

CERTAIN ELECTRIC MOTORS FROM JAPAN

**Determination of Material Injury
in Investigation No. 731-TA-7
(Final) Under Section 735(b)
of the Tariff Act of 1930**

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



UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

(731-TA-7 (Final))

Determination

On the basis of the record 1/ developed in investigation No. 731-TA-7(Final), the Commission determines, pursuant to section 735(b)(1) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)), that an industry in the United States is materially injured 2/ 3/ by reason of the importation of AC, polyphase electric motors of not less than 150 horsepower and not greater than 500 horsepower (except submersible well-pump motors), from Japan, provided for in items 682.45 through 682.50 of the Tariff Schedules of the United States (TSUS), which the Department of Commerce has determined are being, or are likely to be, sold in the United States at less than fair value (LTFV).

Background

On June 17, 1980, the Commission received notification that the Department of Commerce had made a preliminary affirmative determination, but no final determination, with regard to certain electric motors from Japan but had excluded submersible well-pump motors from its investigation. 4/

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

2/ Commissioners Bedell and Moore also determined in addition to material injury that the industry is threatened with injury by reason of the imports at LTFV.

3/ Commissioner Stern determined that the industry was not being injured nor threatened with injury by reason of the imports at less than fair value.

4/ The Department of Commerce reported that the petitioners do not produce submersible well-pump motors to any significant degree and did not submit specific information to Commerce suggesting that they are being, or are likely to be sold at less than fair value.

Consequently, effective June 17, 1980, the Commission instituted investigation No. 731-TA-7(Final) pursuant to section 735 of the Tariff Act of 1930, as added by title I of the Trade Agreements Act of 1979, to determine whether, with respect to polyphase electric motors (except submersible well-pump motors) rated over 5 but not over 500 horsepower from Japan, an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports sold or likely to be sold at less than fair value.

Originally the Department of Commerce was scheduled to make a final determination with respect to LTFV sales by no later than September 2, 1980, but at the request of the parties, extended the date for a final determination until October 29, 1980. Also on that date, Commerce, Tokyo Shibaura Electric Co., and Toshiba International Corp. agreed to monitoring terms for motors of less than 150 horsepower, and Commerce suspended the investigation with respect to those products. On November 19, 1980, the Commission changed the scope of its investigation to exclude motors of less than 150 horsepower.

Copies of the notice of institution of investigation No. 731-TA-7 (Final) and of the hearing to be held in connection therewith were posted at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and published in the Federal Register of July 9, 1980 (45 F.R. 46261). The public hearing was held in Washington, D.C., on November 20 and 21, 1980, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF CHAIRMAN BILL ALBERGER, VICE CHAIRMAN MICHAEL J. CALHOUN,
AND COMMISSIONERS GEORGE M. MOORE AND CATHERINE BEDELL

On the basis of the record developed in this investigation, we determine, pursuant to section 735(b)(1) of the Tariff Act of 1930, that an industry in the United States is materially injured 1/ by reason of imports of polyphase electric motors of not less than 150 horsepower and not greater than 500 horsepower 2/ from Japan sold at less than fair value (LTFV). 3/

Discussion

The Industry

Our first task in analyzing the impact of imports sold at less than fair value on a domestic industry is to define the industry. Section 771(4) of the Tariff Act of 1930 defines the term "industry" as,

the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product.

The term "like product" is defined in section 771(10) of the act as,

a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.

In analyzing the impact of the less than fair value imports on the domestic industry producing the like product, section 771(4)(D) further directs that,

[t]he effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available data permit the separate

1/ Commissioners Moore and Bedell also determined that the domestic industry is threatened with material injury.

2/ The product is provided for in items 682.45 through 682.50 of the Tariff Schedules of the United States (TSUS).

3/ The U.S. Department of Commerce (Commerce) investigation covered imports of polyphase electric motors from Japan during the 6-month period extending from April 1, 1979, through September 30, 1979. The LTFV determination was based on an examination of polyphase electric motors manufactured by Tokyo Shibaura Electric Co. (Toshiba) since approximately 90 percent of the motors exported to the United States from Japan during the period of investigation were manufactured by that firm. The weighted average margin for all models compared was 6.7 percent.

identification of production in terms of such criteria as the production process or the producer's profits. If the domestic production of the like product has no separate identity in terms of such criteria, then the effect of the subsidized or dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes a like product, for which the necessary information can be provided.

Thus, to properly define the industry, we must first describe the less than fair value imports. The imports which are covered by the Commerce determination of less-than-fair-value sales are ac, polyphase 1/ electric motors rated not less than 150 horsepower, and not over 500 horsepower. These motors are used for industrial purposes such as prime movers for pumps, compressors, and machine tools as well as for agricultural, and oil drilling purposes. The imported motors are manufactured in accordance with domestic industry standards as set by the National Electrical Manufacturers Association (NEMA). Under these standards, motors are generally classified by horsepower rating, frame size, type of enclosure and the number of poles ranging from 2 to 8. 2/ According to Commerce statistics on standard Toshiba motors, there were numerous different model types imported into the United States during the period of this investigation. Commerce specifically considered 23 of these models.

There are approximately 15 domestic firms 3/ which account for the total domestic production of electric motors in the range of 150 to 500 horsepower. The largest producers are General Electric Co., Westinghouse Electric Corp., Emerson Electric Co., Reliance Electric, Siemens-Allis, Inc., and Louis Allis Division of Litton Industries. 4/ These 15 domestic producers manufacture the polyphase electric motors which are comparable to the 23 imported models investigated by Commerce.

1/ The term "ac" refers to alternating current and the term "polyphase" means other than a single phase power source.

2/ Staff Report at A-3.

3/ Staff Report at A-7.

4/ Staff Report at A-7.

We find that at least 23 different standard motor models manufactured in the United States are virtually identical in characteristics and uses with the imported standard models and, therefore, are to be considered as like products. There may be slight differences between the enclosure sizes and the parts used in the production of domestic motors, but these differences are not significant in terms of manufacturing process, use, or consumer perception. The data obtained in the investigation, however, do not permit separate identification of each of the 23 like products as a distinct product line. 1/ The narrowest group or range of products which includes the like products for which the Commission was able to obtain profit and loss information is motors of not less than 150 horsepower and not greater than 500 horsepower. Thus, we define the domestic industry as those domestic producers who manufacture ac, polyphase electric motors in accordance with NEMA standards of not less than 150 horsepower and not greater than 500 horsepower.

Material injury by reason of LTFV imports

In making our injury determination we considered, among other factors, the following statutory criteria contained in subsection 771(7)(B):

(1) the volume of imports of the merchandise subject to the investigation, (2) the effect of imports of such products on prices of like products produced in the United States, and (3) the impact of the imports on the affected domestic industry. 2/ We have based our decision on the findings of fact and conclusions of law discussed below.

1/ Staff Report at A-23.

2/ Tariff Act of 1930, as amended by the Trade Agreements Act of 1979, section 771 (19 U.S.C. 1677(7)).

Volume of imports: The majority of the motors imported into the United States from Japan during the period of this investigation were manufactured by Toshiba Corporation. 1/ Despite the decline in U.S. consumption between 1977 and 1979, the market penetration of motors imported by Toshiba increased by nearly 30 percent. 2/ Toshiba imports continued to increase during the first six months of 1980 to 25 percent above the level during the comparable period in 1979. 3/ The share of consumption supplied by other importers also increased from 1977 to the first half of 1980 but their share of total imports remained small. The rise in the level of import penetration from 1977 to the first half of 1980 was accompanied by a substantial increase in all importers' inventories. 4/ The growth in inventories is most noticeable with respect to Toshiba whose inventories more than doubled from June 1979 to June 1980. 5/

Effect of imports on prices: Price data were supplied to the Commission by Toshiba and one other Japanese firm and by nine domestic manufacturers which account for 90 percent of U.S. production. The data were broken down by type of motor as defined by industry standards (i.e. horsepower range, number of poles and type of enclosure) and by type of customer. The prices collected were for standard, unmodified motors. There are three types of

1/ Staff Report at p. A-4.

2/ Staff Report at p. A-35, Table 25.

3/ Staff Report at p. A-35, Table 25.

4/ Staff Report at p. A-13.

5/ Commissioners Moore and Bedell note that the information contained in the record on the historical pattern of increasing import penetration levels and importers' inventory levels supports their determination as to the threat of material injury.

customers in the domestic electric motors market: original equipment manufacturers (OEMs) who incorporate the motors into machinery before it is sold, end users, and distributors who sell to both of the other 2 types of customers. Price comparisons were made on sales by domestic producers' and importers' to OEMs and to distributors. Most U.S. producers' sales are to OEMs and Toshiba's are to distributors, thus, comparisons were also made between these prices. These comparisons reveal underselling in the majority of instances. For most of the types of motors sold to distributors the imported product was priced below the weighted average domestic price and in some instances even below the lowest domestic price of the comparable model. 1/

In sales to the OEM market, Toshiba motors undersold in a few instances. However, in the majority of cases, domestic prices were below those of the imported product. 2/ Toshiba's higher prices to OEMs may reflect its policy of not competing with distributors selling Toshiba motors in the OEM market. 3/

In response to the allegations made at the hearing that the Commission price comparisons for distributors and OEMs were invalid because the majority of imports and the domestic products were being sold to different types of customers, the Commission compared Toshiba's distributor prices to the domestic producers' prices for each of 7 standard model types. Even this comparison revealed Toshiba sales below the weighted average domestic prices in 68 of the 86 price comparisons. 4/ In the majority

1/ Staff Report at p. A-37.

2/ Staff Report at p. A-38-39.

3/ Staff Report at p. A-38-39.

4/ Staff Report at p. A-38.

of the comparisons, the margins of underselling were more than accounted for by the LTFV margins. 1/ Also, in numerous cases, Toshiba prices were even below the lowest domestic price to OEMs. 2/

Impact of imports on the affected domestic industry: U.S. production declined by 8 percent during 1977-79 and increased only slightly in the first half of 1980 from the level of production in 1979. 3/ Although production capacity increased from 1977 to January-June 1980, capacity utilization decreased from 1977 to 1978 and then returned to its 1977 level in the first half of 1980. 4/ U.S. shipments also declined in the number of units sold from 1977 to 1979 and increased slightly in the first half of 1980. 5/ Producers' inventories have continued to increase from 1977 to the first six months of 1980. 6/

Peak performance should have occurred in the business cycle of the electrical industry during the period 1977-79. 7/ In the electric motor industry, it did not, and more market share has been lost to imports. Toshiba's growing inventories suggest continuing difficulties for domestic producers trying to sell their own sizable inventories at reasonable prices. Profit and loss information was obtained for motors ranging from 150 to 500 horsepower from 5 firms accounting for more than 60 percent of the 1979 U.S. production of such motors. 8/ Profits declined from 1977 to the first half of 1980. 9/ The ratios of profit to net sales, cost of goods

1/ Staff Report at p. A-40-53, Tables 27-40.

2/ Staff Report at p. A-38.

3/ Staff Report at p. A-23.

4/ Staff Report at p. A-15.

5/ Staff Report at p. A-17.

6/ Staff Report at p. A-19, Table 12.

7/ Staff Report at p. A-17, Table 10.

8/ Staff Report at p. A-23. Three additional firms submitted profit and loss information. However, this data was not usable since two of the producers did not provide data relative to motor size and the other firm did not provide data for the reduced scope of the investigation.

9/ Staff Report at p. A-23.

sold to net sales, and selling and administrative expenses to net sales also declined from 1977 to January-June 1980. 1/ Employment during the period covered by the investigation remained stable, and wages increased slightly. 2/

The margins of underselling revealed in the questionnaire responses lend support to the allegations made by domestic industry representatives at the hearing that U.S. prices have decreased in an effort to meet competition from LTFV imports. 3/ Due to the nature of the market it was impossible to confirm the allegations of lost sales. This difficulty stems from the fact that a significant share of Toshiba's sales is accounted for by distributors whose sales are largely unknown to U.S. producers and can only be obtained through competitive bidding and market intelligence. However, in light of the margins of underselling, rise in inventories and decline in profits we would infer that lost sales exist.

No other causes of injury were alleged during the investigation. We find that the material injury present and threatened must be by reason of the unfairly priced imports.

Conclusion

For the foregoing reasons we find that the domestic industry producing ac, polyphase electric motors of not less than 150 horsepower and no greater than 500 horsepower is materially injured by reason of the LTFV sales of ac, polyphase electric motors from Japan.

1/ Staff Report at p. A-25.

2/ Staff Report at p. A-19.

3/ Staff Report at p. A-36-39 and Transcript of Commission hearing of Nov. 20, 1980, at p. 11-12.

VIEWS OF COMMISSIONER PAULA STERN

Background

On January 1, 1980, the Commission instituted a preliminary investigation under section 733(a) of the Tariff Act of 1930, as amended, with respect to alternating current (AC), polyphase electric motors of over 5 horsepower but not over 500 horsepower from Japan. This investigation was initiated on the basis of a Treasury Department investigation in which there had not yet been a preliminary determination as to less than fair value sales. As a result of that investigation, the Commission reported to the Secretary of Commerce its determination of a reasonable indication that an industry in the United States is materially injured by reason of the importation of AC, polyphase electric motors provided for in items 682.41 through 682.50 of the Tariff Schedules of the United States allegedly sold at less than fair value (LTFV). */

In June 1980, the Commission received notification that the Department of Commerce (Commerce) had made a preliminary affirmative determination with regard to certain electric motors from Japan but had excluded submersible well pump motors from its investigation. **/ This was the first change in the scope of this investigation. The Commission then instituted this final antidumping investigation on the basis of the scope as defined at that time.

*/ USITC Publication 1037, February 1980.

**/ Commerce reported that the petitioners do not produce submersible well pump motors to any significant degree and had not submitted specific information to Commerce suggesting that they are being sold, or are likely to be sold at less than fair value.

Subsequently, Commerce limited its LTFV determination */ to an examination of electric motors manufactured by Tokyo Shibaura Electric Co. (Toshiba) which represented approximately 90 percent of the motors exported to the United States from Japan during the period of investigation. This resulted in a further narrowing of the scope of the investigation.

Finally, on October 29, 1980, **/ Commerce and Toshiba agreed to monitoring terms for motors of less than 150 horsepower and Commerce suspended the investigation with respect to those products. Thus, the scope of the Commission's investigation was ultimately reduced by 94 percent.***/

Determination

The record developed in this investigation compels a conclusion that pursuant to section 735(b)(1) of the Tariff Act of 1930, an industry in the United States is not materially injured and is not threatened with material injury ****/ by reason of imports of AC, polyphase electric motors of not less than 150 horsepower and not greater than 500 horsepower (electric motors) from Japan sold at LTFV. The relevant domestic industry consists of the producers in the United States of such electric motors. *****/

Causation

The essentially strong showing of the domestic industry could in itself lead to a negative determination. However, this case fails because there is

*/ The administering authority's investigation covered imports of polyphase electric motors from Japan entering during the six-month period extending from April 1, 1979 through September 30, 1979. The Department of Commerce examined 23 models and found margins, which ranged from 1.6 to 29.2 percent, on 14 of the 23 models. The weighted average margin for all models compared was 6.7 percent.

**/ Commerce had extended the deadline for a final LTFV determination from September 2, 1980 until October 29, 1980.

***/ Based on quantity of shipments in 1979.

****/ With respect to threat, I am in concurrence with my colleagues Chairman Alberger and Vice Chairman Calhoun.

*****/ Section 771(4)(a) of the Tariff Act of 1930.

no demonstrable connection linking the impact of LTFV imports to the performance of the domestic industry.

The level of imports is modest--2.5 percent in 1977 to 4.4 percent by value in January-June 1980. */ Moreover, the rate of increase of imports is not significant. Imports grew only .5 percent per year between 1977 and 1980. The plans of Toshiba to locate within a year facilities in Houston, Texas, to manufacture all of the motors subject to this investigation will likely reduce the current low level of imports and dampen any possible future growth in the rate of imports.

There were no verified lost sales. Nor were there even allegations of lost sales based on price which can be related to the electric motors under investigation. Indeed, the results of a Commission survey revealed that quality, availability, and delivery all ranked before price as the basis for purchasing Japanese imports.**/

Furthermore, the notion of imports as a possible cause of underselling leading to price suppression does not hold up. To begin with, the available data on prices are suspect. It is highly questionable whether the pricing data are representative; they account for only two percent of total U.S. shipments. This small sample relates only to standard electric motors while the major portion of domestic shipments are non-standard electric motors. The sample also does not include prices to users of electric motors, such as process industries and chemical plants, which account for 15 to 16 percent of U.S. producers' shipments and a very small portion of importers' shipments.

***/

*/ Import penetration by quantity increased from 6.3 percent in 1977 to 8.4 percent in 1979. It was 8.1 percent in January-June 1980.

**/ Staff Report, p. A-54.

***/ At the public hearing, the petitioner and the respondents agreed that additional price data need not be gathered by the Commission. Several days after the vote was originally scheduled, attorneys for Toshiba did raise other price data objections.

The usefulness of the available price data is further limited by the difficulty of making comparisons between domestic and imported prices. Looking at sales to distributors means looking at only 29 percent of total domestic shipments, but most of the imports from Japan. When we compare distributor prices we find instances of underselling during some time periods. The ratio varies depending on which data are considered -- the high or low end of the largest sale price range or the weighted average. In fact, looking at 80 price comparisons, the low end of the largest sale price range shows the imports were priced above the domestic product in 23 comparisons and priced the same in 19. However, these comparisons are not necessarily appropriate in that they reflect the lowest prices of imports but not the lowest prices of domestic motors. This is true because importers give their lowest prices to distributors, while the domestic producers' market strategy is to give their lowest prices to original equipment manufacturers (OEM) in the market.

Logic dictates that it is equally inappropriate to compare prices of imports to prices of domestic products in the OEM portion of the market. If such a comparison is made, however, it is interesting to note that at the low end of the largest sale range, there is no underselling. It is also probable that there is no underselling in the user portion of the market.

The best possible comparison to draw is between the price of imports to distributors and domestic prices to the OEMs, since this reflects the actual marketing strategies as to price for both Toshiba and the domestic producers. Comparing the imports' distributor price against the domestic OEM price in the low end of the largest sale range reveals that imports were priced higher than the domestic product in 17 of 35 comparisons during the dumping period examined by Commerce. */ The ratio drops if you look at the average or high end of the largest sale range, but the results remain mixed.

*/ Staff Report, tables 34-40.

These mixed results on underselling indicate that what we have here is normal competition. Furthermore, using a price analysis for purposes of demonstrating injury by reason of imports is incomplete without examining the impact of the dumping margin. The question is causation, not merely the existence of underselling. When we compare the instances of underselling shown in import prices to distributors */ versus domestic prices to OEMs at the low end of the largest sale range against the margins of dumping Commerce found for the sample products, we see that the "by reason of" requirement of the statute is not met. **/ Commerce examined 23 models and found dumping margins on 14 which ranged from 1.6 to 29.2 percent, while the dumping margins on the samples examined for underselling ranged from 0 to 29.2 percent. Looking at specific comparisons made by the ITC for purposes of examining underselling, we find, for example, that for open-frame, 4-pole, 150 horsepower motors, ***/ there was underselling in two of fourteen comparisons and an average dumping margin of a significant nature. Meanwhile for open frame, 4-pole, 200 horsepower motors. ****/ there was underselling in seven of fourteen comparisons and the smallest possible dumping margins. An analysis of the remaining five samples is less dramatic, but they all continue to show no relation between the occurrences or levels of underselling and the occurrence or level of dumping. I am, therefore, led to the conclusion that the occasional underselling is not by reason of the sale of imports at less than fair value but is instead a reflection of a normal market.

*/ These prices do not include the distributor mark-up which would be added when head-to-head competition occurs.

**/ Section 735(b)(1) of the Tariff Act of 1930. The analysis holds true, though the ratios change, for the other domestic OEM prices.

***/ Staff Report, table 34.

****/ Staff Report, table 35.

Causation between LTFV imports and the conditions in this industry has not been established. Significantly, no causes of injury other than imports were raised by the parties to this investigation. Unlike other cases, the recession is not a causal factor here. This industry is cyclical but its current cycle is out of synchronization with general business conditions. The industry went through a downturn in 1978 and has maintained a steady recovery over 1979 and 1980--even in the face of the continued slight increase in imports.

Material injury

The fact that the generally negative performance of the electrical equipment industry in the current economic downturn has resulted in very few negative trends in the polyphase electric motor industry is indicative not only of the lack of causation by LTFV imports, but also the lack of material injury to the polyphase electric motor industry. */ Although domestic production, shipments, and employment in the polyphase electric motor industry were off in 1978, these indicators were generally up in January-June 1980 in comparison with the same period of 1979 -- production, 10 percent; capacity, 2 percent; capacity utilization, 8 percent; quantity of shipments, 12 percent; average number of employees, 1 percent; total hours, 7 percent; and net profits on overall operations, 14 percent. **/ In fact, extrapolating from 1979 data to reach complete 1980 data, U.S. production, shipments, exports apparent consumption, capacity, capacity utilization, and research and development have gone up relative to 1977, which was a good year for the industry. Exports and research and development have increased dramatically.

*/ Section 771(7) of the Tariff Act of 1930.

**/ Staff Report, p. A-56.

Employment has remained steady. During the same period from 1977-1980, U.S. producers' inventories have increased slightly to meet market demand. While inventories of imports have increased, they began with a very small base. */

Although capacity utilization declined between 1977 and 1978, utilization of capacity was higher in 1979, which included the dumping period examined by Commerce, than in 1978. Utilization of productive capacity by U.S. producers was even higher in the first half of 1980 than during the first half of 1979. **/ In fact, by extrapolating first-half 1980 data, we find capacity utilization up from the industry's good year of 1977.

Like the pricing data, there are some caveats which must be kept in mind when using the profit-and-loss data. Nine firms representing 90 percent of U.S. production of the subject electric motors in 1979 provided profit-and-loss data relative to the establishment or division within which such motors are manufactured. However, only five of the nine firms were able to provide separate profit-and-loss data for their polyphase motor operations as requested by the Commission's questionnaire. These five firms represent approximately two-thirds of total domestic production of these motors. ***/

The net operating profit for the overall operations of the reporting establishments increased by 4 percent from 1977 to 1979. ****/ During the same period there was a decline in net operating profit for their electric motor operations. However, this indicator follows the others in the sense that a recovery and an upward trend were apparent in the first half of 1980.

*/ Staff Report, pp. A-13, 19-32.

**/ Staff Report, table 9.

***/ Staff Report, pp. A-25-27.

****/ Staff Report, p. A-23.

When you break down the available profit data between 150-200 horsepower and 201-500 horsepower, however, there is an interesting dichotomy. In the 150-200 horsepower category, */ which included approximately two-thirds of the imports by quantity, profits have dropped only slightly. Meanwhile, in the 201-500 horsepower category, where there are commensurately fewer imports, profits dropped substantially. **/ This tends to confirm the lack of a causal nexus between the economic situation of the industry and the LTFV imports.

Additionally, it appears that most of the decline in the ratio of net operating profit-to-net sales for the overall operations of the nine firms is explained by increases in selling and administrative expenses. This is equally true for the five firms that provided the most relevant data keyed only to the motors subject to this investigation. ***/ The firms allocated this figure from the figure for their overall operations. This indicates that the five firms attributed no special impact from imports of polyphase motors to their increase in selling and administrative expenses. Thus, for the single indicator pointing toward material injury, the LTFV imports are not implicated.

Discussion of Past Commission Cases

In explaining the basis of my determination, I believe that it is important to distinguish this investigation from the other antidumping cases decided under the Trade Agreements Act of 1979 in which my determination made the affirmative finding unanimous. An analysis of these cases will reveal that the level of import penetration and LTFV margins were much higher and

*/ Staff Report, table 18.

**/ Staff Report, table 20.

***/ Staff Report, table 18 and 20.

that the causal link between LTFV imports and conditions in the industry was much greater in the three previous affirmative determinations than in the instant investigation.

The first final affirmative injury determination under the 1979 Act was issued in Spun Acrylic Yarn from Japan and Italy, Inv. No. 731-TA-2. */ In Spun Acrylic Yarn the level of import penetration was 16 percent as compared to 8.5 percent in the present investigation, **/ the LTFV margin was 23.19 percent ***/ as compared with 6.7 percent, and lost sales due to lower price were confirmed. My determination of injury in the Spun Acrylic Yarn investigation was based on the fact that although the volume of imports was relatively low, the impact of such imports was great as manifested by the incidence of lost sales and price suppression. ****/ I, therefore, found a sufficient causal link between increased imports and the injury suffered by the domestic industry. In the Electric Motors investigation I have not found evidence which supports a causal link between imports and the conditions in the industry, for unlike Spun Acrylic Yarn, there was not confirmed lost sales and little evidence to support price suppression due to LTFV imports. And of course, the health of this industry is much stronger than that which existed in Spun Acrylic Yarn.

The second unanimous affirmative injury determination under the 1979 Act was Sugars and Sirups from Canada, Inv. No. 731-TA-3. *****/ In that case the Commission found that two regional industries existed. The level of import

*/ Spun Acrylic Yarn from Japan and Italy, Inv. No. 731-TA-2, USITC Pub. No. 1046 (March 1980).

**/ Id. at A-22.

***/ Id. At A-6.

****/ Id., Views of Commissioners Paula Stern and Michael J. Calhoun, at 9.

*****/ Sugars and Sirups from Canada, Inv. No. 731-TA-3, USITC Pub. No. 1047 (March 1980).

penetration was only 4.5 percent. However, the LTFV margin was 20.33 percent */ which is significantly higher than the 6.7 percent average margin in this investigation. There was also substantial underselling even below the lowest domestic prices in Sugars and Sirups from Canada, **/ as compared to the underselling in this case which is mixed in the sense that in most instances the import price is not below the lowest domestic price. I, therefore, found a sufficient causal link between imports and injury in Sugars and Sirups from Canada based on price suppression and depression and confirmed instances of sales lost due to lower-priced imports. ***/ Additionally, on a regional basis the sugar industry was exhibiting a general decline. ****/

The third case in which an affirmative determination was issued is Portable Electric Typewriters from Japan, Inv. No. 731-TA-12. In that investigation there was a rapid and substantial increase in imports during the period covered by the investigation *****/ in contrast to the smaller and more gradual increase in imports in the Electric Motors investigation. The LTFV margins for the three producers accounting for all imports were 4.36 percent, 48.7 percent and 36.5 percent; *****/ thus for a majority of the imports the LTFV margins were substantially higher than in the instant case. Also, in marked contrast to the instant investigation, the Portable Typewriters investigation revealed sharp declines in domestic shipments, capacity utilization, hours worked and wages. In light of these factors, wide margins of underselling, and substantial loss of sales verified by the staff, I joined

*/ Id. at A-13.

**/ Id. at A-63.

***/ Id., Views of Commissioners George M. Moore and Paula Stern, at 17.

****/ Id. Views of Commissioners George M. Moore and Paula Stern at 15.

*****/ Portable Electric Typewriters from Japan, Inv. No. 731-TA-12, USITC Pub. No. 1062 (May 1980).

*****/ Id. at A-4.

the other members of the Commission in concluding that there was a causal link between the imports and the injury experienced by the domestic industry */

In addition to distinguishing these prior affirmative determinations, it is useful to point to the similarities between the instant case and the negative injury determination issued in Steel Wire Nails from the Republic of Korea, Inv. No. 731-TA-26. **/ The LTFV margins in Steel Wire Nails ranged from 1.3 to 11.5 percent ***/ and thus the LTFV margin in this case would fall within the middle of that range. ****/ Also, the 7.1 percent level of penetration in Steel Wire Nails is roughly comparable to the 8.4 percent penetration level in the instant case. The majority determination of no injury in Steel Wire Nails was based on the fact that domestic prices and production levels increased, capacity expanded, inventories remained stable and that the decline in profits experienced by the industry could not be linked to LTFV imports. *****/ An important element leading to the conclusion that lost sales data did not provide a causal link between imports and injury was the fact that like the Electric Motors case, the nature of the steel wire nail market made verification of lost sales based on price virtually impossible.

Conclusion

Thus, I agree with two members of the four-member majority that there is no threat of material injury to a U.S. industry by reason of LTFV imports from Japan. Moreover, for all the reasons presented above, I also find no present material injury from the imports found to be sold at less than fair value.

*/ Id., Statement of Reasons for Chairman Catherine Bedell, Commissioners George Moore, Paula Stern, and Michael Calhoun, at 7, 8.

**/ Certain Steel Wire Nails from the Republic of Korea, Inv. No. 731-TA-26, USITC Pub. No. 1088 (August 1980). The Commission found a regional domestic industry and issued a negative injury determination in that case based on a 3-2 vote, Commissioners Moore and Bedell dissenting.

***/ Id. at A-10.

****/ Id., Views of Chairman Bill Alberger, Vice Chairman Michael J. Calhoun, and Commissioner Paula Stern, at 14.

*****/ Id. at 16.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On January 1, 1980, the effective date of the antidumping provisions of title VII of the Tariff Act of 1930, a Treasury Department investigation under the Antidumping Act, 1921, with respect to electric motors was in progress, in which that Department had not yet made a preliminary determination as to the question of sales at less than fair value. Accordingly, pursuant to the provisions of Reorganization Plan No. 3 of 1979, the Department of Commerce succeeded to Treasury's jurisdiction and, in accordance with section 102 of the Trade Agreements Act of 1979, the subject matter of the antidumping investigation became subject to the provisions of title VII of the Tariff Act of 1930 as if the Department of Commerce had commenced an investigation under section 732 of that act to determine whether the class or kind of merchandise described in the petition is being, or is likely to be, sold in the United States at less than fair value (LTFV).

The Commission instituted a preliminary investigation, effective January 1, 1980, with respect to certain electric motors from Japan under section 733(a) of the Tariff Act of 1930. As a result of that investigation, the Commission, on February 14, 1980, reported to the Secretary of Commerce its unanimous determination that "there is a reasonable indication that an industry in the United States is materially injured 1/ by reason of the importation of AC, polyphase electric motors . . . provided for in items 682.41 through 682.50 of the Tariff Schedules of the United States, which are allegedly sold at less than fair value." 2/ Therefore, the Commerce Department continued its investigation into the nature and extent of sales at less than fair value.

On June 17, 1980, the Commission received notification that the Commerce Department had made a preliminary affirmative determination, but no final determination, with regard to certain electric motors from Japan, but had excluded submersible well-pump motors from its investigation. 3/ Consequently, effective on that date, the Commission instituted investigation No. 731-TA-7 (Final) pursuant to section 735 of the Tariff Act of 1930, as added by title I of the Trade Agreements Act of 1979, to determine whether, with respect to electric motors (except submersible well-pump motors) from Japan, provided for in items 682.41 through 682.50 of the Tariff Schedule of the United States, an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the

1/ Commissioners Moore and Stern determined that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury. Commissioner Calhoun did not participate.

2/ Certain Electric Motors from Japan: Determination of a Reasonable Indication of Material Injury in Investigation No. 731-TA-7 (Preliminary)

. . . , USITC Publication 1037, February 1980, p. 1.

3/ The Department of Commerce reports that the petitioners do not produce submersible well-pump motors to any significant degree and have not submitted specific information to Commerce suggesting that they are being, or are likely to be, sold at less than fair value.

United States is materially retarded, by reason of imports sold or likely to be sold at less than fair value.

On October 29, 1980, the Department of Commerce, Tokyo Shibaura Electric Co. (Toshiba), and Toshiba International Corp. (TIC) agreed to monitoring terms for motors of less than 150 horsepower, and Commerce suspended the investigation with respect to those products. Consequently, on November 19, 1980, the Commission changed the scope of its investigation to exclude motors of less than 150 horsepower. 1/

Section 735(b)(2) of the Tariff Act of 1930 requires that this investigation be completed before the 45th day after the day on which the administering authority (Commerce) makes its final affirmative determination. Originally the administering authority was scheduled to make a final determination with respect to LTFV sales by no later than September 2, 1980, but at the request of the parties Commerce extended the date for a final determination until no later than October 29, 1980. The Commission's statutory deadline in this investigation, therefore, is December 12, 1980. 2/

A public hearing in connection with this investigation, at which all interested parties were afforded the opportunity to be present, offer evidence, and be heard, was held on November 20 and 21, 1980, in Washington, D.C. 3/ Notice of the institution of the investigation and public hearing was given by posting copies of the notice at the Office of the Secretary to the Commission, in Washington, D.C., and by publishing the original notice in the Federal Register of July 9, 1980 (45 F.R. 46261). 4/

The Product

Description and uses

The motors which are the subject of this investigation are polyphase, AC electric motors rated at not less than 150 horsepower and not greater than 500 horsepower. Generally, changes in horsepower rating of these motors occurs in intervals of 50 horsepower. Therefore, at least 64 different horsepower ratings for these motors fall between 150 and 500 horsepower. 5/ The U.S. electrical industry regards these motors as industrial motors since polyphase electrical power is required for their operation rather than the single-

1/ A copy of the letter from Commerce informing the Commission of the agreement together with a copy of the Commission's notice of change of scope of the investigation are presented in app. A.

2/ A copy of the letter from Commerce concerning LTFV sales of certain electric motors from Japan, together with a copy of the letter concerning the extension of the deadline for Commerce's final determination, is presented in app. B.

3/ A list of those who presented statements at the Commission's public hearing is presented in app. C.

4/ A copy of the Commission's notice of investigation and hearing is presented in app. D.

5/ The number of motors that fall between 150 and 500 horsepower also depends to a large extent on the frame size and number of poles.

phase electrical power usually supplied to households and small commercial establishments. In this report, the polyphase, AC electric motors included in this investigation are referred to as polyphase motors in order to shorten the descriptions.

Polyphase motors offered for sale in the United States are produced to various National Electrical Manufacturers Association (NEMA) standards. Such standards cover horsepower rating, speed, frame size, and other specifications including operating frequency, torque, and type of enclosure. A large share of polyphase motors produced to NEMA standards are accounted for by two enclosure types described as (1) open-frame, drip-proof and (2) totally enclosed, fan-cooled. The enclosures are usually constructed of castings made of iron or aluminum.

Polyphase motors are used principally by original-equipment manufacturers (OEM's) as prime movers for pumps, compressors, and machine tools. Polyphase motors are also used in agriculture, oil drilling, and various chemical and processing industries.

U.S. tariff treatment

Polyphase motors rated at not less than 150 horsepower and not greater than 500 horsepower are classified under items 682.45 through 682.50 of the Tariff Schedules of the United States (TSUS). Polyphase motors of 150 horsepower or more and under 200 horsepower dedicated for use in civil aircraft are classified under TSUS item 682.46.

The current column 1 rates of duty (most-favored-nation rates), column 2 rates (applicable to products of certain Communist-dominated countries), and LDDC rates (applicable to products of least developed developing countries) are as follows (the col. 1 and LDDC rates became effective January 1, 1980):

| TSUS item No. | Description | Col. 1 rate | LDDC rate | Col. 2 rate |
|------------------|-------------------------------|----------------|--------------|----------------|
| : | : | : | : | : |
| : | Motors: | : | : | : |
| 682.45 | Of over 20 horsepower but | : | : | : |
| : | under 200 horsepower----- | 4.4% ad | Free | 35% ad |
| : | : | val. | : | val. |
| 682.46 | If certified for use in | : | : | : |
| : | civil aircraft----- | Free | : | 35% ad |
| : | : | : | : | val. |
| 682.50 | Of 200 or more horsepower---- | 5.8% ad | 4.2% ad | 35% ad |
| : | : | val. | val. | val. |
| : | : | : | : | : |

Electric motors classified under TSUS item 682.50 have been designated as eligible articles under the Generalized System of Preferences and, when produced in and imported from designated beneficiary countries, enter the United States free of duty.

Electric motors are also subject to staged reductions in the column 1 rates of duty, as authorized by Presidential Proclamation No. 4707, as follows:

| Effective on and after Jan. 1-- | : Item 682.45 | : Item 682.50 |
|------------------------------------|----------------|----------------|
| 1980----- | : 4.4% ad val. | : 5.8% ad val. |
| 1981----- | : 3.8% ad val. | : 5.6% ad val. |
| 1982----- | : 3.1% ad val. | : 5.3% ad val. |
| 1983----- | : 2.5% ad val. | : 5.1% ad val. |
| 1984----- | : 1.9% ad val. | : 4.9% ad val. |
| 1985----- | : 1.3% ad val. | : 4.7% ad val. |
| 1986----- | : 0.6% ad val. | : 4.4% ad val. |
| 1987----- | : Free | : 4.2% ad val. |
| | : | : |

Prior to Proclamation No. 4707, which implemented agreements reached pursuant to the Multilateral Trade Negotiations effective January 1, 1980, electric motors rated over 5 horsepower but under 200 horsepower were classified under TSUS item 682.40, with a column 1 rate of 5 percent ad valorem. Electric motors rated at 200 or more horsepower were classified under item 682.50, with a column 1 rate of 6 percent ad valorem.

Nature and Extent of Sales at Less Than Fair Value

The Department of Commerce's LTFV determination was based on an examination of electric motors manufactured by Toshiba, since approximately 90 percent of the motors exported to the United States from Japan during the period of investigation (April 1, 1979-September 30, 1979) were manufactured by that firm. During that period, Toshiba exported 201 different low-voltage models and a much smaller number of high-voltage models to the United States. Commerce officials selected 53 of the 201 low-voltage models and 2 of the high-voltage models as representative samples. The motors selected represented about 70 percent of the value of the motors exported from Japan and included both large and small motors. According to Commerce, Toshiba's total sales of motors subject to the investigation to the United States during the period were about * * * units, with an aggregate value of about * * *. Toshiba's U.S. sales of the 55 selected models were about * * * units, with an aggregate value of about * * *. 1/

On October 29, 1980, the Department of Commerce, Toshiba, and TIC agreed to monitoring terms for motors of less than 150 horsepower, and Commerce suspended the investigation with respect to those products. Therefore, no final dumping margins were announced by Commerce for motors rated at less than 150 horsepower.

1/ Included in these figures are motors rated at 5.1 to 149 horsepower which have been excluded from the scope of the investigation by the U.S. International Trade Commission.

Commerce examined 23 models of motors rated at 150 to 500 horsepower. For 17 of them, margins were calculated on the basis of constructed value; for the remaining 6 models, margins were calculated on the basis of third-country (Canadian) prices. Commerce found margins ranging from 1.6 to 29.2 percent on 14 of the 23 models. The weighted average margin for all models compared was 6.7 percent. Table 1 shows a summary of the imports by Toshiba during the investigatory period.

Table 1.--Polyphase, AC electric motors: Summary of imports by Toshiba,
by types, Apr. 1-Sept. 30, 1979

* * * * *

The Industry

U.S. producers

About 15 firms produce polyphase motors rated at not less than 150 horsepower but not greater than 500 horsepower in the United States. ^{1/} The number of firms producing such motors decreases as the horsepower rating increases. The largest producers are General Electric Co., Westinghouse Electric Corp., Emerson Electric Co., and Reliance Electric Co. Siemens-Allis, Inc., and Louis Allis Division of Litton Industries are also large producers. The producing firms are located principally in the Middle Atlantic and North Central States.

Foreign producers

Japanese producers.--A large share of polyphase motor production in Japan is accounted for by four Japanese producers of heavy electrical machinery. The largest producer is believed to be Hitachi, Ltd., followed in turn by Toshiba, Mitsubishi Electric, and Fuji Electric. At least 10 additional firms produce electric motors in Japan, but according to the Japan Economic Yearbook, the combined sales of these firms are about one-third as large as Toshiba's sales.

The annual report of Toshiba shows that the firm's sales for the year ending March 31, 1979, reached \$8.2 billion, or about 13 percent more than in the previous year. Although Toshiba's financial statements do not segregate product segments such as polyphase motors, sales of standard electric motors were reported to have increased over those in the previous year. The firm's heavy apparatus sector (in which polyphase motors are included) accounted for about 31 percent of the firm's total sales, or for about \$2.5 billion. Toshiba also reported that it exported about 18 percent of the value of its total sales, representing a decrease of 3 percentage points from the share in the year ending March 31, 1978. Profit for the year was reported at \$107 million, or about 1.3 percent of sales.

Toshiba was organized in 1875 and is closely associated with the Mitsui Trading Group. As of March 31, 1979, Toshiba's long-term corporate debt was reported to exceed \$1 billion, of which about \$685 million was in the form of unsecured loans. Toshiba's largest stockholder is General Electric Co., whose equity holdings account for about 10.6 percent of Toshiba's common stock.

Other foreign producers.--Other than Japanese producers, there are few foreign producers of polyphase motors which also export to the United States. The principal producers are Elektrim in Poland, Newman Electric Motors in the United Kingdom, and Teco Electric Machinery in Taiwan. Information with respect to production levels and corporate financial data of these producers is not available.

^{1/} Eleven firms, accounting for 70 percent of U.S. production in 1979, signed as parties in support of the petition.

Channels of Distribution

More than half the polyphase motors produced in the United States are sold to OEM's such as producers of compressors and pumps. Bids are usually solicited from U.S. motor producers on an annual basis by the OEM's, and sales are made directly to the OEM by the producer, avoiding any intermediate distribution channel. These annual OEM contracts provide a production floor for the producers and serve to dampen production fluctuations during the year. Annual OEM requirements are usually divided among a number of producers, and over time, loyalties develop between the producer and the OEM.

Between January 1977 and June 1980, U.S. motor producers reported that sales to OEM's accounted for about 51 percent of the value of their annual shipments of polyphase motors rated at 150 to 500 horsepower. In contrast, importers have not penetrated the OEM market in any significant way. Toshiba International Corp. (TIC), (the largest importer) reported that shipments to OEM's account for * * * percent of TIC's sales in the United States.

U.S. producers' second largest market is independent and captive distributors. Large motor producers such as General Electric and Westinghouse Electric own their own distributor chains, which compete directly with independent distributors that also handle these producers' product lines. Independent distributors often carry product lines of several U.S. producers, as well as product lines of foreign producers. The distributor market is smaller than the OEM market, accounting for about 29 percent of U.S. producers' shipments. On the other hand, distributors are a significant market for imported polyphase motors. TIC reported that distributors accounted for between * * * and * * * percent of its sales during 1976-79.

Users of polyphase motors, such as process industries and chemical plants, are the third largest market for motors. Normally, modifications to standard off-the-shelf motors are requested by the user since such motors do not usually meet appropriate user specifications. Users account for 15 to 16 percent of the value of U.S. producers' shipments but only * * * to * * * percent of importers' shipments.

U.S. Importers

The principal U.S. importers of polyphase motors are sales subsidiaries of producers in Japan, Poland, Taiwan, and the United Kingdom. In terms of value, Toshiba International Corp. is the largest importer, followed by Polish American Machinery Corp., Teco American (a Taiwan producer which did not respond to the current questionnaire, but did respond to the preliminary questionnaire) and Hitachi, Ltd. (Japan). Newman Electric (United Kingdom) did not respond on time to the Commission's questionnaire. During 1977-79, TIC accounted for * * * to * * * percent of the landed, duty-paid value of U.S. imports, as reported in questionnaire responses.

TIC's U.S. facility presently consists of a warehouse (approximately * * * square feet) for its imported motors in Houston, Tex., an area where controls are assembled (approximately * * * square feet), and office space (approximately * * * square feet). TIC has recently completed an addition

(approximately * * * square feet) at its Houston facility and began assembling a few polyphase motors of less than 150 horsepower in November 1980. The firm plans to eventually replace all types of motors it now imports with motors manufactured entirely at the Houston facility. 1/

Data Obtained by Questionnaires

U.S. imports

Data obtained in response to the Commission's questionnaire show that U.S. imports of motors rated at 150 to 200 horsepower increased from * * * units, valued at * * *, in 1977 to * * * units, valued at * * *, in 1978, or by 31 percent in quantity and 54 percent in value (table 2). They declined to * * * units, valued at * * *, in 1979, representing a decrease of 5 percent in quantity but an increase of 5 percent in value. During January-June 1980, imports totaled * * * units, valued at * * *, 31 percent in quantity and 40 percent in value more than in January-June 1979. Imports by TIC increased 21 percent in quantity and 55 in value between 1977 and 1979 and 27 percent in quantity and 34 percent in value from January-June 1979 to January-June 1980.

Imports of motors rated at 201 to 500 horsepower increased from * * * units, valued at * * *, in 1977 to * * * units, valued at * * *, in 1979 or by 60 percent in quantity and 109 percent in value. Such imports continued to increase during January-June 1980, reaching * * * units, valued at * * *, representing an increase of 36 percent in quantity and 51 percent in value over imports in January-June 1979. Imports of motors rated at 201 to 500 horsepower by TIC rose from * * * units, valued at * * *, in 1977 to * * * units, valued at * * *, in 1979, increasing 57 percent in quantity and 101 percent in value. TIC's imports of those motors in January-June 1980 were up 21 percent in quantity and 26 percent in value from the level of that firm's imports during January-June 1979.

1/ See transcript of the hearing, pp. 272-277.

Table 2.--Polyphase, AC electric motors: U.S. imports, by horsepower ratings 1977-79, January-June 1979, and January-June 1980

* * * * *

U.S. importers' shipments

* * * * *

Table 3.--Polyphase, AC electric motors: U.S. importers' shipments, by horsepower ratings 1977-79, January-June 1979, and January-June 1980

* * * * *

U.S. importers' inventories

Inventories held by importers fluctuated from * * * units on December 31, 1977, to * * * units on December 31, 1979 (table 4). The growth of inventories is most noticeable with respect to TIC, whose inventories doubled between June 30, 1979, and June 30, 1980.

Importers' inventories as a share of imports increased from 15.7 percent in 1977 to 27.0 percent in 1978 but declined to 17.9 percent in 1979 (table 5). Importers' inventories as a share of importers' shipments followed the same trend, increasing from 14.9 percent in 1977 to 31.4 percent in 1978, but declining to 16.4 percent in 1979 (table 6). The ratios of inventories to imports and to importers' shipments were high for January-June 1979 and January-June 1980, because inventories were compared with only 6 months' data for imports and shipments.

Table 4.--Polyphase, AC electric motors: Inventories of U.S. importers, by horsepower ratings, Dec. 31 of 1977-79 and June 30 of 1979 and 1980

* * * * *

Table 5.--Polyphase, AC electric motors: Ratios of U.S. importers' inventories to imports, by horsepower ratings, Dec. 31 of 1977-79 and June 30 of 1979 and 1980

| (In percent) | | | | | | |
|----------------------------|-----------|------|------|-----------|------|--|
| Rating | Dec. 31-- | | | June 30-- | | |
| | 1977 | 1978 | 1979 | 1979 | 1980 | |
| 150 to 200 horsepower----- | 13.1 | 26.0 | 16.9 | 30.7 | 65.8 | |
| 201 to 500 horsepower----- | 22.7 | 29.3 | 20.1 | 62.4 | 58.6 | |
| Total----- | 15.7 | 27.0 | 17.9 | 33.5 | 55.7 | |

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

Table 6.--Polyphase, AC electric motors: Ratios of U.S. importers' inventories to importers' shipments, by horsepower ratings, Dec. 31 of 1977-79 and June 30 of 1979 and 1980

| (In percent) | | | | | | |
|----------------------------|-----------|------|------|-----------|------|--|
| Rating | Dec. 31-- | | | June 30-- | | |
| | 1977 | 1978 | 1979 | 1979 | 1980 | |
| 150 to 200 horsepower----- | 12.7 | 30.7 | 15.3 | 23.2 | 70.9 | |
| 201 to 500 horsepower----- | 20.6 | 33.0 | 18.8 | 33.6 | 79.0 | |
| Total----- | 14.9 | 31.4 | 16.4 | 26.3 | 73.6 | |

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

The Question of Material Injury or the Likelihood Thereof

U.S. production

A decline of about 8 percent in U.S. production was reported during 1977-79, when output decreased from 27,063 units to 24,992 units (table 7). The lowest production level reported during the period was reached in 1978, when output declined to 24,019 units. During January-June 1980, production rebounded to 14,502 units, or by about 10 percent from the level in the corresponding period of 1979.

Polyphase motors rated at 150 to 200 horsepower accounted for the largest share of production, although output of such motors declined relative to total output. In January-June 1980 they accounted for 63 percent of production, compared with 68 percent in 1977.

Table 7.--Polyphase, AC electric motors: U.S. production, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

| Rating | (Number) | | | | | |
|----------------------------|----------|--------|--------|-------------|--------|--|
| | 1977 | 1978 | 1979 | Jan.-June-- | | |
| | | | | 1979 | 1980 | |
| 150 to 200 horsepower----- | 18,409 | 15,392 | 15,883 | 8,422 | 9,095 | |
| 201 to 500 horsepower----- | 8,654 | 8,627 | 9,109 | 4,785 | 5,407 | |
| Total----- | 27,063 | 24,019 | 24,992 | 13,207 | 14,502 | |

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

Production capacity 1/

The production capacity of U.S. producers of polyphase motors increased irregularly from 43,574 units in 1977 to 44,206 units in 1979 (table 8). It increased further during January-June 1980, reaching 23,190 units compared with 22,719 units during January-June 1979. Motors rated at 150 to 200 horsepower accounted for about 60 percent of capacity between January 1977 and June 1980.

Table 8.--Polyphase, AC electric motors: U.S. production capacity, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

| Rating | (Number) | | | | | |
|----------------------------|----------|--------|--------|-------------|--------|--|
| | 1977 | 1978 | 1979 | Jan.-June-- | | |
| | | | | 1979 | 1980 | |
| 150 to 200 horsepower----- | 27,030 | 27,066 | 26,706 | 13,474 | 14,143 | |
| 201 to 500 horsepower----- | 16,544 | 17,660 | 17,500 | 9,245 | 9,047 | |
| Total----- | 43,574 | 44,726 | 44,206 | 22,719 | 23,190 | |

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

In the production of polyphase motors, the utilization of productive capacity (production as a percentage of capacity) decreased from 62.1 percent in 1977 to 53.7 percent in 1978 and then increased steadily to 62.5 percent in January-June 1980 (table 9). Capacity utilization of polyphase motors rated at 150 to 200 horsepower fluctuated downward between 1977 and 1979 while capacity utilization of polyphase motors rated at 201 to 500 horsepower was at about the same level in 1979 as it was in 1977.

1/ Capacity was measured as two shifts a day for a 5-day (40-hour) week, based on actual product mix with allowances for scheduled maintenance downtime.

Table 9.--Polyphase, AC electric motors: U.S. producers' capacity utilization, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

| (In percent) | | | | | | |
|----------------------------|------|------|------|-------------|------|--|
| Rating | 1977 | 1978 | 1979 | Jan.-June-- | | |
| | | | | 1979 | 1980 | |
| 150 to 200 horsepower----- | 68.1 | 56.9 | 59.5 | 62.5 | 64.3 | |
| 201 to 500 horsepower----- | 52.3 | 48.9 | 52.1 | 51.8 | 59.8 | |
| Total----- | 62.1 | 53.7 | 56.5 | 58.1 | 62.5 | |

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

Compared with the capacity utilization rate in the U.S. electrical industry, the capacity utilization rate in the production of polyphase motors is low. The Board of Governors of the Federal Reserve System reported that the capacity utilization rate in the electrical industry during 1967-78 fluctuated between a high of 88.5 percent in 1967 to a low of 65.3 percent in 1975 (table 10). The average utilization rate reported across the 12-year period was 78.7 percent. The utilization rate in the advanced processing sector of the U.S. manufacturing industries was higher than reported for the electrical industry ranging from 87.6 percent in 1967 to 72.5 percent in 1975 and averaging 81.3 percent.

In the petition filed with the Department of Commerce, the parties to the petition representing the U.S. industry producing polyphase motors reported capacity utilization stood at 62 percent of capacity in 1978 for motors rated at 20 horsepower, but less than 200 horsepower compared with 78 percent of capacity in 1974. The petitioners also reported that the capacity utilization rate in the production of polyphase motors rated between 200 and 500 horsepower stood at 60 percent of capacity in 1978 compared with 69 percent in 1974. In a poll of U.S. firms producing polyphase motors such firms normally plan to operate at 85 percent of capacity leaving excess capacity available for periods of unusual demand.

The Department of Commerce Survey of Plant Capacity reported that the primary reason given for the low capacity utilization rate in the U.S. manufacturing industries is the lack of orders. Commerce reported that during 1974-77, U.S. firms cited the lack of orders as accounting for 77-86 percent of the time as the reason for operating at less than 100 percent of capacity. Commerce also reported that other factors such as strikes, lack of fuel and materials and lack of available labor played a significantly smaller role.

Table 10.--Capacity utilization: The capacity utilization rate in the U.S. electrical industry and U.S. advanced manufacturing industry, 1967-78

| (In percent) | | | | |
|--------------|---|--------------------------|---|---|
| Year | : | U.S. electrical industry | : | Advanced process manufacturing industry |
| | : | | : | |
| 1967----- | : | 88.5 | : | 87.6 |
| 1968----- | : | 83.7 | : | 86.8 |
| 1969----- | : | 81.1 | : | 85.0 |
| 1970----- | : | 73.5 | : | 77.4 |
| 1971----- | : | 70.4 | : | 76.3 |
| 1972----- | : | 77.1 | : | 81.0 |
| 1973----- | : | 86.7 | : | 85.0 |
| 1974----- | : | 83.2 | : | 81.5 |
| 1975----- | : | 65.3 | : | 72.5 |
| 1976----- | : | 74.0 | : | 78.2 |
| 1977----- | : | 77.7 | : | 80.8 |
| 1978----- | : | 83.7 | : | 83.0 |
| | : | | : | |

Source: Board of Governors of the Federal Reserve System, Division of Research and Statistics, August 1979.

U.S. shipments

U.S. producers' shipments of polyphase motors rated at not less than 150 and not greater than 500 horsepower declined in quantity but increased in value between 1977 and 1979, from 25,723 units, valued at \$114 million (\$4,417 each), in 1977 to 24,617, units valued at \$118 million (\$4,775 each), in 1979 (table 11). During January-June 1980, total shipments increased in both quantity and value, reaching 14,118 units, valued at \$73 million (\$5,175 each), up from 12,638 units, valued at \$62 million (\$4,890 each), during January-June 1979. Polyphase motors rated from 150 to 200 horsepower accounted for about 65 percent of the quantity and for about 41 percent of the value of producers' shipments between January 1977 and June 1980.

Domestic market transactions (sales to unrelated parties) accounted for about * * * percent of both the quantity and the value of producers' shipments between January 1977 and June 1980. During 1977 and 1978, intracompany shipments by U.S. producers (related-party transactions) were nearly twice as large in quantity as export shipments, but for the remainder of the period for which data were obtained by the Commission, more polyphase motors were exported by U.S. producers than were sold to related parties.

Table 11.--Polyphase, AC electric motors: U.S. producers' shipments, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

| Type and rating | 1977 | 1978 | 1979 | January-June-- | |
|---------------------------|---------|---------|---------|----------------|--------|
| | | | | 1979 | 1980 |
| Quantity (units) | | | | | |
| Domestic shipments: | | | | | |
| 150 to 200 horsepower---- | 16,366 | 15,267 | 15,052 | 7,725 | 8,395 |
| 201 to 500 horsepower---- | 8,001 | 7,980 | 8,413 | 4,361 | 4,837 |
| Total----- | 24,367 | 23,247 | 23,465 | 12,086 | 13,232 |
| Intracompany shipments: | | | | | |
| 150 to 200 horsepower---- | *** | *** | *** | *** | *** |
| 201 to 500 horsepower---- | *** | *** | *** | *** | *** |
| Total----- | *** | *** | *** | *** | *** |
| Export shipments: | | | | | |
| 150 to 200 horsepower---- | *** | *** | *** | *** | *** |
| 201 to 500 horsepower---- | *** | *** | *** | *** | *** |
| Total----- | *** | *** | *** | *** | *** |
| Total: | | | | | |
| 150 to 200 horsepower---- | 17,289 | 16,132 | 15,670 | 8,013 | 8,905 |
| 201 to 500 horsepower---- | 8,434 | 8,454 | 8,947 | 4,625 | 5,213 |
| Total----- | 25,723 | 24,586 | 24,617 | 12,638 | 14,118 |
| Value (1,000 dollars) | | | | | |
| Domestic shipments: | | | | | |
| 150 to 200 horsepower---- | 45,203 | 44,575 | 45,608 | 23,773 | 27,337 |
| 201 to 500 horsepower---- | 62,071 | 63,576 | 65,964 | 34,940 | 40,264 |
| Total----- | 102,274 | 108,151 | 111,572 | 58,713 | 67,591 |
| Intracompany shipments: | | | | | |
| 150 to 200 horsepower---- | *** | *** | *** | *** | *** |
| 201 to 500 horsepower---- | *** | *** | *** | *** | *** |
| Total----- | *** | *** | *** | *** | *** |
| Export shipments: | | | | | |
| 150 to 200 horsepower---- | *** | *** | *** | *** | *** |
| 201 to 500 horsepower---- | *** | *** | *** | *** | *** |
| Total----- | *** | *** | *** | *** | *** |
| Total: | | | | | |
| 150 to 200 horsepower---- | 47,665 | 47,323 | 47,540 | 24,674 | 29,677 |
| 201 to 500 horsepower---- | 65,941 | 67,585 | 70,000 | 37,128 | 43,381 |
| Total----- | 113,606 | 114,908 | 117,540 | 61,802 | 73,058 |
| Unit value | | | | | |
| Domestic shipments: | | | | | |
| 150 to 200 horsepower---- | 2,762 | 2,920 | 3,030 | 3,077 | 3,256 |
| 201 to 500 horsepower---- | 7,758 | 7,967 | 7,841 | 8,012 | 8,324 |
| Average----- | 4,402 | 4,652 | 4,755 | 4,858 | 5,108 |
| Intracompany shipments: | | | | | |
| 150 to 200 horsepower---- | *** | *** | *** | *** | *** |
| 201 to 500 horsepower---- | *** | *** | *** | *** | *** |
| Average----- | *** | *** | *** | *** | *** |
| Export shipments: | | | | | |
| 150 to 200 horsepower---- | *** | *** | *** | *** | *** |
| 201 to 500 horsepower---- | *** | *** | *** | *** | *** |
| Average----- | *** | *** | *** | *** | *** |
| Total: | | | | | |
| 150 to 200 horsepower---- | 2,757 | 2,933 | 2,906 | 3,079 | 3,333 |
| 201 to 500 horsepower---- | 7,818 | 7,994 | 7,824 | 8,028 | 8,322 |
| Average----- | 4,417 | 4,674 | 4,775 | 4,890 | 5,175 |

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

U.S. exports

U.S. exports increased from * * * units, valued at * * *, in 1977 to * * * units, valued at * * *, in 1979 (table 11). Export shipments were reported at * * * units, valued at * * *, during January-June 1980, compared with * * * units, valued at * * *, during the corresponding period of 1979. Average unit values of exported motors fluctuated between January 1977 and June 1980, but generally trended downward. In terms of value, polyphase motors of 201 to 500 horsepower were the largest export segment, accounting for * * * percent of exports in 1979.

U.S. producers' inventories

The inventories of U.S. producers of polyphase motors increased irregularly from 5,213 units on December 31, 1977, to 6,240 units on June 30, 1980 (table 12). Inventories ranged between 19 and 23 percent of U.S. production and between 20 and 23 percent of U.S. shipments during 1977-79. Polyphase motors rated at 150 to 200 horsepower accounted for 67 percent of the motors held in inventories in 1979.

Table 12.--Polyphase, AC electric motors: U.S. producers' inventories, by horsepower ratings, Dec. 31 of 1977-79 and June 30 of 1979 and 1980

| Rating | (In units) | | | | | |
|----------------------------|------------|-------|-------|-----------|-------|--|
| | Dec. 31-- | | | June 30-- | | |
| | 1977 | 1978 | 1979 | 1979 | 1980 | |
| 150 to 200 horsepower----- | 3,514 | 3,249 | 3,837 | 3,960 | 4,054 | |
| 201 to 500 horsepower----- | 1,699 | 1,763 | 1,887 | 1,945 | 2,186 | |
| Total----- | 5,213 | 5,012 | 5,724 | 5,905 | 6,240 | |

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

U.S. employment

Data on employment and wages paid to production and related workers were reported by 10 U.S. producers of polyphase motors. The number of production and related workers engaged in the manufacture of all products at the reporting establishments increased during 1977-79, while the number of such workers engaged in the manufacture of polyphase motors decreased (table 13). There were 679 (5 percent) more production and related workers manufacturing all products at the reporting establishments in 1979 than in 1977, but there were 101 (6 percent) fewer such workers manufacturing polyphase motors. In contrast, there were 450 (3 percent) fewer production and related workers manufacturing all products during January-June 1980 compared with workers in the corresponding period of 1979, but there were 11 (1 percent) more such workers engaged in the manufacturing of polyphase motors.

Table 13.--Average number of employees, total and production and related workers, in U.S. establishments producing polyphase, AC electric motors, by horsepower ratings, 1977-79, January-June 1979 and January-June 1980

| Item | (Number) | | | | | |
|---|----------|--------|--------|-------------|------|--------|
| | 1977 | 1978 | 1979 | Jan.-June-- | | |
| | | | | 1979 | 1980 | |
| All persons----- | 20,602 | 20,724 | 21,491 | 20,239 | | 20,391 |
| Production and related workers engaged in the production of-- | | | | | | |
| All products----- | 14,389 | 14,475 | 15,068 | 14,492 | | 14,042 |
| Polyphase motors: | | | | | | |
| 150 to 200 horsepower----- | 619 | 625 | 634 | 632 | | 583 |
| 201 to 500 horsepower----- | 1,198 | 1,060 | 1,082 | 1,049 | | 1,109 |
| Total production and related workers employed | | | | | | |
| on polyphase motors----- | 1,817 | 1,685 | 1,716 | 1,681 | | 1,692 |

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

Hours worked by production and related workers manufacturing all products and hours worked manufacturing polyphase motors followed different trends. The former increased about 20 percent during 1977-79, while the latter decreased about 15 percent. These trends were reversed during January-June 1980 compared with January-June 1979. On an average basis, a production worker worked slightly more than 2,000 hours annually on polyphase motors in 1977 and 1978 and slightly less in 1979 (table 14).

Table 14.--Hours worked, total and average per worker, by production and related workers in U.S. establishments producing polyphase, AC electric motors, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

| Item | : | : | : | : | Jan.-June-- | |
|----------------------------|-----------------------------------|--------|--------|--------|-------------|--|
| | 1977 | 1978 | 1979 | | | |
| | : | : | : | 1979 | 1980 | |
| | Total hours (thousands) | | | | | |
| All products----- | 24,492 | 29,791 | 29,529 | 15,797 | 15,390 | |
| Polyphase motors: | | | | | | |
| 150 to 200 horsepower----- | 1,306 | 1,197 | 1,174 | 642 | 630 | |
| 201 to 500 horsepower----- | 2,549 | 2,203 | 2,102 | 1,216 | 1,357 | |
| Total hours worked by pro- | | | | | | |
| duction and related | | | | | | |
| workers employed on | | | | | | |
| polyphase motors----- | 3,855 | 3,400 | 3,276 | 1,858 | 1,987 | |
| | Average hours per worker (number) | | | | | |
| All products----- | 1,702 | 2,058 | 1,960 | 1,090 | 1,096 | |
| Polyphase motors: | | | | | | |
| 150 to 200 horsepower----- | 1,890 | 1,915 | 1,852 | 1,016 | 1,081 | |
| 201 to 500 horsepower----- | 2,128 | 2,078 | 1,943 | 1,159 | 1,224 | |
| Average hours worked by | | | | | | |
| production and related | | | | | | |
| workers employed on | | | | | | |
| polyphase motors----- | 2,041 | 2,018 | 1,909 | 1,105 | 1,174 | |

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

The average annual wages paid to workers engaged in the manufacture of polyphase motors increased from \$13,045 in 1977 to \$16,115 in 1979 and continued to increase on an annual basis during January-June 1980 (table 15).

Table 15.--Total, average annual, and average hourly wages paid to production and related workers in U.S. establishments producing polyphase, AC electric motors, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

| Item | 1977 | 1978 | 1979 | Jan.-June-- | |
|---|----------|----------|----------|-------------|---------|
| | | | | 1979 | 1980 |
| Total wages (1,000 dollars) | | | | | |
| All products----- | 184,685 | 201,063 | 219,057 | 115,681 | 118,198 |
| Polyphase motors: | | | | | |
| 150 to 200 horsepower----- | 7,829 | 7,815 | 8,210 | 4,405 | 4,786 |
| 201 to 500 horsepower----- | 16,813 | 17,867 | 19,444 | 10,021 | 11,424 |
| Total wages paid to production and related workers employed on polyphase motors----- | 24,642 | 25,682 | 27,654 | 14,426 | 16,210 |
| Average annual wages | | | | | |
| All products----- | \$12,835 | \$13,890 | \$14,538 | \$7,982 | \$8,417 |
| Polyphase motors: | | | | | |
| 150 to 200 horsepower----- | 11,014 | 12,371 | 12,996 | 6,864 | 8,058 |
| 201 to 500 horsepower----- | 14,034 | 16,856 | 17,970 | 9,553 | 10,301 |
| Average annual wages paid to production and related workers employed on polyphase motors----- | 13,045 | 15,242 | 16,115 | 8,582 | 9,580 |
| Average hourly wages | | | | | |
| All products----- | \$7.54 | \$6.75 | \$7.42 | \$7.32 | \$7.68 |
| Polyphase motors: | | | | | |
| 150 to 200 horsepower----- | 5.99 | 6.53 | 6.99 | 6.86 | 7.59 |
| 201 to 500 horsepower----- | 6.59 | 8.11 | 9.25 | 8.24 | 8.42 |
| Average hourly wages paid to production and related workers employed on polyphase motors---- | 6.39 | 7.55 | 8.44 | 7.77 | 8.16 |

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

Profit-and-loss performance of U.S. producers

Overall operations of the establishments or divisions.--Nine firms, accounting for more than 90 percent of U.S. production of polyphase motors, rated at 150 to 500 horsepower in 1979 furnished profit-and-loss data for the establishment or division within which such motors are manufactured. 1/ Net sales of all products manufactured in such establishments or divisions rose from \$777 million in 1977 to \$931 million in 1979, representing an increase of \$154 million or 20 percent. Net sales rose to \$551 million during January-June 1980, topping net sales in the corresponding period of 1979 by \$85 million or 18 percent (table 16). In the aggregate, the nine firms derived about 13 percent of their overall establishment or division sales revenue from the sale of motors rated at 150 to 500 horsepower during 1977-79.

Manufacturing and operating expenses increased at a slightly faster rate than net sales during 1977-79. As a result, net operating profit increased only \$3 million or 4 percent during this period. On the other hand, the ratio of net operating profit to net sales declined from 11.6 percent in 1977 to 10.0 percent in 1979. Net operating profit in January-June 1980 was \$7 million or 14 percent higher than the net operating profit of \$49 million in the corresponding period of 1979, but, the profit ratio declined from 10.6 to 10.2 percent. The profit ratio for January-June 1979 was higher than that for the full year, indicating that the profit margin for July-December half of 1979 was less than 10 percent.

1/ Only five of the nine firms were able to provide separate profit-and-loss data for their polyphase motor operations as requested by the Commission's A-23 questionnaire.

Table 16.--Profit-and-loss experience of 9 U.S. producers on the overall operations of their establishments or divisions producing polyphase, AC electric motors, 1977-79, January-June 1979, and January-June 1980

| Item | : | : | : | : | : | Jan.-June-- | |
|--|---|---|---|---|---|-------------|---------|
| | | | | | | 1979 | 1980 |
| Net sales-----1,000 dollars--: | : | : | : | : | : | : | : |
| Cost of goods sold-----do-----: | : | : | : | : | : | 931,164 | 466,762 |
| Gross profit-----do-----: | : | : | : | : | : | 677,863 | 337,496 |
| General, selling and administrative expenses : do-----: | : | : | : | : | : | 253,301 | 129,266 |
| Net operating profit-----do-----: | : | : | : | : | : | 159,928 | 79,794 |
| Ratio of net operating profit to net sales-----percent--: | : | : | : | : | : | 93,373 | 49,472 |
| Ratio of cost of goods sold to net sales : percent--: | : | : | : | : | : | 10.0 | 10.6 |
| Ratio of general, selling, and administrative : expenses to net sales-----percent--: | : | : | : | : | : | 72.8 | 72.3 |
| Number of firms reporting losses-----: | : | : | : | : | : | 17.2 | 17.1 |
| Net sales of motors rated at 5.1 to 500 : horsepower 1/-----1,000 dollars--: | : | : | : | : | : | 1 | 1 |
| Ratio of motors rated at 5.1 to 500 horse- : power to total establishment or division : net sales-----percent--: | : | : | : | : | : | 46 | 45 |
| 1/ Included in total net sales. | : | : | : | : | : | : | : |

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

The establishment or division operations of three firms operated at a loss in 1978. No more than one firm sustained a loss in any of the other periods (table 17).

Operations producing motors rated at 150 to 200 horsepower.--Five firms, accounting for 60 to 70 percent of 1977-79 U.S. production of polyphase motors in the 150-200-horsepower range, furnished profit-and-loss data on their operations manufacturing such motors. 1/

As shown in table 18, the number of polyphase motors sold increased from 10,400 units in 1977 to 11,409 units in 1979. The number sold in January-June 1980 was 1,373 units, or 23 percent higher than the 5,891 units sold in the corresponding period of 1979. The value of net sales declined slightly in 1978 compared with that in 1977 and then increased \$4.6 million or 12 percent to \$43 million in 1979. Net sales were up \$4.2 million or 19 percent in January-June 1980, over the \$22 million net sales recorded during the corresponding period of 1979. 2/

Net operating profit declined from \$5.4 million in 1977 to \$3.8 million in 1978 and then increased to \$4.8 million in 1979. For January-June 1980, the net operating profit was \$279,000, or 10 percent less than the operating profit of reported \$2.9 million for the corresponding period of 1979. As a share of net sales, net operating profit ranged during 1977-79 from a low of 10.1 percent in 1978 to a high of 14.3 percent in 1977. The ratios for January-June 1979 and January-June 1980 were 13.3 percent and 10.1 percent, respectively. 3/

1/ U.S. electric motor manufacturers do not maintain profit centers by motor size. As a result, some of the firms deviated from generally accepted cost accounting practices in compiling data for their polyphase motor operations by size ranges.

2/ The selling and administrative expenses reported by the 5 producers for their 150-200 horsepower and 201-500 horsepower AC motor operations increased at a slightly faster rate than net sales during 1977-79. However, as a ratio to net sales, selling and administrative expense follow about the same trend as that for the 5 producers' overall establishment or division operations during the period. Also, the U.S. producers claim that they increased their sales effort in order to combat import competition during this period.

3/ The producers' questionnaire requested only profit-and-loss data down to the net operating profit level. Interest expense incurred in connection with financing capital expenditures and working capital (including inventories) are excluded from the operating income figures.

Table 17.--Profit-and-loss experience of 9 U.S. producers on the overall operations of their establishments or divisions producing polyphase, AC electric motors, by firms, 1977-79, January-June 1979, and January-June 1980

* * * * *

Table 18.--Profit-and-loss experience of 5 U.S. producers on their operations producing polyphase, AC electric motors rated at 150 to 200 horsepower, 1977-79, January-June 1979, and January-June 1980

| Item | 1977 | 1978 | 1979 | January-June-- | |
|------------------------------------|--------|--------|--------|----------------|--------|
| | | | | 1979 | 1980 |
| Number of motors sold-----units-- | 10,400 | 10,758 | 11,409 | 5,891 | 7,264 |
| Net sales-----1,000 dollars-- | 38,086 | 38,011 | 42,647 | 22,028 | 26,195 |
| Cost of goods sold-----do---- | 26,309 | 27,441 | 30,145 | 15,257 | 18,940 |
| Gross profit-----do---- | 11,777 | 10,570 | 12,502 | 6,771 | 7,255 |
| General, selling and administra- | | | | | |
| tive expenses----1,000 dollars-- | 6,338 | 6,738 | 7,726 | 3,838 | 4,601 |
| Net operating profit-----do---- | 5,439 | 3,832 | 4,776 | 2,933 | 2,654 |
| Ratio of net operating profit to | | | | | |
| net sales-----percent-- | 14.3 | 10.1 | 11.2 | 13.3 | 10.1 |
| Ratio of cost of goods sold to | | | | | |
| net sales-----percent-- | 69.1 | 72.2 | 70.7 | 69.3 | 72.3 |
| Ratio of general, selling and ad- | | | | | |
| ministrative expenses to net | | | | | |
| sales-----percent-- | 16.6 | 17.7 | 18.1 | 17.4 | 17.6 |
| Number of firms reporting losses-- | 0 | 2 | 1 | 1 | 1 |

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

Operations producing motors rates at 201 to 500 horsepower.--Five firms, accounting for more than 90 percent of total 1979 U.S. production of polyphase motors in the 201-500-horsepower range, supplied usable profit-and-loss data on their operations manufacturing such motors.

As shown in table 19, the five reporting firms experienced a noticeable change in performance in these operations during the period covered in this report. Net sales increased only 5 percent during 1977-79, which was much lower than the inflation rate during this period. ^{1/} Net sales did rebound in January-June 1980, surpassing those in January-June 1979 by 18 percent. Net operating profit fell sharply, by 89 percent, during 1977-79 and by 29 percent during January-June 1980 compared with that in the corresponding period of 1979.

In the aggregate, the firms' operations on 201-500-horsepower polyphase motors earned an operating profit of \$7.6 million in 1977, a return of 12.1 percent on net sales of \$63 million. In 1979, earnings dropped to \$853,000, a return of 1.3 percent on \$66 million in net sales. For January-June 1980, the

^{1/} The reported quantity of motors sold does not follow the same trend as the value of net sales (table 18). One firm rounded off its data to thousands. Considering the low quantity for this size group of motors, this reporting method probably affected the trend.

operating profit was \$729,000, a return of 1.8 percent on \$41 million in net sales.

One firm sustained a loss in 1977, two firms sustained losses in 1978, 1979, and January-June 1979, and three firms sustained losses during January-June 1980.

Table 19.--Profit-and-loss experience of 5 U.S. producers on their polyphase,
AC electric motors operations producing by firms, 1977-79, January-June 1979
and January-June 1980

* * * * *

Table 20 reveals that the aggregate net operating profit was \$853,000 in 1979 and \$1.0 million for January-June 1979, indicating that five firms sustained an aggregate loss on their operations producing polyphase motors rated at 201 to 500 horsepower during July-December 1979.

Depreciation and amortization writeoffs exceeded net operating profit in 1979. For this reason, cash flow from operations followed a slightly different trend from that for net operating profit during the period covered in this report. Table 21 shows individual firms' performance in operations producing motors rated at 201 to 500 horsepower.

Table 20.--Profit-and-loss experience of 5 U.S. producers on their operations producing polyphase, AC electric motors rated at 201 to 500 horsepower, 1977-79, January-June 1979, and January-June 1980

| Item | 1977 | 1978 | 1979 | Jan.--June-- | |
|--|--------|--------|--------|--------------|--------|
| | | | | 1979 | 1980 |
| Number of motors sold--units--: | 8,050 | 7,426 | 8,879 | 4,551 | 4,869 |
| Net sales-----1,000 dollars--: | 62,824 | 63,086 | 65,962 | 34,712 | 40,911 |
| Cost of goods sold-----do-----: | 46,019 | 47,346 | 53,765 | 27,909 | 33,277 |
| Gross profit-----do-----: | 16,805 | 15,740 | 12,197 | 6,803 | 7,634 |
| General, selling, and admini- strative expenses | : | : | : | : | : |
| 1,000 dollars--: | 9,196 | 10,024 | 11,344 | 5,778 | 6,905 |
| Net operating profit----do-----: | 7,609 | 5,716 | 853 | 1,025 | 729 |
| Ratio of net operating profit to net sales-----percent--: | 12.1 | 9.1 | 1.3 | 3.0 | 1.8 |
| Ratio of cost of goods sold to net sales-----percent--: | 73.2 | 75.0 | 81.5 | 80.4 | 81.3 |
| Ratio of general, selling, and administrative expenses to net sales-----percent--: | 14.7 | 15.9 | 17.2 | 16.6 | 16.9 |
| Number of firms reporting losses-----do-----: | 1 | 2 | 2 | 2 | 3 |
| Cash flow from operations <u>1/</u> 1,000 dollars--: | 9,318 | 7,278 | 2,329 | 1,738 | 1,561 |

1/ Net operating profit plus depreciation and amortization writeoffs included in cost of goods sold. Figures are understated, as only 4 firms furnished depreciation and amortization data.

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

Table 21.--Profit-and-loss experience of 5 U.S. producers on their operations producing polyphase, AC electric motors, rated at 201 to 500 horsepower by firms, 1977-79, January-June 1979, and January-June 1980

* * * * *

Capital expenditures.--U.S. producers were requested to report their capital expenditures in the production of polyphase motors rated over 5 but not over 500 horsepower. After the acceptance by the U.S. Department of Commerce of the agreement which limited the scope of the Commission's investigation, time did not permit the segregation of the data to determine capital expenditures in the production of polyphase motors rated at 150 but not over 500 horsepower.

Capital expenditures on land, buildings, and machinery and equipment in the production of polyphase motors rated over 5 but not over 500 horsepower decreased from \$18.1 million in 1977 to \$12.7 million in 1979, or by about 30 percent (table 22). During January-June 1980, capital expenditures were reported at \$7.4 million. The largest share of capital expenditures was accounted for by machinery and equipment (more than 90 percent during the period), followed by expenditures on buildings and leasehold improvements.

Table 22.--Capital expenditures for on land, buildings, and machinery and equipment in the production of polyphase, AC electric motors, 1977-79 and January-June 1980

| (In thousands of dollars) | | | | | | | | |
|---------------------------|---|--------------|---|--------------|---|----------------|---|--------|
| Period | : | Land/land | : | Buildings/ | : | Machinery | : | Total |
| | : | improvements | : | improvements | : | and equipment: | : | |
| | : | | : | | : | | : | |
| 1977----- | : | 63 | : | 2,057 | : | 15,973 | : | 18,093 |
| 1978----- | : | 35 | : | 2,229 | : | 15,391 | : | 17,655 |
| 1979----- | : | 14 | : | 750 | : | 11,886 | : | 12,650 |
| Jan.-June-- | : | | : | | : | | : | |
| 1980----- | : | 24 | : | 245 | : | 7,098 | : | 7,367 |
| | : | | : | | : | | : | |

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

Research and development.--Expenditures by U.S. producers for research and development in the production of polyphase motors increased from \$9.2 million in 1977 to \$9.3 million in 1978 and to \$10.5 million in 1979. As a percentage of the value of U.S. shipments, research and development expenditures by the respondents were small, amounting to about 2 percent annually during the period covered by the Commission's questionnaire.

Table 23.--U.S. producers' expenditures for research and development in the production of polyphase, AC electric motors, 1977-79 and January-June 1980

* * * * *

The Question of the Causal Relationship Between the LTFV Imports and the Alleged Material Injury

U.S. consumption

Apparent U.S. consumption of motors rated at 150 to 500 horsepower declined annually from * * * units in 1977 to * * * units in 1979, or by 2 percent. Consumption during January-June 1980 was higher by 11 percent than that in the corresponding period of 1979, increasing from * * * units to * * * units. The share of apparent consumption supplied by imports, however, increased without interruption from 6.3 percent in 1977 to 8.7 percent in 1979 and continued upward during January-June 1980, reaching 8.9 percent (table 24).

Table 24.-- Polyphase, AC electric motors: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1977-79, January-June 1979 and January-June 1980

| (Quantity in units; Value in thousands of dollars) | | | | | | |
|--|----------------------|---------|---------|----------------------|---|-----|
| | Producers' shipments | Exports | Imports | Apparent consumption | Ratio (percent) of imports to consumption | |
| Quantity | | | | | | |
| 1977----- | 25,723 | *** | *** | *** | | 6.3 |
| 1978----- | 24,586 | *** | *** | *** | | 8.5 |
| 1979----- | 24,617 | *** | *** | *** | | 8.7 |
| January-June-- | | | | | | |
| 1979----- | 12,638 | *** | *** | *** | | 7.4 |
| 1980----- | 14,118 | *** | *** | *** | | 8.9 |
| Value | | | | | | |
| 1977----- | 113,606 | *** | *** | *** | | 2.5 |
| 1978----- | 114,908 | *** | *** | *** | | 3.9 |
| 1979----- | 117,540 | *** | *** | *** | | 4.3 |
| January-June-- | | | | | | |
| 1979----- | 61,802 | *** | *** | *** | | 3.5 |
| 1980----- | 73,058 | *** | *** | *** | | 4.4 |

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

Market penetration of motors imported by Toshiba International Corp.

In terms of quantity, market penetration of motors imported by TIC increased from * * * percent in 1977 to * * * percent in 1978 and to * * * percent in 1979. TIC's share of U.S. consumption during January-June 1980 was * * * percent, up from * * * percent during January-June 1979. The largest penetration by TIC during the period was in the market for motors rated at 150 to 200 horsepower. Table 25 shows the quantity of U.S. consumption, U.S. producers' shipments, and imports by TIC and by other importers, by horsepower ratings and, table 26 shows the share of U.S. consumption of motors supplied by U.S. producers, TIC, and other importers, by horsepower ratings, for 1977-79, January-June 1979, and January-June 1980.

Table 25.--Polyphase, AC electric motors: U.S. consumption, producers' shipments, and imports by TIC and other importers, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

* * * * *

Table 26.--Polyphase, AC electric motors: Share of U.S. consumption supplied by U.S. producers, TIC and other importers, by horsepower ratings, 1977-79, January-June 1979, and January-June 1980

* * * * *

Prices

As stated earlier in this report, during April-September 1979, Toshiba exported 201 different types of low-voltage motors and a limited number of types of high-voltage motors to the United States. The Commerce Department selected 53 of the low-voltage motors and 2 of the high-voltage motors as a representative sample. From 23 motors rated at not less than 150 and not greater than 500 horsepower examined by Commerce, the Commission selected 7 on which to obtain price data from domestic producers and importers for specified periods between January 1978 and June 1980. 1/

The selection of motors by the Commission was based on both the quantity of imports and the preliminary dumping margins calculated on those motors examined by Commerce. Some of the motors were selected by the Commission because they reflected high preliminary dumping margins; others, low margins; and some, no margins at all. Some motors were selected because the preliminary margins were calculated by Commerce on a constructed basis; others, because the preliminary dumping margins were determined on the basis of third-country (Canadian) prices.

1/ The Commission had originally obtained price data on 22 motors, but 15 of the motors selected are rated below 150 horsepower and are no longer included within the scope of the Commission's investigation.

The motors selected by the Commission and the price data requested from questionnaire respondents were discussed by the staff with representatives of the U.S. producers and of Toshiba. In accordance with the Commission's practice of keeping the reporting burden of the respondents to a minimum, suggestions by those representatives were incorporated in the Commission questionnaires where possible and practical. Producers and respondents agreed that the selected motors were directly competitive. 1/

The questionnaires requested the net delivered price of the largest sale and the quantity sold at that price in each of 14 time periods between January 1, 1978, and June 30, 1980. Data were also requested on the quantity and value of total sales for each of the motors in each of the time periods, which allowed calculations of the average net value received on both a company and an industry basis.

Price data were supplied to the Commission by Toshiba and Mitsubishi of Japan and nine domestic manufacturers, by types of motors and types of sales outlet. Sales by Mitsubishi are small 2/ and are not included in the following discussion. Since all exports of motors from Toshiba in Japan to Toshiba International Corp. in Houston were related-party transactions, sales by TIC to distributors usually represented the first unrelated-party transactions in the United States for the imported motors. As stated earlier in this report, sales to distributors accounted for * * * to * * * percent of U.S. sales of polyphase motors by TIC during 1976-79. Questionnaire responses show that prices of the motors sold to distributors by TIC were, in most instances, substantially lower than the unit value 3/ of the comparable domestic models sold to distributors. Sales of motors to original-equipment manufacturers, on the other hand, accounted for less than * * * percent of TIC's sales, and prices of such motors were higher than those received by about half the domestic firms in most periods. 4/

1/ Attorneys for both the U.S. producers and Toshiba also agreed at the public hearing that prices of the seven motors which remained after the change in scope of the Commission's investigation and for which the Commission had price data were representative of prices of all motors rated at 150 to 500 horsepower. Both sides further agreed that no additional price data need be gathered by the Commission (transcript of the hearing, pp. 84-90, and 245).

2/ Less than * * * percent of the value of sales by Japanese producers in the United States in 1979.

3/ The average net value received was calculated as follows: the total value of sales for each specified type of motor was divided by the total quantity sold for each time period. Given the specificity of each motor selected, this unit value is essentially an average net selling price.

4/ Attorneys for TIC stated at the public hearing that data on prices received from end users should also have been obtained by the Commission (transcript of the hearing, p.245). The Commission did not obtain such data because information obtained during the Commission's preliminary investigation revealed that users accounted for a very small share of first sales by the parties. Data obtained during this final investigation show that users accounted for 11 to 13 percent of the direct shipments by U.S. producers and * * * to * * * percent of the direct shipments by TIC.

Data were compiled for seven types of standard (i.e., unmodified) motors rated at 150 to 500 horsepower that were sold by both Toshiba and nine U.S. producers. For most of the types of motors, the price of the imported product was lower than the unit value of the domestic product, although in many instances at least one domestic producer reported prices below the price of the comparable imported model. Comparative price data on selected motors are presented in tables 27 through 33. These tables show the net delivered price received by Toshiba, the range of U.S. producers' prices to distributors for the largest sales, and the amount and percentage of underselling for specified periods in 1978, 1979, and 1980.

In general, margins of underselling were higher during 1978 and 1979 but narrowed during January-June 1980 by about one-third or roughly 8 to 14 percentage points.

Tables 27 and 33 also show prices of certain domestic and imported polyphase motors sold to OEM's. As shown in these tables, although a few U.S. producers received prices that were higher than the prices received for the Japanese product, most domestic prices were lower than those of the competing imported product. Sales to OEM's by Toshiba, although increasing, accounted for less than * * * percent of sales of motors by Toshiba. That Toshiba's prices to distributors are below its prices to OEM's apparently reflects a Toshiba policy of not competing with distributors selling Toshiba motors in the OEM market.

Data were compiled from tables 27-33 of the staff report comparing TIC's distributor prices and U.S. producers' OEM prices. TIC's distributor prices were higher than the weighted average OEM prices received by U.S. producers in 18 of 86 price comparisons. TIC's distributor prices were higher than the lowest OEM prices received by a U.S. producer for the largest sale in 53 of 86 comparisons and were higher than the highest OEM prices received for the largest sale in 5 of 78 comparisons. The data are discussed and shown separately by type of motor as follows:

Open frame, 4-Pole, 150 horsepower polyphase motor (table 34).--Price data were reported for 14 time periods. TIC's distributors prices were higher than the weighted average domestic OEM price during 2 of the 14 time periods. Tic's price was higher than the lowest domestic price received by a U.S. producer for the largest sale in 11 of the 14 periods and was below the highest price received for the largest sale by a U.S. producer in every instance. During the period examined by Commerce, TIC imported * * * of these motors at a value of * * *. The margin of dumping reported by Commerce * * *.

Open frame, 4-Pole, 200 horsepower polyphase motor (table 35).--Price data were reported for 14 time periods. TIC's distributor price was below the weighted average domestic OEM price in every instance. TIC's distributor price was higher than the lowest OEM price received by U.S. producers for their largest sale in 7 of the 14 time periods and was below the highest price producers received in each of the periods. During the period examined by Commerce, TIC imported * * * motors valued at * * * and Commerce * * *.

Open frame, 4-Pole, 250 horsepower polyphase motor (table 36).--Price data were reported for 13 time periods. TIC's distributor price was below the weighted average domestic OEM price in 8 of the 13 periods. TIC's price was higher than the lowest price received by U.S. producers from OEMs for the largest sale in 12 of the 13 periods. Data were obtained for the highest price received from OEMs for the largest sale for 9 time periods and TIC's distributor price was higher than the domestic OEM prices in 1 of those periods. During the period examined by Commerce, TIC imported * * * of the motors valued at * * *. The margin of dumping reported by Commerce * * *.

Totally enclosed, 4-Pole, 150 horsepower polyphase motor (table 37).--Price data were reported for 14 time periods. TIC's distributor price was below the weighted average domestic producers OEM price in every instance. TIC's distributor price was higher than the lowest prices received by U.S. producers for the largest OEM sale in 6 of the 14 periods and in each of those periods was below the highest price received by U.S. producers. During the period examined by Commerce, TIC imported * * * of these motors valued at * * * and the margin of dumping reported by Commerce was * * *.

Totally enclosed, 4-Pole, 200 horsepower polyphase motor (table 38).--Price data were reported for 13 time periods. TIC's distributor price was below the weighted average domestic OEM price in 10 of the 13 periods. TIC's distributor price was higher than the lowest price received by U.S. producers for the largest OEM sale in 8 of the 13 periods and was higher than the highest price received by U.S. producers in 2 of the 13 periods. During the period examined by Commerce, TIC imported * * * of these motors valued at * * *, and * * *.

Totally enclosed, 6-Pole, 300 horsepower polyphase motor (table 39).--Price data were reported for 7 time periods. TIC's distributor price was below the weighted average domestic price to OEMs in 5 of the 7 periods. TIC's distributor price was higher than the lowest price received by U.S. producers for the largest OEM sales in 3 of the 7 periods and was higher than the highest price received by U.S. producers in 1 of the 7 periods. During the period examined by Commerce TIC imported * * * of these motors valued at * * * and the margin of dumping reported by Commerce * * *.

Totally enclosed, 6-Pole, 200 horsepower polyphase motor (Table 40).--Data was reported for 11 time periods. TIC's distributor price was below the weighted average domestic OEM price in 6 of the 11 periods. TIC's distributor price was higher than the lowest price received by U.S. producers for the largest sale to OEMs in 6 of the 11 periods and was higher than the highest price received for the largest sale in 1 of 7 time periods. During the period examined by Commerce, TIC imported * * * motors valued at * * * and the dumping margin reported by Commerce * * *.

Table 27.--Polyphase, AC electric motors: Net delivered prices of imported and domestic open-frame, 4-pole, 150-horsepower motors to distributors and original-equipment manufacturers, by specified periods, January 1978-June 1980

| Item and period | Price of imported motors <u>1/</u> | Range of U.S. producers' prices | | Unit value of U.S.- made motors <u>2/</u> | Margin of underselling <u>3/</u> or (overselling) | |
|---|--|------------------------------------|--|--|---|---------|
| | | Largest sale | Average of total com- pany sales | | Amount | Percent |
| | | | | | | |
| To distributors: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | \$1,696-\$2,103 | \$1,658-\$2,103 | *** | *** | 23 |
| April-June----- | *** | 1,696- 2,108 | 1,912- 2,214 | *** | *** | 25 |
| July-September---- | *** | 1,845- 2,108 | 1,793- 2,307 | *** | *** | 22 |
| October-December-- | *** | 1,638- 2,313 | 1,638- 2,214 | *** | *** | 23 |
| 1979: | | | | | | |
| January-March----- | *** | 1,945- 2,423 | 1,776- 2,379 | *** | *** | 24 |
| April----- | *** | 1,606- 2,423 | 1,606- 2,379 | *** | *** | 23 |
| May----- | *** | 1,615- 2,239 | 1,803- 2,379 | *** | *** | 18 |
| June----- | *** | 1,606- 2,220 | 1,606- 2,379 | *** | *** | 21 |
| July----- | *** | 2,008- 2,261 | 2,008- 2,379 | *** | *** | 23 |
| August----- | *** | 1,804- 2,261 | 1,804- 2,379 | *** | *** | 19 |
| September----- | *** | 1,615- 2,115 | 1,615- 2,379 | *** | *** | 7 |
| October-December-- | *** | 1,686- 2,487 | 1,829- 2,379 | *** | *** | 19 |
| 1980: | | | | | | |
| January-March----- | *** | 1,686- 2,606 | 1,686- 2,544 | *** | *** | 22 |
| April-June----- | *** | 1,770- 2,742 | 1,770- 2,742 | *** | *** | 14 |
| To original-equipment manufacturers: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | 1,492- 2,340 | 1,481- 2,276 | *** | *** | - |
| April-June----- | *** | 1,459- 2,510 | 1,651- 2,560 | *** | *** | - |
| July-September---- | *** | 1,425- 2,253 | 1,500- 2,460 | *** | *** | - |
| October-December-- | *** | 1,494- 2,413 | 1,549- 2,460 | *** | *** | - |
| 1979: | | | | | | |
| January-March----- | *** | 1,553- 2,115 | 1,569- 2,460 | *** | *** | (6) |
| April----- | *** | 1,018- 1,909 | 1,018- 2,460 | *** | *** | - |
| May----- | *** | 1,018- 1,909 | 1,122- 2,460 | *** | *** | - |
| June----- | *** | 1,560- 2,711 | 1,560- 2,460 | *** | *** | - |
| July----- | *** | 1,608- 2,217 | 2,008- 2,797 | *** | *** | - |
| August----- | *** | 1,669- 2,173 | 1,893- 2,460 | *** | *** | - |
| September----- | *** | 1,695- 2,827 | 1,695- 2,460 | *** | *** | - |
| October-December-- | *** | 1,597- 2,259 | 1,703- 2,460 | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | *** | 1,579- 2,177 | 1,680- 2,827 | *** | *** | (4) |
| April-June----- | *** | 1,579- 2,375 | 1,532- 2,827 | *** | *** | (6) |

1/ Imported from Japan and sold by TIC.

2/ Weighted average of prices for 8 domestic producers (1 producer gave unit prices but no sales quantities; its data are not included in the weighted average).

3/ Based on the weighted average.

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

Table 28.--Polyphase, AC electric motors: Net delivered prices of imported and domestic open-frame, 4-pole, 200-horsepower motors to distributors and original-equipment manufacturers, by specified periods, January 1978-June 1980

| Item and period | Price of imported motors <u>1/</u> | Range of U.S. producers' prices | | Unit value of U.S.- made motors <u>2/</u> | Margin of underselling <u>3/</u> or (overselling) | |
|---|--|------------------------------------|--|--|---|---------|
| | | Largest sale | Average of total com- pany sales | | Amount | Percent |
| To distributors: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | \$2,000-\$2,752 | \$1,917-\$2,752 | *** | *** | 32 |
| April-June----- | *** | 2,000- 2,533 | 2,206- 2,851 | *** | *** | 24 |
| July-September---- | *** | 2,061- 2,979 | 2,220- 2,851 | *** | *** | 26 |
| October-December-- | *** | 1,923- 3,120 | 2,013- 2,851 | *** | *** | 22 |
| 1979: | | | | | | |
| January-March----- | *** | 2,364- 2,935 | 2,265- 3,064 | *** | *** | 21 |
| April----- | *** | 2,655- 3,215 | 2,655- 3,064 | *** | *** | 30 |
| May----- | *** | 1,984- 2,884 | 1,748- 3,064 | *** | *** | 21 |
| June----- | *** | 2,203- 2,723 | 2,463- 3,064 | *** | *** | 23 |
| July----- | *** | 2,449 2,449 | 2,444- 3,064 | *** | *** | 19 |
| August----- | *** | 2,203- 3,073 | 2,463- 3,073 | *** | *** | 27 |
| September----- | *** | 2,083- 3,357 | 2,083- 3,183 | *** | *** | 31 |
| October-December-- | *** | 2,083- 3,357 | 2,240- 3,285 | *** | *** | 19 |
| 1980: | | | | | | |
| January-March----- | *** | 2,083- 2,658 | 2,087- 3,277 | *** | *** | 16 |
| April-June----- | *** | 2,083- 3,168 | 2,083- 3,297 | *** | *** | 22 |
| To original-equipment manufacturers: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | 1,835- 2,562 | 1,966- 2,931 | *** | *** | - |
| April-June----- | *** | 1,878- 2,708 | 1,880- 3,168 | *** | *** | - |
| July-September---- | *** | 1,747- 2,909 | 1,747- 3,168 | *** | *** | 6 |
| October-December-- | *** | 1,834- 2,534 | 1,834- 3,168 | *** | *** | (6) |
| 1979: | | | | | | |
| January-March----- | *** | 2,000- 3,068 | 2,000- 3,404 | *** | *** | 4 |
| April----- | *** | 2,194- 3,064 | 2,193- 3,404 | *** | *** | 10 |
| May----- | *** | 2,053- 2,255 | 2,187- 3,404 | *** | *** | - |
| June----- | *** | 1,944- 2,723 | 1,944- 3,404 | *** | *** | - |
| July----- | *** | 2,056- 2,723 | 2,021- 3,404 | *** | *** | - |
| August----- | *** | 2,096- 2,648 | 2,577- 3,404 | *** | *** | - |
| September----- | *** | 1,938- 2,723 | 1,938- 3,404 | *** | *** | - |
| October-December-- | *** | 1,835- 2,976 | 1,835- 3,404 | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | *** | 2,047- 3,641 | 2,047- 3,641 | *** | *** | - |
| April-June----- | *** | 2,140- 3,641 | 1,977- 3,641 | *** | *** | - |

1/ Imported from Japan and sold by TIC.

2/ Weighted average of prices of 8 domestic producers (1 producer gave unit prices but no sales quantities; its data are not included in the weighted average).

3/ Based on the weighted average.

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

Table 29.--Polyphase, AC electric motors: Net delivered prices of imported and domestic open-frame, 4-pole, 250-horsepower motors to distributors and original-equipment manufacturers, by specified periods, January 1978-June 1980

| Item and period | Price of imported motors <u>1/</u> | Range of U.S. producers' prices | | Unit value of U.S.- made motors <u>2/</u> | Margin of underselling <u>3/</u> or (overselling) | |
|---|--|------------------------------------|--|--|---|-----------|
| | | Largest sale | Average of total com- pany sales | | Amount | Percent |
| | | | | | | |
| To distributors: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | \$3,099-\$3,441 | \$3,028-\$3,441 | *** | *** | 33 |
| April-June----- | *** | - | 3,413 | *** | *** | - |
| July-September---- | *** | 2,700- 3,033 | 2,700- 3,413 | *** | *** | 5 |
| October-December-- | *** | 2,434- 3,000 | 2,424- 3,413 | *** | *** | <u>4/</u> |
| 1979: | | | | | | |
| January-March----- | *** | 3,034- 3,423 | 3,147- 3,668 | *** | *** | 15 |
| April----- | *** | - | 3,668 | *** | *** | - |
| May----- | *** | 2,810 | 2,810- 3,668 | *** | *** | 1 |
| June----- | *** | 2,853 | 2,850- 3,668 | *** | *** | 2 |
| July----- | *** | 2,934- 3,283 | 2,934- 3,668 | *** | *** | 6 |
| August----- | *** | 4,509 | 3,668- 4,509 | *** | *** | 35 |
| September----- | *** | 2,934- 3,617 | 2,933- 3,668 | *** | *** | 7 |
| October-December-- | *** | - | 3,668 | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | *** | - | 3,922 | *** | *** | - |
| April-June----- | *** | 2,462- 3,713 | 2,462- 3,922 | *** | *** | 2 |
| To original-equipment manufacturers: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | 1,720- 3,190 | 2,183- 3,509 | *** | *** | - |
| April-June----- | *** | 2,035- 3,490 | 2,035- 3,792 | *** | *** | - |
| July-September---- | *** | 1,720- 2,852 | 2,173- 3,792 | *** | *** | - |
| October-December-- | *** | 2,035 | 2,035- 3,792 | *** | *** | - |
| 1979: | | | | | | |
| January-March----- | *** | 2,035- 3,260 | 2,035- 4,075 | *** | *** | - |
| April----- | *** | 3,056- 3,260 | 3,055- 4,075 | *** | *** | - |
| May----- | *** | 2,660- 3,573 | 2,660- 4,075 | *** | *** | - |
| June----- | *** | 2,462- 3,867 | 2,462- 4,075 | *** | *** | - |
| July----- | *** | 2,882 | 2,937- 4,075 | *** | *** | - |
| August----- | *** | 2,604 | 2,742- 4,075 | *** | *** | - |
| September----- | *** | 3,153 | 3,155- 4,075 | *** | *** | - |
| October-December-- | *** | 2,626- 3,159 | 2,578- 4,075 | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | *** | 2,290- 3,200 | 2,367- 4,358 | *** | *** | - |
| April-June----- | *** | 2,589- 2,604 | 2,346- 4,358 | *** | *** | - |

1/ Imported from Japan and sold by TIC.

2/ Weighted average of prices of 8 domestic producers (1 producer gave unit prices but no sales quantities; its data are not included in the weighted average).

3/ Based on the weighted average.

4/ Less than 0.5 percent.

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

Table 30.--Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, 4 pole 150-horsepower motors to distributors and original-equipment manufacturers, by specified periods, January 1978-June 1980

| Item and period | Price of imported motors <u>1/</u> | Range of U.S. producers' prices | | Unit value of U.S.- made motors <u>2/</u> | Margin of underselling <u>3/</u> or (overselling) | |
|---|--|------------------------------------|--|--|---|---------|
| | | Largest sale | Average of total com- pany sales | | Amount | Percent |
| | | | | | | |
| To distributors: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | \$2,171-\$3,146 | \$2,964-\$3,278 | *** | *** | 24 |
| April-June----- | *** | 2,334- 3,766 | 2,581- 3,543 | *** | *** | 19 |
| July-September---- | *** | 2,470- 3,677 | 2,802- 3,543 | *** | *** | 21 |
| October-December-- | *** | 2,631- 4,064 | 2,825- 3,543 | *** | *** | 19 |
| 1979: | | | | | | |
| January-March----- | *** | 2,645- 4,064 | 2,531- 3,829 | *** | *** | 16 |
| April----- | *** | 3,173- 3,995 | 2,923- 3,807 | *** | *** | 22 |
| May----- | *** | 2,645- 4,064 | 2,695- 3,894 | *** | *** | 21 |
| June----- | *** | 3,166- 3,525 | 3,197- 3,884 | *** | *** | 19 |
| July----- | *** | 2,645- 3,800 | 2,645- 3,807 | *** | *** | 14 |
| August----- | *** | 3,166- 4,370 | 3,166- 4,051 | *** | *** | 19 |
| September----- | *** | 2,645- 4,361 | 2,787- 3,807 | *** | *** | (14) |
| October-December-- | *** | 1,777- 3,908 | 2,613- 3,807 | *** | *** | 22 |
| 1980: | | | | | | |
| January-March----- | *** | 2,777- 4,171 | 2,777- 4,071 | *** | *** | 18 |
| April-June----- | *** | 2,761- 4,153 | 2,870- 4,071 | *** | *** | 15 |
| To original-equipment manufacturers: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | 2,388- 2,844 | 2,470- 3,643 | *** | *** | - |
| April-June----- | *** | 2,144- 3,213 | 2,144- 3,936 | *** | *** | 8 |
| July-September---- | *** | 2,280- 3,451 | 2,583- 3,936 | *** | *** | 14 |
| October-December-- | *** | 2,683- 3,384 | 2,684- 3,936 | *** | *** | 1 |
| 1979: | | | | | | |
| January-March----- | *** | 2,479- 3,408 | 2,721- 4,230 | *** | *** | - |
| April----- | *** | 2,814- 3,763 | 2,900- 4,230 | *** | *** | 11 |
| May----- | *** | 2,468- 3,200 | 2,615- 4,230 | *** | *** | 8 |
| June----- | *** | 2,374- 3,387 | 2,581- 4,230 | *** | *** | - |
| July----- | *** | 2,388- 3,742 | 2,256- 4,230 | *** | *** | - |
| August----- | *** | 2,409- 3,173 | 2,408- 4,230 | *** | *** | - |
| September----- | *** | 2,908- 3,502 | 2,810- 4,230 | *** | *** | - |
| October-December-- | *** | 2,644- 3,737 | 2,684- 4,230 | *** | *** | 10 |
| 1980: | | | | | | |
| January-March----- | *** | 3,115- 4,524 | 2,650- 4,524 | *** | *** | 14 |
| April-June----- | *** | 2,644- 3,840 | 2,816- 4,524 | *** | *** | - |

1/ Imported from Japan and sold by TIC.

2/ Weighted average of prices of 8 domestic producers (1 producer gave unit prices but no sales quantities; its data is not included in the weighted average).

3/ Based on the weighted average.

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

Table 31.--Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, 4-pole, 200-horsepower motors to distributors and original-equipment manufacturers, by specified periods, January 1978-June 1980

| Item and period | Price of imported motors 1/ | Range of U.S. producers' prices | | Unit value of U.S.- made motors 2/ | Margin of underselling 3/ or (overselling) | |
|---|-----------------------------------|------------------------------------|--|---|--|---------|
| | | Largest sale | Average of total com- pany sales | | Amount | Percent |
| | | | | | | |
| To distributors: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | \$2,870-\$4,032 | \$3,064-\$4,106 | *** | *** | 15 |
| April-June----- | *** | 2,935- 4,561 | 3,007- 4,341 | *** | *** | 16 |
| July-September---- | *** | 3,285- 4,415 | 3,681- 4,437 | *** | *** | 18 |
| October-December-- | *** | 3,515- 4,546 | 3,515- 4,522 | *** | *** | 17 |
| 1979: | | | | | | |
| January-March----- | *** | 3,515- 4,864 | 3,515- 4,546 | *** | *** | 15 |
| April----- | *** | 3,900- 4,450 | 3,900- 4,768 | *** | *** | 15 |
| May----- | *** | 4,179- 5,003 | 4,180- 5,117 | *** | *** | 26 |
| June----- | *** | 3,515- 4,546 | 4,546- 4,768 | *** | *** | 1 |
| July----- | *** | 3,100- 3,973 | 3,669- 4,768 | *** | *** | 10 |
| August----- | *** | 4,238- 5,006 | 4,238- 4,768 | *** | *** | 28 |
| September----- | *** | 3,708- 4,546 | 3,708- 4,768 | *** | *** | 5 |
| October-December-- | *** | 2,632- 5,224 | 3,691- 4,948 | *** | *** | 11 |
| 1980: | | | | | | |
| January-March----- | *** | 3,018- 4,533 | 3,480- 5,099 | *** | *** | 10 |
| April-June----- | *** | 3,876- 6,066 | 3,479- 5,099 | *** | *** | 8 |
| To original-equipment manufacturers: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | 3,371- 4,562 | 2,561- 4,562 | *** | *** | - |
| April-June----- | *** | 3,026- 4,437 | 3,204- 4,930 | *** | *** | - |
| July-September---- | *** | 3,500- 6,100 | 3,500- 6,100 | *** | *** | - |
| October-December-- | *** | 2,443- 5,094 | 2,898- 4,930 | *** | *** | - |
| 1979: | | | | | | |
| January-March----- | *** | 3,127- 4,268 | 3,123- 5,298 | *** | *** | - |
| April----- | *** | 4,025- 4,065 | 3,598- 5,298 | *** | *** | - |
| May----- | *** | 4,025- 5,440 | 3,520- 5,440 | *** | *** | - |
| June----- | *** | 3,517- 4,639 | 3,515- 5,298 | *** | *** | - |
| July----- | *** | 4,356- 5,373 | 4,032- 5,373 | *** | *** | - |
| August----- | *** | - | 4,400- 5,298 | *** | *** | - |
| September----- | *** | 3,311- 3,635 | 3,311- 5,298 | *** | *** | - |
| October-December-- | *** | 3,311- 5,666 | 3,283- 5,665 | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | *** | 3,164- 3,826 | 3,363- 5,666 | *** | *** | - |
| April-June----- | *** | 3,334- 4,415 | 3,485- 5,666 | *** | *** | (17) |

1/ Imported from Japan and sold by TIC.

2/ Weighted average of prices of 8 domestic producers (1 producer gave unit prices but no sales quantities; its data are not included in the weighted average).

3/ Based on the weighted average.

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

Table 32.--Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, 4-pole, 300-horsepower motors to distributors and original-equipment manufacturers, by specified periods, January 1978-June 1980

| Item and period | Price of imported motors <u>1/</u> | Range of U.S. producers' prices | | Unit value of U.S.- made motors <u>2/</u> | Margin of underselling <u>3/</u> or (overselling) | |
|---|--|------------------------------------|--|--|---|---------|
| | | Largest sale | Average of total com- pany sales | | Amount | Percent |
| | | | | | | |
| To distributors: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | - | \$5,752-\$13,255 | *** | *** | 61 |
| April-June----- | *** | - | 6,216- 14,275 | *** | *** | 62 |
| July-September---- | *** | - | 6,216- 14,135 | *** | *** | 61 |
| October-December-- | *** | - | - | *** | *** | - |
| 1979: | | | | | | |
| January-March----- | *** | - | 5,611- 6,680 | *** | *** | (3) |
| April----- | *** | - | - | *** | *** | - |
| May----- | *** | - | 6,680-14,535 | *** | *** | 60 |
| June----- | *** | - | 6,680- 6,852 | *** | *** | - |
| July----- | *** | - | - | *** | *** | - |
| August----- | *** | - | 6,680-12,507 | *** | *** | 53 |
| September----- | *** | - | - | *** | *** | - |
| October-December-- | *** | - | - | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | *** | - | 7,144-12,289 | *** | *** | 50 |
| April-June----- | *** | \$5,400-\$6,433 | 5,400- 7,144 | *** | *** | (6) |
| To original-equipment manufacturers: | | | | | | |
| 1978: | | | | | | |
| January-March----- | - | 3,371-16,019 | 2,561-16,019 | *** | *** | - |
| April-June----- | - | - | 3,204- 6,907 | *** | *** | - |
| July-September---- | - | 14,694- 6,100 | 6,100-14,694 | *** | *** | - |
| October-December-- | - | - | - | *** | *** | - |
| 1979: | | | | | | |
| January-March----- | - | 6,142-10,501 | 7,422-10,501 | *** | *** | - |
| April----- | - | - | 5,567- 7,422 | *** | *** | - |
| May----- | - | - | 5,938- 7,422 | *** | *** | - |
| June----- | - | 5,196- 6,947 | 5,196- 7,422 | *** | *** | - |
| July----- | - | - | 5,196- 7,422 | *** | *** | - |
| August----- | - | - | 5,910- 7,422 | *** | *** | - |
| September----- | - | 6,747-14,585 | 5,642-14,585 | *** | *** | - |
| October-December-- | - | 3,311- 5,666 | 3,283- 5,665 | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | - | 8,335-10,729 | 4,536-10,729 | *** | - | - |
| April-June----- | - | - | 5,642- 7,938 | *** | - | - |

1/ Imported from Japan and sold by TIC.

2/ Weighted average of prices of 8 domestic producers (1 producer gave unit prices but no sales quantities; its data are not included in the weighted average).

3/ Based on the weighted average.

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

Table 33.—Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, fan-cooled, 6-pole, 200-horsepower motors to distributors and original-equipment manufacturers, by specified periods, January 1978-June 1980

| Item and period | Price of imported motors <u>1/</u> | Range of U.S. producers' prices | | Unit value of U.S. made motors <u>2/</u> | Margin of underselling <u>3/</u> or (overselling) | |
|---|--|------------------------------------|--|---|---|---------|
| | | Largest sale | Average of total com- pany sales | | Amount | Percent |
| | | | | | | |
| To distributors: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | \$4,282-\$5,487 | \$4,282-\$5,388 | *** | *** | 7 |
| April-June----- | *** | 4,014- 4,743 | 4,081- 5,205 | *** | *** | 6 |
| July-September----- | *** | 4,627- 5,352 | 4,668- 5,205 | *** | *** | 11 |
| October-December----- | *** | 4,332- 7,500 | 4,327- 7,500 | *** | *** | 2 |
| 1979: | | | | | | |
| January-March----- | *** | 4,506- 7,521 | 4,724- 5,880 | *** | *** | 6 |
| April----- | *** | 5,180 | 5,180- 5,594 | *** | *** | 11 |
| May----- | *** | 5,180- 6,216 | 5,180- 6,216 | *** | *** | 19 |
| June----- | *** | 4,203 | 4,230- 5,594 | *** | *** | (9) |
| July----- | *** | - | 5,594 | *** | *** | - |
| August----- | *** | 5,584 | 3,171- 5,594 | *** | *** | 4 |
| September----- | *** | 4,075- 4,653 | 4,653- 5,594 | *** | *** | 4/ |
| October-December----- | *** | 4,662- 6,243 | 5,097- 6,243 | *** | *** | 6 |
| 1980: | | | | | | |
| January-March----- | *** | 4,653- 6,129 | 4,532- 5,983 | *** | *** | (4) |
| April-June----- | *** | 5,525- 5,584 | 5,525- 5,983 | *** | *** | 9 |
| To original-equipment manufacturers: | | | | | | |
| 1978: | | | | | | |
| January-March----- | *** | 4,487- 4,532 | 4,490- 5,352 | *** | *** | - |
| April-June----- | *** | 4,050- 4,834 | 4,050- 5,784 | *** | *** | (9) |
| July-September----- | *** | 3,085- 4,627 | 3,085- 5,784 | *** | *** | (7) |
| October-December----- | *** | 3,085 | 3,085- 5,784 | *** | *** | - |
| 1979: | | | | | | |
| January-March----- | *** | 5,525 | 4,494- 6,219 | *** | *** | (11) |
| April----- | *** | - | 6,216 | *** | *** | - |
| May----- | *** | 4,973 | 4,973- 6,216 | *** | *** | - |
| June----- | *** | 4,973 | 4,972- 6,216 | *** | *** | - |
| July----- | *** | 4,661 | 4,661- 6,216 | *** | *** | - |
| August----- | - | 4,456 | 6,216 | *** | *** | - |
| September----- | - | - | 6,216 | *** | *** | - |
| October-December----- | - | 4,558- 5,352 | 4,709- 6,216 | *** | *** | - |
| 1980: | | | | | | |
| January-March----- | - | 4,449- 6,647 | 4,449- 6,647 | *** | - | - |
| April-June----- | - | 4,834- 5,180 | 4,903- 6,647 | *** | - | - |

1/ Imported from Japan and sold by TIC.

2/ Weighted average of prices for 8 domestic producers (1 producer gave unit prices but no sales quantities; its data are not included in the weighted average).

3/ Based on the weighted average.

4/ Less than 0.5 percent.

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

Table 34.--Polyphase, AC electric motors: Net delivered prices of imported and domestic open frame, 4-pole, 150 horsepower motors to distributors and OEM's, by specified periods, January 1, 1978-June 30, 1980

| Period | Toshiba distributor price | Domestic OEM prices | | | Percent underselling | | |
|----------------|---------------------------------|---------------------|------------------|------------------------------|----------------------------------|-------|---------------------|
| | | Largest sale | | Weighted average price | Lowest : Highest : price : price | | Weighted average |
| | | Lowest price | Highest price | | price | price | |
| 1978: | | | | | | | |
| Jan.-Mar----- | *** | \$1,492 | \$2,340 | *** | *** | *** | *** |
| Apr.-June----- | *** | 1,459 | 2,510 | *** | *** | *** | *** |
| July-Sept----- | *** | 1,425 | 2,253 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 1,494 | 2,413 | *** | *** | *** | *** |
| 1979: | | | | | | | |
| Jan.-Mar----- | *** | 1,553 | 2,115 | *** | *** | *** | *** |
| Apr----- | *** | 1,018 | 1,909 | *** | *** | *** | *** |
| May----- | *** | 1,018 | 1,909 | *** | *** | *** | *** |
| June----- | *** | 1,560 | 2,711 | *** | *** | *** | *** |
| July----- | *** | 1,608 | 2,217 | *** | *** | *** | *** |
| Aug----- | *** | 1,669 | 2,173 | *** | *** | *** | *** |
| Sept----- | *** | 1,695 | 2,827 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 1,597 | 2,259 | *** | *** | *** | *** |
| 1980: | | | | | | | |
| Jan.-Mar----- | *** | 1,579 | 2,177 | *** | *** | *** | *** |
| Apr.-June----- | *** | 1,579 | 2,375 | *** | *** | *** | *** |

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

Table 35.—Polyphase, AC electric motors: Net delivered prices of imported and domestic open frame, 4-pole, 200 horsepower motors to distributors and OEM's, by specified periods, January 1, 1978-June 30, 1980

| Period | Toshiba distributor price | Domestic OEM prices | | | Percent underselling | | |
|----------------|---------------------------|---------------------|---------------|------------------------|----------------------|---------------|------------------|
| | | Largest sale | | Weighted average price | Lowest price | Highest price | Weighted average |
| | | Lowest price | Highest price | | | | |
| 1978: | | | | | | | |
| Jan.-Mar----- | *** | \$1,835 | \$2,562 | *** | *** | *** | *** |
| Apr.-June----- | *** | 1,878 | 2,708 | *** | *** | *** | *** |
| July-Sept----- | *** | 1,747 | 2,909 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 1,834 | 2,534 | *** | *** | *** | *** |
| 1979: | | | | | | | |
| Jan.-Mar----- | *** | 2,000 | 3,068 | *** | *** | *** | *** |
| Apr----- | *** | 2,194 | 3,064 | *** | *** | *** | *** |
| May----- | *** | 2,053 | 2,255 | *** | *** | *** | *** |
| June----- | *** | 1,944 | 2,723 | *** | *** | *** | *** |
| July----- | *** | 2,056 | 2,723 | *** | *** | *** | *** |
| Aug----- | *** | 2,096 | 2,648 | *** | *** | *** | *** |
| Sept----- | *** | 1,938 | 2,723 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 1,835 | 2,976 | *** | *** | *** | *** |
| 1980: | | | | | | | |
| Jan.-Mar----- | *** | 2,047 | 3,641 | *** | *** | *** | *** |
| Apr.-June----- | *** | 2,140 | 3,641 | *** | *** | *** | *** |

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

Table 36.--Polyphase, AC electric motors: Net delivered prices of imported and domestic open frame, 4-pole, 250 horsepower motors to distributors and OEM's, by specified periods, January 1, 1978-June 30, 1980

| Period | Toshiba distributor price | Domestic OEM prices | | | Percent underselling | | |
|----------------|---------------------------|---------------------|---------------|------------------------|----------------------|---------------|------------------|
| | | Largest sale | | Weighted average price | Lowest price | Highest price | Weighted average |
| | | Lowest price | Highest price | | | | |
| 1978: | | | | | | | |
| Jan.-Mar----- | *** | \$1,720 | \$3,190 | *** | *** | *** | *** |
| Apr.-June----- | *** | 2,035 | 3,490 | *** | *** | *** | *** |
| July-Sept----- | *** | 1,720 | 2,852 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 2,035 | - | *** | *** | *** | *** |
| 1979: | | | | | | | |
| Jan.-Mar----- | *** | 2,035 | 3,260 | *** | *** | *** | *** |
| Apr----- | *** | 3,056 | 3,260 | *** | *** | *** | *** |
| May----- | *** | 2,660 | 3,573 | *** | *** | *** | *** |
| June----- | *** | 2,462 | 3,867 | *** | *** | *** | *** |
| July----- | *** | 2,882 | - | *** | *** | *** | *** |
| Aug----- | *** | 2,604 | - | *** | *** | *** | *** |
| Sept----- | *** | 3,153 | - | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 2,626 | 3,159 | *** | *** | *** | *** |
| 1980: | | | | | | | |
| Jan.-Mar----- | *** | 2,290 | 3,200 | *** | *** | *** | *** |
| Apr.-June----- | *** | 2,589 | 2,604 | *** | *** | *** | *** |

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

Table 37.--Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, 4-pole, 150 horsepower motors to distributors and OEM's, by specified periods, January 1, 1978-June 30, 1980

| Period | Toshiba distributor price | Domestic OEM prices | | | Percent underselling | | |
|----------------|---------------------------------|---------------------|------------------|------------------------------|----------------------------------|-------|---------------------|
| | | Largest sale | | Weighted average price | Lowest : Highest : price : price | | Weighted average |
| | | Lowest price | Highest price | | price | price | |
| 1978: | | | | | | | |
| Jan.-Mar----- | *** | \$2,388 | \$2,844 | *** | *** | *** | *** |
| Apr.-June----- | *** | 2,144 | 3,213 | *** | *** | *** | *** |
| July-Sept----- | *** | 2,280 | 3,451 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 2,683 | 3,384 | *** | *** | *** | *** |
| 1979: | | | | | | | |
| Jan.-Mar----- | *** | 2,479 | 3,408 | *** | *** | *** | *** |
| Apr----- | *** | 2,814 | 3,763 | *** | *** | *** | *** |
| May----- | *** | 2,468 | 3,200 | *** | *** | *** | *** |
| June----- | *** | 2,374 | 3,387 | *** | *** | *** | *** |
| July----- | *** | 2,388 | 3,742 | *** | *** | *** | *** |
| Aug----- | *** | 2,409 | 3,173 | *** | *** | *** | *** |
| Sept----- | *** | 2,908 | 3,502 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 2,644 | 3,737 | *** | *** | *** | *** |
| 1980: | | | | | | | |
| Jan.-Mar----- | *** | 3,115 | 4,524 | *** | *** | *** | *** |
| Apr.-June----- | *** | 2,644 | 3,840 | *** | *** | *** | *** |

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

Table 38.--Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, 4-pole, 200 horsepower motors to distributors and OEM's, by specified periods, January 1, 1978-June 30, 1980

| Period | Toshiba distributor price | Domestic OEM prices | | | Percent underselling | | |
|----------------|---------------------------|---------------------|---------------|------------------------|----------------------|---------------|------------------|
| | | Largest sale | | Weighted average price | Lowest price | Highest price | Weighted average |
| | | Lowest price | Highest price | | | | |
| 1978: | | | | | | | |
| Jan.-Mar----- | *** | \$3,371 | \$4,562 | *** | *** | *** | *** |
| Apr.-June----- | *** | 3,026 | 4,437 | *** | *** | *** | *** |
| July-Sept----- | *** | 3,500 | 6,100 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 2,443 | 5,094 | *** | *** | *** | *** |
| 1979: | | | | | | | |
| Jan.-Mar----- | *** | 3,127 | 4,268 | *** | *** | *** | *** |
| Apr----- | *** | 4,025 | 4,065 | *** | *** | *** | *** |
| May----- | *** | 4,025 | 5,440 | *** | *** | *** | *** |
| June----- | *** | 3,517 | 4,639 | *** | *** | *** | *** |
| July----- | *** | 4,356 | 5,373 | *** | *** | *** | *** |
| Aug----- | *** | - | - | *** | *** | *** | *** |
| Sept----- | *** | 3,311 | 3,635 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 3,311 | 3,666 | *** | *** | *** | *** |
| 1980: | | | | | | | |
| Jan.-Mar----- | *** | 3,164 | 3,826 | *** | *** | *** | *** |
| Apr.-June----- | *** | 3,334 | 4,415 | *** | *** | *** | *** |

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

Table 39.--Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, 4-pole, 300 horsepower motors to distributors and OEM's, by specified periods, January 1, 1978-June 30, 1980

| Period | Toshiba distributor price | Domestic OEM prices | | | Percent underselling | | |
|----------------|---------------------------------|---------------------|----------|------------------------------|----------------------|-------|---------------------|
| | | Largest sale | | Weighted average price | Lowest : Highest | | Weighted average |
| | | price | price | | price | price | |
| 1978: | | | | | | | |
| Jan.-Mar----- | *** | \$3,371 | \$16,019 | *** | *** | *** | *** |
| Apr.-June----- | *** | - | - | *** | *** | *** | *** |
| July-Sept----- | *** | 6,100 | 14,694 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | - | - | *** | *** | *** | *** |
| 1979: | | | | | | | |
| Jan.-Mar----- | *** | 6,142 | 10,501 | *** | *** | *** | *** |
| Apr----- | *** | - | - | *** | *** | *** | *** |
| May----- | *** | - | - | *** | *** | *** | *** |
| June----- | *** | 5,196 | 6,947 | *** | *** | *** | *** |
| July----- | *** | - | - | *** | *** | *** | *** |
| Aug----- | *** | - | - | *** | *** | *** | *** |
| Sept----- | *** | 6,747 | 14,585 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 3,311 | 5,666 | *** | *** | *** | *** |
| 1980: | | | | | | | |
| Jan.-Mar----- | *** | 8,335 | 10,729 | *** | *** | *** | *** |
| Apr.-June----- | *** | - | - | *** | *** | *** | *** |

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

Table 40.--Polyphase, AC electric motors: Net delivered prices of imported and domestic totally enclosed, 6-pole, 200 horsepower motors to distributors and OEM's, by specified periods, January 1, 1978-June 30, 1980

| Period | Toshiba distributor price | Domestic OEM prices | | | Percent underselling | | |
|----------------|---------------------------|---------------------|---------------|------------------------|----------------------|-------|------------------|
| | | Largest sale | | Weighted average price | Lowest price | | Highest price |
| | | Lowest price | Highest price | | price | price | Weighted average |
| 1978: | | | | | | | |
| Jan.-Mar----- | *** | \$4,487 | \$5,352 | *** | *** | *** | *** |
| Apr.-June----- | *** | 4,050 | 4,834 | *** | *** | *** | *** |
| July-Sept----- | *** | 3,085 | 4,627 | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 3,085 | - | *** | *** | *** | *** |
| 1979: | | | | | | | |
| Jan.-Mar----- | *** | 5,525 | - | *** | *** | *** | *** |
| Apr----- | *** | - | - | *** | *** | *** | *** |
| May----- | *** | 4,973 | - | *** | *** | *** | *** |
| June----- | *** | 4,973 | - | *** | *** | *** | *** |
| July----- | *** | 4,661 | - | *** | *** | *** | *** |
| Aug----- | *** | 4,456 | - | *** | *** | *** | *** |
| Sept----- | *** | - | - | *** | *** | *** | *** |
| Oct.-Dec----- | *** | 4,558 | 5,352 | *** | *** | *** | *** |
| 1980: | | | | | | | |
| Jan.-Mar----- | *** | 4,449 | 6,647 | *** | *** | *** | *** |
| Apr.-June----- | *** | 4,834 | 5,180 | *** | *** | *** | *** |

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

Nonprice factors

A sample of U.S. distributors and OEM's which purchased polyphase motors was requested to report in order of importance the reasons such motors were purchased from Japanese producers in lieu of U.S. producers. The order of importance was established using a scale of 1 to 5 with 1 being "not at all important" and 5 being "very important." The aggregated responses of the distributors and OEM's responding to the questionnaires are shown in table 33.

The aggregated data show that, in order of importance, quality, availability, and delivery were reported as being very important more often than price. Historical relationship and desire to diversify supply sources were more often reported as not being important in the decision to purchase Japanese-produced motors.

In addition to the data tabulated in table 41, certain distributors reported that purchases of polyphase motors from TIC were made for other reasons. These distributors reported that domestic suppliers, unlike TIC, often compete directly with their distributors. Further, one distributor reported that Toshiba motors could be sold to customers overseas (which use 50-cycle power) without a derating of the motors in terms of horsepower. The distributor reported that the horsepower rating of U.S.-produced motors is reduced about 15 percent when driven by 50-cycle power.

Table 41.--Reported reasons in order of importance why polyphase, AC electric motors were purchased from Japanese producers rather than U.S. producers

| (Number of respondents) | | | | | |
|--|--------------------------|-----------|-----|-----|--------------------------------|
| Item | Very important (5) | Mid-range | | | Not at all important (1) |
| | | (4) | (3) | (2) | |
| Quality----- | 13 | - | 1 | - | - |
| Price----- | 8 | 4 | 2 | - | - |
| Availability----- | 10 | 1 | 2 | 1 | - |
| Delivery time----- | 9 | 3 | 1 | 1 | - |
| Desire to diversify supply sources----- | 2 | 2 | 3 | 3 | 4 |
| Historical supplier relationship----- | 2 | 2 | 3 | 2 | 6 |
| Technical service----- | 4 | 3 | 3 | 2 | 1 |
| Other: | | | | | |
| Terms of sale (e.g., credit and freight)----- | 2 | - | 7 | 2 | 1 |
| Energy efficiency----- | 2 | 6 | 2 | 2 | 1 |
| Other: | | | | | |
| Acceptability----- | 1 | - | - | 1 | - |
| Oversized bearings----- | 1 | - | - | - | - |
| Acceptability----- | 1 | - | - | 1 | - |
| Copper wire----- | 1 | - | - | - | - |
| Service factor----- | 1 | - | - | - | - |

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

Lost sales

Ten U.S. producers were requested to supply data on sales of polyphase motors lost to Japanese producers. Five of the producers failed to respond, citing either their inability to document such lost sales or failure to maintain lost-sales records. Of the five producers responding, various documents on lost sales were provided, including price quotations on polyphase motors of which sales had been lost, reportedly to Japanese suppliers. One producer claimed that its sales lost to a single distributor were about at * * * annually and that the lost sales were directly related to the low prices offered by TIC to the distributor. However, the horsepower range of the motors was not specified by the producer. One of the largest U.S. producers reported (in part) that its sales of large motors lost during April-December 1979 and May-July 1980 were estimated at * * * and * * *, respectively.

The difficulty of U.S. producers in reporting comprehensive lost sales data is related to the U.S. distribution system for motors. A significant share of TIC's sales are accounted for by distributors whose sales in turn are not totally known to U.S. producers. Information on such sales is principally provided through competitive bidding and market intelligence gathered by contacts of salesmen in the industry.

Possible causes of material injury, or the threat thereof, other than sales of imports at less than fair value

Contracts with industry sources and with importers during the investigation did not indicate any other possible causes which might be a significant factor in the performance of this industry. General business conditions were generally down in June of 1980, while production, shipments, employment, and hours worked in the polyphase electric motor industry were generally up. General business conditions were significantly improved in 1978 and 1979, while conditions in the electric motor industry were substantially off in 1978, but improved in 1979.

The Commission questionnaire specifically asked domestic respondents if their operations had changed as a result of plant expansions closures, relocations, shutdowns, etc. Except for some small relocations of production as a result of a plant closing, the response was in the negative. There has been no significant change in the structure of the industry or in demand. Factors generally considered as other possible causes as energy, EPA, OSHA, and raw material costs, or possible shortages of materials do not appear to be an issue.

Measures of general industry performance are presented in table 42 for the period 1974 through 1979, and for January-June or end of month comparisons for 1979 and 1980. Although data on electric motors was not obtained prior to 1977, general economic conditions are presented over this longer time span in order that performance in the electrical equipment sector during the recession of 1975 can be compared with performance during the recent recession.

In general, industrial production in the electrical equipment component of the manufacturing sector has been affected significantly less thus far in the current recession than in the recession reflected in performance data in 1975. Total manufacturing production is currently off approximately 10 percent, or the same percentage as in 1975, while production in the electrical equipment sector is only down 5 percent through June, compared with approximately 20 percent in 1975. Employment figures for these industries follow a similar pattern.

In contrast to the generally negative performance of the electrical equipment industry the current economic downturn has resulted in very few negative trends in the polyphase electric motor industry which produces motors between 150 and 500 horsepower. Although domestic production, shipments, and employment in the polyphase electric motor industry were off substantially in 1978 these measures of performance were generally up in January-June 1980 in comparison with the same period of 1979--production, 10 percent; capacity, 2 percent; capacity utilization, 8 percent; quantity of shipments, 12 percent; average number of employees, 1 percent; total hours, 7 percent; and net profits on overall operations, 14 percent. Only inventories, up 6 percent, and allocated net profits to motor operations, down 10 percent for 150 to 200 horsepower and 29 percent for 201 to 500 horsepower motors, moved in the direction reflected by the negative performance measures of more aggregate manufacturing sectors, such as the electric equipment or durable goods sectors.

Table 42.—Economic performance in the manufacturing, durable goods, and electrical equipment sectors, 1974-79, and January-June 1979-80

| Item | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | January- June 1979 | January- June 1980 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------------------------|--------------------------|
| Index of industrial production: | | | | | | | | |
| Manufacturing-----1967=100-- | 129 | 116 | 130 | 137 | 147 | 154 | 154 | 140 |
| Durable goods-----do----- | 126 | 109 | 122 | 130 | 140 | 146 | 148 | 130 |
| Electrical equipment-----do----- | 144 | 117 | 132 | 142 | 159 | 175 | 175 | 167 |
| Total employment: | | | | | | | | |
| Manufacturing-----1,000 dollars-- | 20,046 | 18,347 | 18,956 | 19,647 | 20,505 | 21,062 | 21,132 | 20,014 |
| Durable goods-----do----- | 11,895 | 10,679 | 11,026 | 11,573 | 12,274 | 12,772 | 12,837 | 11,947 |
| Electrical equipment-----do----- | 2,030 | 1,761 | 1,832 | 1,868 | 2,006 | 2,124 | 2,136 | 2,094 |
| Production workers: | | | | | | | | |
| Manufacturing-----1,000 dollars-- | 14,613 | 13,070 | 13,625 | 14,110 | 14,734 | 15,085 | 15,150 | 13,931 |
| Durable goods-----do----- | 8,641 | 7,543 | 7,866 | 8,291 | 8,805 | 9,120 | 9,183 | 8,205 |
| Electrical equipment-----do----- | 1,372 | 1,140 | 1,210 | 1,227 | 1,318 | 1,394 | 1,404 | 1,320 |
| Shipments: | | | | | | | | |
| Manufacturing-----billion dollars-- | 1,015 | 1,047 | 1,178 | 1,335 | 1,497 | 1,692 | 147 | 149 |
| Durable goods-----do----- | 529 | 527 | 605 | 699 | 798 | 888 | 79 | 75 |
| Electrical equipment-----do----- | 66 | 64 | 72 | 86 | 99 | 111 | 10 | 11 |
| Inventories: | | | | | | | | |
| Manufacturing-----billion dollars-- | 158 | 156 | 167 | 180 | 198 | 228 | 214 | 243 |
| Durable goods-----do----- | 102 | 100 | 106 | 115 | 129 | 152 | 141 | 160 |
| Electrical equipment-----do----- | 14 | 13 | 14 | 15 | 17 | 21 | 19 | 22 |
| New orders: | | | | | | | | |
| Manufacturing-----billion dollars-- | 1,044 | 1,028 | 1,182 | 1,354 | 1,542 | 1,732 | 142 | 139 |
| Durable goods-----do----- | 559 | 506 | 608 | 718 | 842 | 927 | 76 | 66 |
| Electrical equipment-----do----- | 67 | 62 | 74 | 88 | 103 | 116 | 10 | 10 |

Source: Survey of Current Business, Bureau of Economic Analysis, Department of Commerce.

APPENDIX A

LETTER INFORMING THE COMMISSION OF TENTATIVE AGREEMENT BETWEEN THE
DEPARTMENT OF COMMERCE AND TOSHIBA, AND A COPY OF THE COMMISSION'S
NOTICE OF CHANGE IN SCOPE OF THE INVESTIGATION



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
 Washington, D.C. 20230

NOV 5 1980

RECEIVED

'80 OCT 38 AM 11 52

OFFICE OF THE CHAIRMAN
 U.S.I.T.C.

The Honorable
 Bill Alberger
 Chairman, International
 Trade Commission
 Washington, D.C. 20436

Dear Mr. Chairman:

In accordance with section 735(a) of the Tariff Act of 1930, amended (93 Stat. 169, 19 U.S.C. 1673d(a)(the Act)), the Department of Commerce has determined that certain large electric motors from Japan are being sold at less than fair value within the meaning of section 731 of the Act (93 Stat. 172, 19 U.S.C. 1673). Also, in accordance with section 734 of the Act, the Department has accepted an agreement from Toshiba Corporation to cease the exportation of certain small electric motors from Japan. Pursuant to section 735(d) of the Act, (93 Stat. 172, 19 U.S.C. 1673d(d)), you are hereby formally advised of this determination and the bases for the determination which are specified in the attached copy of the Federal Register notice.

In connection with this investigation we determined that there were, in fact, two different classes or kinds of merchandise involved. Since a suspension agreement has been entered into with regard to one class or kind - small motors (i.e., greater than 5 horsepower but not greater than 150 horsepower) - we are referring only the other class or kind of merchandise - large motors (i.e., 150 horsepower but not greater than 500 horsepower) - to the commission for an injury determination.

Pursuant to section 735(c)(1)(A) of the Act (93 Stat. 171, 19 U.S.C. 1673d(c)(1)(A)), you will be given full access to all nonprivileged and confidential information in the files. All privileged and confidential information in the files will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

Sincerely,

John D. Greenwald
 John D. Greenwald
 Deputy Assistant Secretary for
 Import Administration

Enclosure



UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

Notice of Change in Scope of Investigation No. 731-TA-7
(Final) Certain Electric Motors From Japan

AGENCY: U.S. International Trade Commission.

ACTION: Change in scope of final antidumping investigation.

EFFECTIVE DATE: November 19, 1980.

FOR FURTHER INFORMATION CONTACT: Bruce Cates, Senior Investigator, Office of Investigations, telephone 202-523-0368.

SUPPLEMENTAL INFORMATION: On June 20, 1980, the Department of Commerce published with respect to AC, polyphase electric motors from Japan a notice of "preliminary determination of sales at less than fair value." This notice advised the public that, with the exception of submersible well-pump motors which had been excluded from the investigation, there was reason to believe that certain industrial electric motors, of greater than 5 but not greater than 500 horsepower, from Japan are being, or are likely to be, sold in the United States at less than fair value.

On October 29, 1980, the Department of Commerce determined, pursuant to section 735(a) of the Tariff Act of 1930 (19 U.S.C. 1673d), that AC, polyphase electric motors of not less than 150 horsepower and not greater than 500 horsepower from Japan are being sold in the United States at less than fair value.

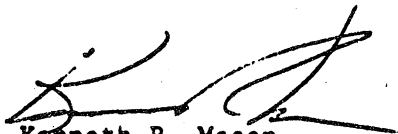
As to AC, polyphase electric motors of greater than 5 horsepower and less than 150 horsepower, on October 29, 1980, pursuant to section 734 of the Tariff Act of 1930 (19 U.S.C. 1673c), the Department of Commerce accepted an agreement from Toshiba and TIC (the principal importer) to limit the exportation of such motors to the United States. Under the agreement, Toshiba

and TIC agree to cease, within 6 months, exports of AC, polyphase electric motors of greater than 5 hp and less than 150 hp, except for oil-well-pump and explosion-proof motors, and to revise prices to completely eliminate any sales at less than fair value of imported oil-well-pump and explosion-proof motors greater than 5 and less than 150 horsepower.

As a result of the agreement, the Department of Commerce, pursuant to section 734(f)(1) of the Tariff Act of 1930 (19 U.S.C. 1673c), suspended its investigation with respect to AC, polyphase electric motors of greater than 5 horsepower and less than 150 horsepower. Under section 734(f)(2)(A) of the act, the liquidation of entries of small motors, effective June 20, 1980 (45 F.R. 41687), is terminated. Any cash deposits, bonds, or other security deposited on entries of small motors pursuant to suspension of liquidation will be refunded. As to the large motors, those of not less than 150 horsepower and not greater than 500 horsepower, the suspension of liquidation shall continue until further notice.

Pursuant to the requirements of section 734(f)(1)(B) of the Tariff Act of 1930, (19 U.S.C. 1673c) the Commission is also suspending that portion of its investigation on certain electric motors from Japan inv. No. 731-TA-7 (Final), that pertains to AC, polyphase electric motors of greater than 5 horsepower but less than 150 horsepower.

By order of the Commission.



Kenneth R. Mason
Secretary

Issued: November 20, 1980

APPENDIX B

· LETTER FROM COMMERCE CONCERNING LTFV SALES AND LETTER CONCERNING
EXTENSION OF THE DEADLINE FOR A FINAL DETERMINATION BY COMMERCE

UNITED STATES OF AMERICA

17 JUN 1961

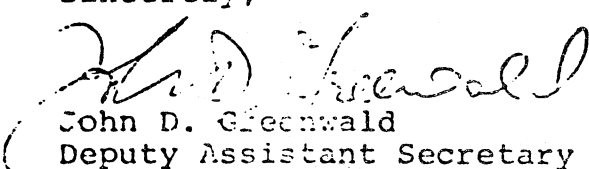
The Honorable
Catherine Bedell
Chairman, International
Trade Commission
Washington, D.C. 20436

Dear Madam Chairman:

In accordance with section 733(b)(1) and 733(c)(1) of the Tariff Act of 1930, as amended (93 Stat. 163 and 164) (the Act), the Department of Commerce has preliminarily determined that certain industrial electric motors from Japan are being sold at less than fair value within the meaning of section 733 of the Act. Pursuant to section 733 of the Act, you are hereby formally advised of this determination and the bases for the determination which are specified in the attached copy of the Federal Register notice.

Pursuant to section 733(d)(3) of the Act, as amended (93 Stat. 165), you will be accorded full access to all nonprivileged and non-confidential information in our files. All privileged and confidential information in the files will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

Sincerely,


John D. Greenwald
Deputy Assistant Secretary
for Import Administration

Attachment



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D C 20230


RECEIVED
JUL 24 11:39
OFFICE OF THE
CHIEF OF BUREAU
The Honorable
Bill Albers
Chairman, International
Trade Commission
Washington, D.C. 20436

Dear Mr. Chairman:

As you know, on June 16, 1980, the Department of Commerce made a preliminary affirmative determination in its anti-dumping investigation of certain industrial electric motors from Japan. We have received a request from the respondent for a 60-day extension of the period for final determination. We have granted this request. The final determination, which was due on September 2, 1980, will be made not later than October 29, 1980. A notice of extension of period of final determination will appear in the Federal Register.

If you have any questions concerning this investigation extension, please contact me or members of my staff.

Sincerely,


John D. Greenwald
Deputy Assistant Secretary
for Import Administration



APPENDIX C

LIST OF PARTIES WHO PRESENTED STATEMENTS AT THE
COMMISSION'S PUBLIC HEARING

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below are scheduled to appear as witnesses at the United States International Trade Commission's hearing:

Subject : Certain Electric Motors from Japan

Inv. No. : 731-TA-7 (Final)

Date and time: November 20, 1980 - 10:00 a.m., e.s.t.

Sessions will be held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the petition:

Covington & Burling--Counsel
Washington, D.C.
on behalf of

The Motor and Generator Section of the National
Electronical Manufacturers Association

Eugene J. Kovarik, Vice President, General Electric Company

Roger Barry, Manager, Industrial Motor Products Division,
Reliance Electric Company

Bruce H. Campbell, Manager, Marketing, Medium Motor Division,
Siemens-Allis, Inc.

Fred Gloeckner, Executive Vice President of Marketing & Sales,
U. S. Electrical Motors Division, Emerson Electric Company

Economic Consulting Services, Inc.

Stanley Nehmer, President

Bruce P. Malashevich, Vice President

Mark Eaton, Economist

Harvey M. Applebaum)
John Warden)--OF COUNSEL

In opposition to the petition:

Arnold & Porter--Counsel
Washington, D.C.
on behalf of

Toshiba Corporation and Toshiba International Corporation

Floyd E. Bender, Toshiba International Corporation

Charles H. Martin, Hampton Power Products

W. E. Frisbie, Frisbie Electric Company

Wallace P. Brithinee, Brithinee Electric

R. E. Sherman, Statewide Electric Company

F. M. Scherer, Economic Expert

Peter K. Clark, Economic Expert

Patrick F. J. Macrory--OF COUNSEL

APPENDIX D

COMMISSION's NOTICE OF INVESTIGATION AND HEARING

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

731-TA-7 (Final)
Certain Electric Motors from Japan

NOTICE OF INSTITUTION OF FINAL ANTIDUMPING DUTY INVESTIGATION AND HEARING

AGENCY: United States International Trade Commission

ACTION: Institution of final antidumping duty investigation to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of certain electric motors from Japan, upon which the Administering Authority has made a tentative affirmative preliminary determination are being, or are likely to be, sold in the United States at less than fair value.

EFFECTIVE DATE: June 17, 1980.

FOR FURTHER INFORMATION CONTACT: Mr. Bruce Cates of the Commission's staff
(202) 523-0369.

SUPPLEMENTARY INFORMATION: Background. A petition was received in satisfactory form on August 27, 1979, from the Motor and Generator Section of the National Electrical Manufacturers Association, alleging that certain electric motors imported from Japan are being sold at prices far below fair value and that, as a result, an industry in the United States is being materially injured and is threatened with material injury. These sales are alleged to constitute sales at less than fair value pursuant to section 731 of the Tariff Act of 1930 as amended (P.L. No. 96-39, 93 Stat. 162), hereinafter "the Act." Notice of the institution of the Commission's preliminary

investigation and of a public conference to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's New York Office, and by publishing the notice in the Federal Register of January 14, 1980 (45 F.R. 2715). A public conference was held in Washington, D.C. on January 30, 1980.

On February 14, 1980, the Commission determined "that there is a reasonable indication that an industry in the United States is materially injured by reason of the importation (from Japan) of AC, polyphase electric motors, over 5 horsepower but not over 500 horsepower, provided for in item 682.41 through 682.50 of the Tariff Schedules of the United States, which are allegedly sold at less than fair value." Notice of that determination was published in the Federal Register of February 22, 1980. (45 F.R. 11939). On May 5, 1980, a Notice of Postponement of Preliminary Determination was published by the Department of Commerce in the Federal Register (45 F.R. 29619). The postponement was based on a determination that the case is "extraordinarily complicated" and extended the deadline for the preliminary determination to June 16, 1980.

On June 16, 1980, the Commerce Department made a tentative affirmative less-than-fair-value determination, but no final determination with regard to certain electric motors from Japan. On June 17, 1980, the Commerce Department granted a 60-day extension of the deadline for their final determination. Therefore, the final determination which was due on September 2, 1980, will be made not later than October 29, 1980.

AUTHORITY: The provisions of the Trade Agreements Act of 1979 (P.L. 96-39, 93 Stat. 144 (July 26, 1979) (19 U.S.C. 1671 et seq.)) repealed the

Antidumping Act, 1921, and replaced it with Subtitle B of Title VII of the Tariff Act of 1930 (19 U.S.C. 1673) (hereinafter "the Tariff Act") effective on January 1, 1980. The antidumping statutes, as amended by the Trade Agreements Act of 1979, require that the Commission complete this investigation before the 45th day after which the administering authority (Commerce) makes its final affirmative determination. Commerce's final determination is due on October 29, 1980, and therefore the statutory deadline for completion of the Commission's investigation is December 12, 1980. Consequently, effective as of June 17, 1980, the Commission is instituting antidumping investigation No. 731-TA-7 (Final) pursuant to section 735(b) of the Tariff Act, as added by Title I of the Trade Agreements Act of 1979. This investigation will be conducted according to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 F.R. 76457), subpart C thereof.

SCOPE: The present investigation is being titled "Certain Electric Motors from Japan" to conform with the title used by the Department of Commerce in its investigation. For the purposes of this investigation, the term "certain electric motors" means polyphase AC electric motors, other than submersible well pump motors, over 5 horsepower but not over 500 horsepower, provided for in item Nos. 682.4130, 682.4200, 682.4545, 682.4600, 682.5010, and 682.5030 of the Tariff Schedules of the United States Annotated. The scope of this investigation has been narrowed to exclude submersible well pump motors as a consequence of the exclusion of such merchandise from the investigation by the Commerce Department.

WRITTEN SUBMISSIONS: Any person may submit to the Commission on or before the prehearing statement due date specified below a written statement of

information pertinent to the subject of this investigation. A signed original and nineteen (19) true copies of each submission must be filed at the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, N.W., Washington, D.C.

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

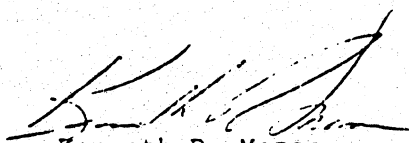
All written submissions, except for confidential business data, will be available for inspection by interested persons at the Office of the Secretary in Washington, D.C., and at the Commission's New York Office, 6 World Trade Center, New York, N.Y. 10048.

A staff report containing preliminary findings of fact will be available to all interested parties on October 31, 1980.

HEARING: The Commission will hold a public hearing in connection with the investigation on November 20, 1980. The proceeding will be conducted in the Hearing room of the U.S. International Trade Commission Building, 701 E Street, N.W., Washington, D.C. 20436, and will begin at 10:00 a.m., e.s.t. Parties desiring to appear at the hearing should notify the Office of the Secretary not later than five (5) business days prior to the date of the hearing, and attend the prehearing conference at 10 A.M. on November 14, 1980, in Room 117 at the Commission. In addition, all hearing participants must file written prehearing statements in conformity with section 207.22 of the Commission's Rules of Practice and Procedure (19 CFR 207.22) on or before November 14, 1980.

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subpart C (19 CFR 207), and Part 201 Subparts A through E (19 CFR 201). This notice is published pursuant to section 207.20 of the Commission's Rules of Practice and Procedure (19 CFR 207.20, 44 F.R. 76458).

By order of the Commission.



Kenneth R. Mason
Secretary

Issued: July 1, 1980

