	Heavy-		
	weight	weight	weight		
* * * * *					

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

Table 13.--Total inventories of U.S.-produced motorcycles, by types, by sizes, and by prior, present, and new models, Mar. 31 of 1975-78 and Sept. 30 of 1975-77

(In units)

Date and model	On-highway			Dual-purpose		Total
	Light-	Middle-	Heavy-	Light-	Middle-	
	weight	weight	weight	weight	weight	

\* \* \* \* \*

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



Table 14.--U.S. inventories of imports of Japanese motorcycles, by types, by sizes, and by prior, present, and new models, Mar. 31 of 1975-78 and Sept. 30, 1975-77

(In units)

Date and model	On-highway			Dual-purpose			Off-highway			Total
	Light- weight	Middle- weight	Heavy- weight	Light- weight	Middle- weight	Heavy- weight	Light- weight	Middle- weight	Heavy- weight	
Mar. 31, 1975:										
Present models-----	***	***	***	***	***	***	***	***	***	583,201
Prior models-----	***	***	***	***	***	***	***	***	***	43,027
Sept. 30, 1975:										
New models-----	***	***	***	***	***	***	***	***	***	172,558
Present models-----	***	***	***	***	***	***	***	***	***	400,143
Prior models-----	***	***	***	***	***	***	***	***	***	18,773
Mar. 31, 1976:										
Present models-----	***	***	***	***	***	***	***	***	***	218,186
Prior models-----	***	***	***	***	***	***	***	***	***	279,629
Sept. 30, 1976:										
New models-----	***	***	***	***	***	***	***	***	***	74,460
Present models-----	***	***	***	***	***	***	***	***	***	145,070
Prior models-----	***	***	***	***	***	***	***	***	***	137,322
Mar. 31, 1977:										
Present models-----	***	***	***	***	***	***	***	***	***	90,400
Prior models-----	***	***	***	***	***	***	***	***	***	92,293
Sept. 30, 1977:										
New models-----	***	***	***	***	***	***	***	***	***	109,340
Present models-----	***	***	***	***	***	***	***	***	***	51,224
Prior models-----	***	***	***	***	***	***	***	***	***	17,755
Mar. 31, 1978:										
Present models-----	***	***	***	***	***	***	***	***	***	225,892
Prior models-----	***	***	***	***	***	***	***	***	***	28,520

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

Table 15.--Motorcycles: Ratios of shipments of imports from Japan to apparent U.S. consumption for Honda and Kawasaki combined, Suzuki and Yamaha combined, and for total shipments, by types and by sizes, 1972-77, January-June 1977, and January-June 1978

Distributor and period	(In units)						Total
	On-highway		Dual-purpose		Off-highway		
	Light- weight	Middle- weight	Light- weight	Middle- weight	Light- weight	Middle- weight	
	*	*	*	*	*	*	

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

APPENDIX G

AMENDED FINAL DUMPING MARGINS ON MOTORCYCLE MODELS WHICH TREASURY  
FOUND TO BE SOLD AT LTFV

Motorcycles: Exporters' sales prices, home-market values, and amended final dumping margins on models which Treasury found to be sold at LTFV, by companies, by model years, and by models, Nov. 1, 1976-June 30, 1977

Company, model year, and model	: Exporters' : sales : price	: Home- : market : value	: Dollar : margin :	: Margin :
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Source: U.S. Treasury Department.

Library Cataloging Data

U.S. International Trade Commission.

Motorcycles from Japan. Determination of no injury in investigation no. AA1921-187 under the Antidumping act, 1921, as amended, together with the information obtained in the investigation. Washington, 1978.

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1. Motorcycles

