

TRUCK TRAILER AXLE-AND-BRAKE ASSEMBLIES, AND PARTS THEREOF FROM HUNGARY

**Determination of the Commission
in Investigation No. 731-TA-38
(Preliminary) Under the Tariff Act
of 1930, Together With the Information
Obtained in the Investigation**

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information that would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

Investigation No. 731-TA-38 (Preliminary)

Truck Trailer Axle-and-Brake Assemblies, and Parts Thereof

Determination

On the basis of the record developed in investigation No. 731-TA-38 (Preliminary), the Commission determines pursuant to section 733(a) of the Tariff Act of 1930, that there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury 1/ by reason of imports from Hungary of truck trailer axle-and-brake assemblies, and parts thereof, provided for in items 692.32 and 692.60 of the Tariff Schedules of the United States, which are allegedly sold at less than fair value.

Background

On February 12, 1981, Rockwell International Corp., Pittsburgh, Pa., filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that truck trailer axle-and-brake assemblies, and parts thereof are being, or are likely to be, sold in the United States at less than fair value. Accordingly, the Commission, on February 19, 1981, instituted a preliminary antidumping investigation under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that 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

1/ Chairman Alberger determines that there is a reasonable indication that an industry in the United States is materially injured by reason of such imports.

from Hungary, of truck trailer axle-and-brake assemblies and parts thereof, provided for in items 692.32 and 692.60 of the Tariff Schedules of the United States (TSUS), which are allegedly sold, or likely to be sold, at less than fair value. The statute directs that the Commission make its determination within 45 days of its receipt of the petition, or in this case by March 30, 1981.

Notice of the institution of the Commission's investigation and of the 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 by publishing the notice in the Federal Register of February 25, 1981 (46 F.R. 14095). A public conference was held in Washington, D.C. on March 5, 1981, at which all interested parties were afforded the opportunity to present information for consideration by the Commission.

On March 5, 1981, the Department of Commerce issued a notice announcing that it had found the petition to be properly filed within the meaning of its rules and that it was instituting an investigation. The notice to such effect was published in the Federal Register on March 11, 1981 (46 F.R. 16109).

In arriving at its determination, the Commission has given due consideration to the information provided by the Department of Commerce, to all written submissions from interested parties, and to information adduced at the conference and obtained by the Commission's staff from questionnaires, documented personal interviews, and other sources, all of which have been placed on the administrative record of this preliminary investigation.

Views of the Commission

Determination

On the basis of the record developed in investigation No. 731-TA-38 (Preliminary), we determine pursuant to section 733(a) of the Tariff Act of 1930, that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from Hungary of truck trailer axle-and-brake assemblies, and parts thereof, 1/ which are allegedly sold at less than fair value. 2/

The imported article and the domestic industry

Section 771(4)(A) defines the term "industry" to mean the domestic producers of a product which is like that being imported. "Like product," in turn, is defined in section 771(10) 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. . . ."

In this case the imported products are trailer axles. The imported trailer axles are rectangular or tubular steel beams with cam shafts, air chamber brackets, axle spindles, spindle nuts, and brakes attached. To date, the imported trailer axles have been designed by Eaton Corp. (Eaton) of Cleveland, Ohio with Eaton-designed single anchor pin brakes. This Eaton-designed brake is an easy maintenance brake which allows it to be dismantled quickly in order to change brake linings and perform other

1/ Items 692.32 and 692.60 of the Tariff Schedules of the United States.

2/ Chairman Alberger determines only that there is a reasonable indication of material injury to the domestic industry. It is his view of our statutory responsibility that a finding of reasonable indication of material injury negates the need for a consideration of reasonable indication of threat of material injury.

repairs. The trailer axles which are being imported are standard, "no frills" axles. The standard Hungarian axles are for the higher volume segment of the market.

Domestic trailer axles are either tubular, rectangular, or square beams with cam shafts, air chamber brackets, axle spindles, spindle nuts and brakes attached. Preliminary indications are that square axles are interchangeable with rectangular and tubular trailer axles. 1/

Some domestic axles use the single anchor pin design, but the majority of domestic trailer axles use brake assemblies of a double anchor pin design. This double anchor pin design provides the same quick change feature and ease of maintenance, as does the single anchor pin design. 2/

The domestic trailer axles, though made in the exact specifications of the imported axles, are also made in a number of different cam shaft lengths for different size vehicles. Those domestic trailer axles of the same specifications are interchangeable with the imported trailer axles. All of the domestic axles compete commercially with the imported axles. 3/

Furthermore, the function of the domestic trailer axles is identical to that of the imported trailer axles, that is to act as a load-carrying rigid

1/ We note that square axles are manufactured only by the Pro-Par Division of Fruehauf Corp. for internal consumption and by Eaton Corp. which manufactures a few square axles a year. See staff report at A-3.

2/ To the best of our knowledge, the difference between the single anchor pin design and the double anchor pin design is that there is one pin and two pins with appropriate modification for the brake parts. Functionally, however, the single anchor pin and the double anchor pin provide the same quick change features and brake characteristics.

3/ Commissioner Calhoun disassociates himself from this language. See his additional views.

beam on which the wheels rotate freely. The trailer axle itself has no steering or driving capability.

In general, both domestic and imported trailer axles are sold to manufacturers of commercial trailers. Trailer axles can carry weight in the range of 19,500 to 26,000 pounds and are generally used on class 6 truck trailers, which include platform bed trailers, low bed heavy haulers, automobile transport trailers, tankers, refrigerated trailers, and container trailers.

Based upon the above characteristics and uses of the imported and domestic trailer axles, we conclude that domestic trailer axles are like imported trailer axles. 1/

1/ Chairman Alberger and Commissioner Stern note: In our examination of "like product," we have exhaustively considered the uses and characteristics of the various kinds of axles in order to arrive at an appropriate definition of the domestic industry. It is most difficult to establish a detailed, objective, a priori standard for "like product" which can be valid for all fact situations; a case-by-case approach is thus indispensable. Additional analysis of production information and market phenomena such as commercial competition between the products under consideration may, however, be useful because such analysis can elucidate exactly which features of a product are important, for all practical purposes, in the marketplace.

Our approach in the instant case is the one followed by the Commission in previous cases. In Plastic Animal Identification Tags from New Zealand, Inv. No. 303-TA-14 (Final) (Feb. 1981), all Commissioners found that the product like the imported one included both one- and two-piece tags because of their basic characteristics and uses. The Commissioners, with the exception of Vice-Chairman Calhoun, took cognizance of market phenomena in reaching this conclusion. (See "Views of Chairman Bill Alberger, Vice Chairman Michael J. Calhoun, and Commissioner Paula Stern" at 4-5 and "Views of Commissioner Catherine Bedell" at 26.)

We discussed our framework for the concept of likeness in Portable Electric Nibblers from Switzerland, Inv. No. 731-TA-35 (Preliminary) (Nov. 1980), at 4-5: "The concept of likeness does not require exact identity, but it does require that the goods be substantially the same in uses or characteristics." The terms "like" and "similar" have found wide applicability in U.S. trade law without any distinction between them. We note in passing that had we not been able to find a domestic product like the imported one in this case, section 771(10) would have required the Commission to examine the domestic product most similar to the imported one.

(Footnote Continued)

Eaton argued that drive, steering, pusher, and tag axles should be included in the domestic industry. We find that these axles should be differentiated from the imported trailer axles in terms of both their characteristics and uses. Drive axles are used on trucks, rather than trailers, and have power transfer capability, i.e., power is transferred from the engine to the wheels of the truck. Because of the power transfer function, drive axles are substantially heavier and thicker and have more components than trailer axles. Drive axles cannot be substituted for trailer axles except for major modification, and trailer axles cannot be substituted for drive axles because trailer axles do not have power transfer capability.

Steering axles are also used on a truck rather than a trailer, and have steering knuckles which permit the wheel to be turned to the right or the left in response to the steering wheel. Trailer axles cannot be used as steering axles because of the lack of steering capacity. A steering axle cannot be used as a trailer axle because it would be uncontrollable as a result of not being attached to the steering apparatus.

Pusher axles are load bearing axles which are used in front of a drive axle on a truck, rather than a trailer. This axle is bent in the middle so that the prop shaft can get by. Because of its special configuration, a

(Footnote Continued)

Finally, we note that the Commission has never explicitly or implicitly equated "virtually identical" with "like." In Leather Wearing Apparel from Uruguay, Inv. No. 701-TA-68 (Preliminary) (Dec. 1980), and Barium Carbonate and Strontium Carbonate from the Federal Republic of Germany and Strontium Carbonate from Italy, Inv. Nos. 731-TA-31-33 (Preliminary) (Oct. 1980), the Commission described the domestic products as being "virtually identical" to the imported ones in reaching its conclusions on like products. These cases merely demonstrate that "like" products include those which are "virtually identical" to the imported ones. The notion of "virtually identical" is narrower than, but comprehended within, the term "like product."

pusher axle is not interchangeable with a trailer axle and a trailer axle is not interchangeable with a pusher axle.

Accordingly drive, steering, and pusher axles are not like the imported trailer axles.

Tag axles are load bearing axles sold to truck manufacturers for use on a truck behind the drive axle. Because the suspension systems of a truck and a trailer are different, the suspension brackets used to attach the trailer axle and the tag axle are different. At this preliminary stage because of the different characteristics and uses, we find that a tag axle is not like a trailer axle. 1/

On the basis of the above analysis, we determine under section 771(4) that the domestic industry consists of the U.S. producers of trailer axles, because domestic trailer axles are like the imported products. The domestic industry is composed of six U.S. producers of trailer axles:

- (1) C & M Axles, Division of Dana Corp., Montgomery, Ala.
- (2) Standard Forge and Axle Co., Montgomery, Ala.
- (3) Eaton Corp., Louisville, Ky.
- (4) K. B. Axle Co., Los Angeles, Calif.
- (5) Fruehauf Corp., PRO-PAR Division, Delphos, Ohio
- (6) Rockwell International, Kenton, Ohio

Under section 771(4)(B) the Commission has discretion to exclude a domestic producer from the industry if it is the importer of the dumped product or related to the importer or exporter of the dumped product. At this preliminary stage, it has not been necessary for the purposes of this investigation to reach the question of whether Eaton should be excluded from the domestic industry under the related parties provision, because our

1/ If information becomes available in a final investigation which indicates that contrary to the Commission's information tag axles are like trailer axles, the industry may be expanded to include tag axle producers.

determination would not have been different if Eaton were excluded from the domestic industry. If this matter returns to the Commission, interested parties will be invited to address further the question of whether it is appropriate to exclude Eaton from the domestic industry under section 771(4)(B).

Reasonable indication of material injury.

The Tariff Act of 1930 (sec. 733(a)) directs that the Commission "shall make a determination, based upon the best information available to it at the time of the determination. . . ." The act further specifies in section 771(7)(A), (B), and (C) that the Commission shall consider, among other factors, (i) the volume of imports of the merchandise which is the subject of this investigation, (ii) the effect of imports of that merchandise on prices in the United States for like products, and (iii) the impact of imports of such merchandise on domestic producers of like products. In light of these directives, we base our decision on the preliminary findings of fact and conclusions of law discussed below.

Hungary is the only known source of imports of trailer axles allegedly sold at less than fair value in the United States and all such imports are produced by the Hungarian Railway Carriage and Machine Works ("RABA"). Imports of complete trailer axles from Hungary did not commence until 1980. Eaton purchased from RABA a sizable amount of imported Hungarian trailer axles during the 1980 calendar year. 1/ In the first 2 months of 1981, Eaton's purchases from RABA were equal to nearly a third of Eaton's total purchases of the imported products during the previous year. 2/ In addition, U.S. imports

1/ Staff Report at A-12.

2/ Staff Report at A-12.

of trailer axles from Hungary captured a sizable share of the declining commercial and total U.S. markets in 1980. 1/

From 1978-80 commercial shipments of trailer axles by domestic producers declined by 42 percent. 2/ Captive shipments experienced an even sharper decline. 3/ During the same period the industry's capacity utilization declined from 89 percent in 1978 to 52 percent in 1980. 4/ End of year inventories of trailer axles held by domestic producers increased irregularly by 63 percent from 1978 to 1980. As a result of declining production and commercial shipments, the average number of persons employed in the production of trailer axles declined by 27 percent during the period. 5/ Similarly hours worked by trailer axle production workers also declined by 27 percent in the 1978-1980 period.

Profit-and-loss data submitted to the Commission show a significant decline in the profitability of the domestic industry. Net sales and net operating profits of the four largest commercial producers of trailer axles declined by 21 percent and 63 percent, respectively, from 1978 to 1980. 6/

The Commission's preliminary comparisons of prices for domestic and imported trailer axles indicate that the imported products have consistently undersold the domestic product. 7/ As a result of the underselling, the U.S.

1/ Staff Report at A-21. The commercial market excludes production of trailer axles for internal consumption by the producing firms.

2/ Staff Report at A-11.

3/ The question has arisen as to whether it is appropriate, in examining the impact of the alleged LTFV imports, to analyze all shipments or just those in the commercial market. Commissioner Stern invites submissions on this question from interested parties in the event that this case returns for a final determination.

4/ Staff Report at A-7.

5/ Staff Report at A-14.

6/ Staff Report at A-17.

7/ Staff Report at A-25.

industry lost a number of trailer axle sales to the alleged LTFV imports. The Commission was able to verify these lost sales and in many instances price was given as the reason for switching to the imported product. 1/

We also find that trends in the domestic market, including increased imports and the low price of the imported axles, along with the estimated shipments of substantial numbers of trailer axles in the Eaton/RABA Purchase Agreement, give a reasonable indication that an industry in the United States is threatened with material injury.

Conclusion

On the basis of the information available to the Commission at this time, we believe that there is a reasonable indication of material injury, or threat thereof 2/ to the domestic industry by reason of imports of allegedly dumped trailer axles from Hungary and therefore, this proceeding should continue to completion.

1/ Staff Report at A-22.

2/ See Footnote 2, p. 1.

Additional Views of Vice Chairman Michael J. Calhoun

While I have joined the majority opinion, I wish to delineate further my views on the issue of like product.

To me, the identification and analysis of what domestic product is like the imported article in characteristics and uses or, in the absence of like, most similar in characteristics and uses with the imported article is one of the critical questions before us in any Title VII investigation. It is based upon our identification of the like product that we define the industry. Our definition of the industry, in turn, establishes the pool of domestic producers whose health we are to assess.

Because of this critical role our like product finding plays, I think we ought to be especially clear and as consistent as possible in how we reach this finding. Thus, I think we are obliged to have an objective standard which we always use in applying the law to facts before us. While such a standard may be implied in the opinion here, if that discussion is read in conjunction with the like product discussion in Animal Identification Ear Tags from New Zealand ^{1/} a serious question arises as to what exactly is our standard and what is the precise status of the Commission standard alluded to in Leather Wearing Apparel from Uruguay and Barium Carbonate and Strontium Carbonate from West Germany and Italy. ^{2/}

^{1/} See Commission Report, Inv. No. 303-TA-14.

^{2/} See Commission Report, Inv. Nos. 701-TA-68 and 731-TA-31-33, respectively.

In the instant case, no specific standard is established or alluded to regarding the level of coincidence of characteristics and uses between the domestic product and the imported article necessary to establish that they are like. Furthermore, no reference to past cases is made in this connection. I wish to be explicit that, for me, the standard for finding a product to be like continues to be that the products are virtually identical in characteristics and uses for all practical purposes in the marketplace. Moreover, while no standard is mentioned in the opinion, my like product analysis, which is accurately reflected in the opinion, was undertaken employing this standard.

In particular, the like product analysis in our opinion in this case observes that,

[t]hose domestic trailer axles of the same specifications are interchangeable with the imported trailer axle. All of the domestic axles compete commercially with the imported axles.

I disassociate myself with this language. The conclusion we have reached in this case is that domestic axles are like products with the imported axles because the two are like, not similar to each other. Thus, I fail to see how analysis of the discrete question of whether a domestic product is like an import is advanced by observing that it is interchangeable or commercially competitive with the imported article.

The presence of interchangeability or commercial competitiveness goes to the existence of a competitive relationship between the two products. Products will be competitive whether they are like or similar. Since with similarity the coincidence of characteristics and uses is much less than with like, factors in the marketplace are very important considerations. Thus, the fact of such a relationship can be very helpful in determining whether two products are similar. But the fact that the two products are competitive is irrelevant to me here as it provides no useful information in assessing whether the coincidence of characteristics and uses of the two axles is so great as to support a finding that they are like. Indeed, to mention these factors in the context of a like product analysis based on like is to obscure further the standard we use in this analysis.

In my additional views in Animal Identification Ear Tags 1/, I discussed my view of the appropriate standard for finding a domestic product to be like. I also addressed, to some extent, my perception of the policy underlying the statutory language. To the extent applicable here, I reaffirm these views.

1/ Supra.

Introduction

On February 12, 1981, Rockwell International Corp., Pittsburgh, Pa., filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that truck trailer axle-and-brake assemblies, and parts thereof are being, or are likely to be, sold in the United States at less than fair value. Accordingly, the Commission on February 19, 1981, instituted a preliminary antidumping investigation under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that 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 from Hungary, of truck trailer axle-and-brake assemblies and parts thereof, provided for in items 692.32 and 692.60 of the Tariff Schedules of the United States (TSUS), which are allegedly sold, or likely to be sold, at less than fair value. The statute directs that the Commission make its determination within 45 days of its receipt of the petition, or in this case, by March 30, 1981.

Notice of the institution of the Commission's investigation and of the 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 by publishing the notice in the Federal Register of February 25, 1981 (46 F.R. 14095). 1/ A public conference was held in Washington, D.C., on March 5, 1981, at which all interested parties were afforded the opportunity to present information for consideration by the Commission. 2/

Nature and Extent of Alleged Sales at Less Than Fair Value

The petition states that there is one Hungarian manufacturer and exporter of truck trailer axles, 3/ the Hungarian Railway Carriage & Machine Works ("RABA"), in Gyor, Hungary. Furthermore, the petition also alleges that the only importer of the Hungarian trailer axles is the Eaton Corp., Cleveland, Ohio. The petitioner states that Canada, the United Kingdom, or Italy should be viewed as a surrogate for Hungary for price comparisons, since the imports are coming from a State-controlled economy. Accordingly, when the prices for trailer axles in those countries are compared to RABA's price in the United States, it will be apparent that RABA is selling its truck trailer axles from Hungary at less than fair value.

The petition further alleges that sales at less than fair value have continued from December 1979 to the present, with an estimated range of

1/ A copy of the Commission's notice of investigation and conference is presented in app. A. The Department of Commerce notice of initiation of its antidumping investigation is presented in app. B.

2/ A list of conference participants is presented in app. C.

3/ Unless otherwise noted, references in this report to "truck trailer axles" are defined as truck trailer axle-and-brake assemblies, and parts thereof, provided for in TSUS items 692.32 and 692.60.

dumping margins from 64 to 104 percent, depending on the surrogate country. The alleged specific amount of the dumping margins ranges from \$116 to \$187.

On March 5, 1981, the Department of Commerce issued a notice announcing that it had found the petition to be properly filed within the meaning of its rules and that it was instituting an investigation. The notice to such effect was published in the Federal Register on March 11, 1981 (46 F.R. 16109). The scope of the Commerce investigation is the same as that of the Commission investigation.

The Product

Description and uses

A truck trailer axle assembly commonly consists of an axle beam, spindles, brake assemblies, air chamber brackets, and spindle nuts. In most instances, truck trailer axle assemblies are shipped to trailer manufacturers without bearings, wheels, and tires, and in this form, they are referred to by the domestic industry as "stripped" axle assemblies.

The imported trailer axles are virtually identical to the Eaton models manufactured in Louisville, Ky. 1/ All of the imported tubular axles have a 5-inch-diameter tubular beam; a one-half-inch wall; a cam 16-1/2 inches by 7 inches, a three-quarter-inch brake lining; and a 20,000-pound rating capacity, while the imported rectangular axles have a 4-inch by 6-inch rectangular beam, and 16-1/2-inch by 7-inch cam-actuated brakes with 3/4-inch lining. The only differences between the domestic Eaton axles and the imported Raba axles are the hardware used in attaching the axle components to the axle itself. RABA's axles use metric hardware for the attachments, while the domestic Eaton product uses hardware of standard English system measurements. Commercially, the domestic and imported articles are completely interchangeable.

Domestic trailer axles are tubular, rectangular, or square steel beams with brakes attached. After the wheels and tires are added, the trailer body is ready to be attached and pulled by the "tractor" or truck cab. In the trucking industry the combination tractor trailers are commonly referred to as "eighteen wheelers." 2/ Trailer axles have no driving or steering function. They are sold to the manufacturers of commercial trailers and are normally attached to the trailers prior to trailer shipment. The trailer axles covered by this investigation, have a weight capacity rating in the range of 19,500-26,000 pounds. They are generally used on "Class 6" truck trailers, 3/ which

1/ Transcript of the public conference, pp. 128-129.

2/ For tariff purposes, tractor trailers are classified as "semitrailers" (together with their parts) in TSUS item 692.32. The subject axle-and-brake assemblies are also suitable for use as the rear axle assembly on "full" trailers and are classifiable in TSUS item 692.60 (cf. U.S. Customs Service File No. 061924).

3/ Categories developed by the domestic industry are segmented according to gross vehicle weight. Class 6 category has a gross vehicle weight range of 19,500-26,000 pounds.

includes platform bed trailers, low-bed heavy haulers, automobile transport trailers, tankers, refrigerated trailers, and container trailers.

Tubular (round) trailer axles accounted for * * * of U.S. trailer axle production in 1980. These axles are cut from seamless carbon steel tubing and have a 20,000-25,000 pound capacity rating, depending on the thickness of the steel tubes from which they are made. Rectangular trailer axles accounted for * * * of U.S. production in 1980. These axles are formed from pre-cut carbon steel plates which are formed to shape and then welded into rectangular beams. The standard rectangular axle beam measures 6 inches by 4 inches and normally has a 25,000-pound capacity rating. Square axles are predominately manufactured by Pro-Par Division of Fruehauf Corp. for internal consumption in Fruehauf's trailer assembly plant. The only other U.S. producer of square axles is Eaton Corp., which manufactures * * * of these specialty units a year. In 1980, square axles accounted for * * * of U.S. axle production, with Fruehauf accounting for * * * of square-axle production.

In the actual manufacturing process of the trailer axle, the spindles are attached to the ends of the axle beam and they support the wheel bearing on which the wheel freely rotates. Spindles are forged from high carbon steel, they then are heat treated to provide greater resistance to wear, and finally, they are machined to the required dimensions. The brake assembly consists of the brake plunger, brake-adjusting assembly, brake shoes and pads, and springs.

In most instances, truck trailer axle assemblies are shipped to trailer manufacturers without bearings, wheels, and tires, and in this form, are referred to by the domestic industry as "stripped" axle assemblies. A "stripped" truck trailer axle-and-brake assembly commonly consists of an axle beam, spindles, brake assemblies, air chamber brackets, and spindle nuts. The bearings, wheels, and tires are added by the trailer manufacturers.

U.S. tariff treatment

Truck trailer axle-and-brake assemblies, and parts thereof, suitable for use with "semitrailers" are classified under the provisions for chassis, bodies (including cabs), and parts of certain motor vehicles in TSUS item 692.32. ^{1/} The subject assemblies, which are also suitable for use with "full" trailers, ^{2/} are thus classifiable as parts of vehicles (including trailers), not self-propelled, in TSUS item 692.60. The column 1 or most-favored-nation (MFN) rates of duty for imports under items 692.32 and 692.60 are 3.8 percent ad valorem and 6.8 percent ad valorem, respectively. These rates of duty represent the second of eight staged duty reductions (effective Jan. 1, 1981) granted at the Tokyo round of Multilateral Trade Negotiations (MTN). Hungary was granted most-favored-nation status in April 1978. The final staged reduction in MFN duties will become effective on January 1, 1987, and will lower the duty on items 692.32 and 692.60 to 3.1 percent ad valorem and 3.2 percent ad valorem, respectively. During 1980, the column 1 rates of duty for items 692.32 and 692.60 were 3.9 percent ad valorem

^{1/} Parts of "semitrailers" are classifiable as parts of motor vehicles in item 692.32, by Headnote 1(b), part 6B, Schedule 6, TSUS.

^{2/} See footnote 1, p. A-2, supra.

and 7.4 percent ad valorem, respectively. Prior to January 1, 1980, the column 1 rates of duty for items 692.32 and 692.60 were 4 percent ad valorem and 8 percent ad valorem, respectively. These rates were established on January 1, 1972, as a result of concessions granted in the Kennedy round of trade negotiations. The column 2 rate of duty is 25 percent ad valorem for imports under item 692.32 and 45 percent for imports under item 692.60. These rates of duty would have been applicable to imports from Hungary prior to April 1978 when Hungary was granted MFN status. Imports of truck trailer axle-and-brake assemblies under both items 692.32 and 692.60 have been designated as eligible articles under the Generalized System of Preferences (GSP). Imports of such articles from eligible GSP countries are free of duty. 1/

The Domestic Industry

U.S. producers

There are currently six U.S. producers of truck trailer axles. The names and the locations of their production facilities are as follows:

- (1) C & M Axles, Division of Dana Corp., Montgomery, Ala.
- (2) Standard Forge & Axle Co., Montgomery, Ala.
- (3) Eaton Corp., Louisville, Ky.
- (4) K-B Axle Co., Los Angeles, Calif.
- (5) Fruehauf Corp., PRO-PAR Division, Delphos, Ohio
- (6) Rockwell International, Kenton, Ohio.

All of the U.S. producers, with the limited exception of Fruehauf, sell their axle assemblies to independent trailer manufacturers. Fruehauf is the only vertically integrated U.S. producer and captively consumes over * * * of the PRO-PAR division's axles in its trailer assembly operations. * * *. Currently, Fruehauf accounts for * * * of U.S. trailer axle production and * * * of commercial axle sales.

Rockwell International is the largest U.S. trailer axle producer, accounting for * * * of production and * * * of commercial domestic axle shipments in 1980. Rockwell produces both tubular and rectangular axle assemblies. They also produce a complete line of axle assemblies including those with steering and driving functions. 2/ Rockwell was scheduled to open a second trailer axle production facility in Laurinburg, N. C., in 1981. However, weakness in the demand for truck trailers has forced the indefinite postponement of the new plant's completion.

Standard Forge is a privately owned corporation in Montgomery, Ala. In 1980, Standard Forge accounted for * * * of U.S. axle production and * * * of domestic shipments. Dana Corp. is the * * * commercial axle producer,

1/ Imports from Brazil and Mexico, under item 692.32, are not eligible for duty-free treatment under the GSP pursuant to sec. 504 of the Trade Act of 1974.

2/ Steering axles allow the wheels attached to articulate. Driving axles have power transmission ability.

accounting for * * * of U.S. production and * * * of domestic shipments in 1980.

Eaton Corp. is the * * * U.S. axle producer. Prior to 1980, Eaton accounted for * * * of U.S. production. In 1980, Eaton began to market Eaton-designed, lower priced Hungarian-made axles. Eaton's total share of the commercial axle market * * * in 1980, while the other producers * * *. Currently, Eaton produces * * * different axle models in its Louisville, Ky., plant.

The smallest U.S. producer of truck trailer axle-and-brake assemblies is K-B Axle Co., a division of Marmon Industries, Inc. The K-B Axle Co. produces specialty tubular-beam-type axle-and-brake assemblies in its Los Angeles facility.

U.S. importers

Contrary to the petition, Eaton Corp. is not the importer of record for the alleged LTFV imports from Hungary. Rather, a customs house broker, Jaegro, Inc., New York, N.Y. is the importer of record according to the official customs consumption entry papers. Jaegro informed the Commission that it is the official agent of the Hungarian producer RABA for U.S. Customs Service matters. Jaegro does not take title to any of RABA exports and is not involved in any financial transactions with Eaton Corp., the ultimate purchaser in the United States. Thus, it appears that the Hungarian producer, RABA, imports its own products through an authorized customs agent and then sells the axles to Eaton Corp.

* * *. A copy of the Eaton-RABA contract is available to the Commission in the General Counsel's Office. It should be noted that under a protocol dated * * *, between Eaton and RABA, * * *.

U.S. Market

Since the * * * U.S. producer of trailer axles, Fruehauf Corp. is vertically integrated and captively consumes * * * of its own axle production, data on apparent U.S. consumption will be presented on both a total and on a commercial-market basis. The commercial market excludes captive consumption of trailer axles by the U.S. producers, while the total market includes all commercial shipments and U.S. producers' captive consumption of their own output.

Total U.S. consumption of trailer axles declined from * * * units in 1978 to * * * units in 1979, or by 2.5 percent. However, in 1980, total consumption plummeted to * * * units, representing a decline of 44 percent. The commercial trailer axle market experienced a slight increase from 1978 to 1979, but then fell by * * * in 1980, or by * * *. The smaller captive market * * * during 1978-80. It should be noted that the * * * in the captive market * * *. Fruehauf informed the Commission that * * *. Apparent U.S. con-

sumption in the commercial and captive markets are shown in the following tabulation:

Year	Apparent U.S. consumption		
	Commercial market	Captive market	Total market
1978-----	***	***	***
1979-----	***	***	***
1980-----	***	***	***

As shown in table 1, the tubular beam trailer axles are the dominant design in the trailer axle market. The tubular beam axles are virtually all used in the commercial market. Apparent U.S. consumption of the tubular beam axles in the commercial market declined slightly * * * in 1978 to * * * in 1979, but then fell sharply to * * * in 1980, representing a decline of * * *. Rectangular-beam trailer axles experienced a * * * decline in the commercial market during 1978-80. It should be noted that the alleged LTFV trailer axles are only imported in the tubular and rectangular design.

Square-beam trailer axles are produced in the United States by Fruehauf Corp. and Eaton, with Fruehauf accounting for * * * of the total square-beam axle production. * * *.

Table 1.--Truck trailer axles: U.S. apparent commercial and total market consumption, by axle-beam types, 1978-80

Year	Rectangular	Tubular	Square	Total
Commercial market:				
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
Total market:				
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***

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

U.S. truck trailer market

The decline in demand for truck trailers has been a major factor contributing to the sharply curtailed shipments of domestic trailer axles A-6

during 1980. After rising from 195,000 units in 1978 to 210,000 units in 1979, domestic shipments of truck trailers plunged by more than 40 percent to only 125,000 units in 1980, as shown in the tabulation below: 1/

<u>Year</u>	<u>1,000 units</u>
1978-----	195
1979-----	210
1980-----	125

Although the recession which prevailed throughout much of 1980 had an adverse impact on the demand for all types of transportation equipment, it is evident from figure 1 that truck trailers fared far worse than most types of related products. While the value of shipments of all types of transportation equipment declined by less than 10 percent between January-March 1979 and October-December 1980, shipments of truck trailers declined in value by about 35 percent.

Consideration of Injury

The Rockwell petition raised the issue as to Eaton Corp.'s status in the Commission's investigation. Specifically, is Eaton "related" to the exporter RABA, and therefore, should it be excluded from the U.S. industry under section 771(4)(b) of the Tariff Act of 1930, as amended? Since the Commission will consider whether Eaton is a related party, within the meaning of section 771, after this report is issued, all data relating to injury to the domestic industry will be presented with and without Eaton's data.

U.S. capacity, production, and capacity utilization

U.S. capacity to produce trailer axles increased irregularly from * * * in 1978 to * * * in 1980, or by * * * over the 1978 level (see table 2). During the entire period, Eaton's trailer axle capacity * * *. However Dana Corp. * * *. Standard Forge experienced * * * during 1978-80, while Rockwell's * * *.

Capacity utilization for the trailer axle industry increased slightly from 89 percent in 1978 to 91.5 percent in 1979, but then plummeted to 52 percent in 1980. Eaton's capacity utilization * * *.

1/ About 95 percent of the truck trailers represented in the tabulation use ^{A-7} the types of axles that are the subject of this investigation.

Figure 1.--Indexes of the values of shipments of all transportation equipment and truck trailers, by quarters, 1979-80.

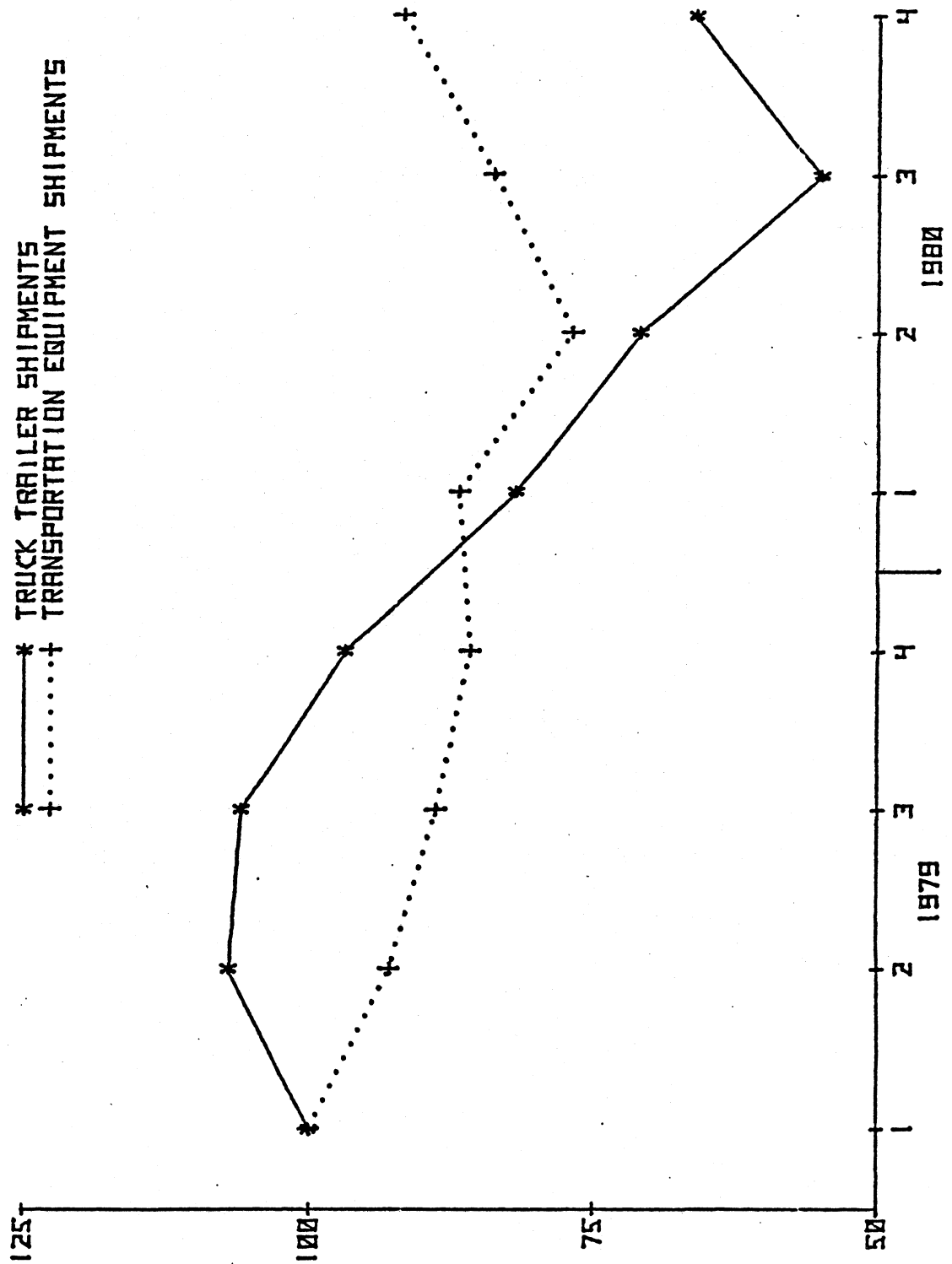


Table 2.--Truck trailer axles: U.S. capacity, production, and capacity utilization, by firms, 1978-80

(In units)			
Year and firm	Capacity	Production	Capacity utilization
1978:			
Rockwell-----	***	***	***
Standard Forge-----	<u>1/</u> ***	***	***
Dana-----	***	***	***
K-B Axle-----	***	***	***
Subtotal-----	***	***	***
Eaton-----	***	***	***
Total-----	***	***	89.0
1979:			
Rockwell-----	***	***	***
Standard Forge-----	<u>1/</u> ***	***	***
Dana-----	***	***	***
K-B Axle-----	***	***	***
Subtotal-----	***	***	***
Eaton-----	***	***	***
Total-----	***	***	91.5
1980:			
Rockwell-----	***	***	***
Standard Forge-----	<u>1/</u> ***	***	***
Dana-----	***	***	***
K-B Axle-----	***	***	***
Subtotal-----	***	***	***
Eaton-----	***	***	***
Total-----	***	***	52.0

1/ Estimated.

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

Note.--* * *.

U.S. production increased from * * * in 1978 to * * * in 1979, but then fell to * * * in 1980, representing a decline of * * * percent. Without Eaton's data, U.S. production, * * *. From 1979 to 1980, Rockwell experienced a * * *.

Fruehauf's square beam axle production * * *.

U.S. producers' commercial and captive shipments

As shown in table 3, U.S. producers' commercial shipments of trailer axles remained stable from 1978 to 1979 and then plummeted from * * * in 1979

Table 3.--Truck trailer axles: U.S. producers' commercial shipments, captive shipments, shipments of imports and total shipments by firms, 1978-80

Year and firm	Domestic commercial shipments	Captive shipments	Shipments of imported axles from Hungary	Total shipments	Share of total commercial market 1/
1978:					Percent
Rockwell	***	***	-	***	***
Standard Forge	***	-	-	***	***
Dana	***	-	-	***	***
Fruehauf	***	***	-	***	***
K & B Axle	***	-	-	***	***
Subtotal	***	***	-	***	-
Eaton	***	-	-	***	***
Total	***	***	-	***	***
1979:					
Rockwell	***	***	-	***	***
Standard Forge	***	-	-	***	***
Dana	***	-	-	***	***
Fruehauf	***	***	-	***	***
K & B Axle	***	-	-	***	***
Subtotal	***	***	-	***	-
Eaton	***	-	-	***	***
Total	***	***	-	***	***
1980:					
Rockwell	***	***	-	***	1/ ***
Standard Forge	***	-	-	***	1/ ***
Dana	***	-	-	***	1/ ***
Fruehauf	***	***	-	***	1/ ***
K & B Axle	***	-	-	***	1/ ***
Subtotal	***	***	-	***	-
Eaton	***	-	-	***	1/ ***
Total	***	***	***	***	***

1/ Total commercial shipments includes domestic commercial shipments and shipments of imported merchandise. Thus, in 1980, total commercial shipments were * * *, and the share of the market is based on that figure.

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

to * * * in 1980 - a decline of * * * percent. Captive shipments * * *. As previously stated the large decline is largely attributable to a "depression" in the truck trailer market. As orders for truck trailers were curtailed, the producers of these articles reduced their purchases of trailer axles. The replacement market for trailer axles is of no commercial significance. If Eaton's data is subtracted out of the aggregate U.S. industry data, the declining trend of 1980 remains basically unchanged.

* * * * *

U.S. imports

Imports of trailer axles from Hungary did not commence until 1980. Eaton Corporation purchased from RABA of Hungary * * * trailer axles during the 1980 calendar year. Details of Eaton's purchases of the imported axles from RABA are as follows:

<u>Description</u>	<u>Unit price</u>	<u>Quantity purchased</u>	<u>Purchase 1/ price</u>
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
Total-----	-	***	***

1/ Delivered price to Eaton's Louisville, Kentucky plant.

Eaton * * * of the RABA trailer axles during September-December 1980, and, therefore, had * * *. It should be noted that * * * (* * * percent of total imports) purchased by Eaton were * * *. In * * *. Thus, only * * * complete trailer axles were actually imported from Hungary and ready for sale to Eaton customers. In * * *, Eaton began to receive complete axles from RABA, and all imports since that time have been of complete axles that require little or no U.S. value added before they are sold to Eaton's customers.

Of the * * * Hungarian trailer axles imported for consumption, Eaton sold * * * units. As of December 31, 1980, Eaton held * * * Hungarian axles in inventory. In the first two months of 1981, Eaton purchased from RABA * * * Hungarian trailer axles, with an average unit value of * * *.

U.S. exports

U.S. exports of U.S.-made truck trailer axles increased to * * * units in 1980 from * * * units in 1978 as shown in table 4.

Table 4.--Truck trailer axles: U.S. exports, by firms, 1978-80

Firm	1978	1979	1980
	-----units-----		
Rockwell Corporation-----	***	***	***
DANA Corporation-----	***	***	***
Fruehauf Corporation-----	***	***	***
Standard Forge Company-----	***	***	***
K-B Axle Company-----	***	***	***
Subtotal-----	***	***	***
Eaton-----	***	***	***
Total-----	***	***	***

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

These sales represented * * * of domestic production in 1978, * * * percent in 1979, and * * * percent in 1980. The largest markets for U.S. exports of truck trailer axle assemblies are Canada and Latin America. * * *.

Inventories

End of year inventories of truck trailer axles ^{1/} held by domestic producers climbed from * * * units in 1978 to * * * in 1979, and then decreased to * * * units in 1980 (table 5).

Table 5.--Truck trailer axles: End-of-period inventories, by firms, 1978-80

Firm	1978	1979	1980
	-----Units-----		
Fruehauf Corp-----	***	***	***
DANA Corp-----	***	***	***
Rockwell Corp-----	***	***	***
Standard Forge Co-----	***	***	***
K-B Axle Co-----	***	***	***
Subtotal-----	***	***	***
Eaton-----	***	***	***
Total-----	***	***	***

^{1/} Includes only Eaton's domestically produced inventory.

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

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^{1/} End-of-year inventories calculated by subtracting domestic sales, intra-company consumption, and exports from domestic production.

Inventories as a percent of domestic production climbed to * * * percent in 1980 from * * * percent in 1978. * * *.

Employment and wages

Employment and wage data are presented for the five reporting firms, Dana, K-B Axle Co., Standard Forge, Rockwell, and Eaton in tables 6 and 7 for the period 1978-80. All of the data indicate that employment declined significantly in 1980.

Several measures of the number of persons employed are provided in table 6. The average number of production employees engaged in producing trailer axles declined from * * * in 1978 to * * * in 1979 and then fell by 26 percent to only * * * in 1980. The average number of all persons employed in the reporting establishments increased from * * * in 1978 to * * * in 1979 and then declined to * * * in 1980. Similarly, the number of all production and related workers employed in these establishments also increased from * * * in 1978 to * * * in 1979, but then fell to * * * in 1980.

The data on hours worked, wages, and fringe benefits presented in table 7 provide further evidence of a recent decline in production activities at reporting establishments. After decreasing moderately in 1979, hours worked by production and related workers engaged in trailer axle operations fell by over 30 percent from * * * hours to * * * hours in 1980. Although hours worked by all production and related workers employed at reporting facilities increased slightly from * * * hours in 1978 to * * * hours in 1979, they also fell sharply to * * * in 1980. Wages paid to production and related workers employed in trailer axle operations rose from * * * in 1978 to * * * in 1979, and then declined to only * * * in 1980. The value of fringe benefits to such employees increased from * * * in 1978 to * * * in 1979 and then declined to * * * in 1980. Total wages and fringes paid per hour for all reporting U.S. producers, increased by 23 percent, from * * * per hour in 1978 to * * * per hour in 1980.

From an examination of the different series, it is evident that declines in employment in 1980 were not limited solely to trailer axle operations. This is evident from the fact that the average number of production employees engaged in all operations at the reporting establishments decreased by * * * between 1979 and 1980, while the absolute decline in employment for production employees engaged in trailer axle operations amounted to only * * *. Similarly, hours worked by production and related workers producing all products at these establishments declined by * * * hours, but hours worked by production and related workers producing only trailer axles decreased by only * * *.

Profit-and-loss experience of domestic producers

The Commission requested profit-and-loss data from all six U.S. producers of trailer axles. Usable data were received from four domestic producers. Rockwell International Corp., Dana Corp., Standard Forge & Axle Co., and EatonA-14 Corp., which collectively accounted for * * * percent of total U.S. production

Table 6.--Average number of employees in U.S. establishments producing truck trailer axles, and all production and related workers engaged in the production of truck trailer axle-and-brake assemblies, by firms, 1/ 1978-80

Item	1978	1979	1980
Average number of all persons employed in reporting establishments:			
All persons:			
Dana Corp-----	***	***	***
K-B Axle Co-----	***	***	***
Standard Forge Co-----	***	***	***
Rockwell Corp-----	***	***	***
Subtotal-----	***	***	***
Eaton Corp., Brake Division-----	***	***	***
Total-----	***	***	***
Production and related workers--			
Engaged in the production of trailer axles:			
Dana Corp-----	***	***	***
K-B Axle Co-----	***	***	***
Standard Forge-----	***	***	***
Rockwell Corp-----	***	***	***
Subtotal-----	***	***	***
Eaton Corp., Brake Division-----	***	***	***
Total-----	***	***	***
Engaged in the production of all products produced in the establishment:			
Dana Corp-----	***	***	***
K-B Axle Co-----	***	***	***
Standard Forge-----	***	***	***
Rockwell Corp-----	***	***	***
Subtotal-----	***	***	***
Eaton Corp., Brake Division-----	***	***	***
Total-----	***	***	***

1/ * * *.

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

Table 7.--Hours worked, wages and fringe benefits paid to employees engaged in the production of trailer axles, and hours worked by all employees in reporting establishments, by firms, 1/ 1978-80

Item	1978	1979	1980
Hours worked by production and related workers in the production of trailer axles:			
Dana Corp-----1,000 hours--:	***	***	***
Standard Forge Co-----do--:	***	***	***
Rockwell Corp-----do--:	***	***	***
Subtotal-----do--:	***	***	***
Eaton Corp., Brake Division-----do--:	***	***	***
Total-----do--:	***	***	***
Hours worked by all production and related workers in the reporting establishments:			
Dana Corp-----1,000 hours--:	***	***	***
Standard Forge-----do--:	***	***	***
Rockwell Corp-----do--:	***	***	***
Subtotal-----do--:	***	***	***
Eaton Corp., Brake Division-----do--:	***	***	***
Total-----do--:	***	***	***
Wages paid to production and related workers engaged in the production of trailer axles in reporting establishments:			
Dana Corp-----1,000 dollars--:	***	***	***
Standard Forge-----do--:	***	***	***
Rockwell Corp-----do--:	***	***	***
Subtotal-----do--:	***	***	***
Eaton Corp., Brake Division-----do--:	***	***	***
Total-----do--:	***	***	***
Value of fringe benefits provided to production and related workers engaged in the production of trailer axles in reporting establishments:			
Dana Corp-----1,000 dollars--:	***	***	***
Standard Forge Co-----do--:	***	***	***
Rockwell Corp-----do--:	***	***	***
Subtotal-----do--:	***	***	***
Eaton Corp., Brake Division-----do--:	***	***	***
Total-----do--:	***	***	***

1/ Data do not include Fruehauf Corp. or K-B Axle Co.

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

of trailer axles in 1980, and * * * percent of domestic shipments. As set forth in table 8, aggregate net sales of truck trailer axles by these producers increased by 14 percent from * * * million in 1978 to * * * million in 1979, but decreased by 21 percent to * * * million in 1980. The rise in net sales in 1979 was due to higher sales volume coupled with increasing average unit sale prices. The net sales declined in 1980 primarily as a result of a * * * percent decrease in the quantity of axles sold compared with quantity sold in 1978.

Aggregate net operating profit generated by these 4 domestic producers of trailer axles declined by 63 percent from * * * in 1978 to * * * million in 1980. The ratio of net operating profit to net sales fell from * * * percent in 1978 to * * * percent in 1979, and * * * percent in 1980. The net operating profit of the industry decreased as a result of the depressed demand for truck trailers, and further, sales prices did not keep pace with the increasing cost of production and expenses. Aggregate cost of goods sold, as a percent of net sales, increased each year from * * * percent in 1978 to * * * percent in 1979 and * * * percent in 1980. The ratio of general selling and administrative expenses to net sales also increased from * * * percent in 1978 to * * * percent in 1979 and * * * percent in 1980 (table 9).

Net operating margins for the overall operations of the establishments or divisions within which truck trailer axles are produced also show a declining trend from * * * percent in 1978 to * * * percent in 1979 and * * * percent in 1980 (table 9).

U.S. producers' investment in fixed assets employed in the production of truck trailer axles is also shown in table 8. The ratio of net operating profit to original cost, book value, and replacement cost of fixed assets followed a declining trend similar to that of the ratio of net operating profit to net sales. The ratio of net operating profits to investment in productive facilities should not be construed as a return on total investment. Total investment includes, in addition to investment on productive facilities, investment in working capital, nonproductive facilities, and other related joint investments. The data on total assets employed in production were not available from only one producer.

Consideration of Threat of Injury

In 1980, Hungarian trailer axles were imported into the United States and were sold at prices * * * to * * * percent below comparable domestic products. Despite the fact that the U.S. trailer axle industry shipments declined by over 40 percent in 1980, the imported Hungarian product was able to capture * * * percent of the commercial U.S. trailer axle market, up from * * a year earlier. In the 1980 Eaton-RABA protocol attached to the 1978

Table 8.--Profit-and-loss experience of U.S. producers on their truck trailer axle operations, by firms, 1978-80

Year and firm	Quantity sold	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Net profit or (loss)
1978:						
Rockwell International Corp-----						
	***	***	***	***	***	***
Dana Corp-----	***	***	***	***	***	***
Standard Forge & Axle Co-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Eaton Corp-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
1979:						
Rockwell International Corp-----						
	***	***	***	***	***	***
Dana Corp-----	***	***	***	***	***	***
Standard Forge & Axle Co-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Eaton Corp-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
1980:						
Rockwell International Corp-----						
	***	***	***	***	***	***
Dana Corp-----	***	***	***	***	***	***
Standard Forge & Axle Co-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Eaton Corp-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***

Continued on the following page

Table 8.--Profit-and-loss experience of U.S. producers on their truck trailer axles operations,
by firms, 1978-80--Continued

Year and firm	Ratio of net operating profit or (loss) to--				Original : Book value: Replacement			
	Net sales	Original cost of fixed assets:	Book value: of fixed assets:	Replacement cost of fixed assets:	cost of fixed asset	of fixed asset	cost of fixed assets	
1978:								-----1,000 dollars-----
Rockwell International Corp-----	***	***	***	***	***	***	***	
Dana Corp-----	***	***	***	***	***	***	***	
Standard Forge & Axle Co-----	***	***	***	***	***	***	***	
Subtotal-----	***	***	***	***	***	***	***	
Eaton Corp-----	***	***	***	***	***	***	***	
Total or Average-----	***	***	***	***	***	***	***	
1979:								
Rockwell International Corp-----	***	***	***	***	***	***	***	
Dana Corp-----	***	***	***	***	***	***	***	
Standard Forge & Axle Co-----	***	***	***	***	***	***	***	
Subtotal-----	***	***	***	***	***	***	***	
Eaton Corp-----	***	***	***	***	***	***	***	
Total or Average-----	***	***	***	***	***	***	***	
1980:								
Rockwell International Corp-----	***	***	***	***	***	***	***	
Dana Corp-----	***	***	***	***	***	***	***	
Standard Forge & Axle Co-----	***	***	***	***	***	***	***	
Subtotal-----	***	***	***	***	***	***	***	
Eaton Corp-----	***	***	***	***	***	***	***	
Total or Average-----	***	***	***	***	***	***	***	

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

Table 9.--Profit-and-loss experience of U.S. producers on the overall operations of the reporting establishments in which truck trailer axle-and-brake assemblies are produced, by firms, 1978-80

Year and firm	Net sales	Cost of goods sold	Gross profit or (loss)	General selling and administrative expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
						Percent
1978:						
Rockwell International Corp----	***	***	***	***	***	***
Dana Corp-----	***	***	***	***	***	***
Standard Forge & Axle Co-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Eaton Corp-----	***	***	***	***	***	***
Total or average-----	***	***	***	***	***	***
1979:						
Rockwell International Corp----	***	***	***	***	***	***
Dana Corp-----	***	***	***	***	***	***
Standard Forge & Axle Co-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Eaton Corp-----	***	***	***	***	***	***
Total or average-----	***	***	***	***	***	***
1980:						
Rockwell International Corp----	***	***	***	***	***	***
Dana Corp-----	***	***	***	***	***	***
Standard Forge & Axle Co-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Eaton Corp-----	***	***	***	***	***	***
Total or average-----	***	***	***	***	***	***

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

purchase agreement, Eaton projected that it will purchase the quantities of trailer axles shown in the following tabulation:

<u>Year</u>	<u>Units</u>
1980-----	***
1981-----	***
1982-----	***
1983-----	***

If the U.S. industry remains depressed, the Hungarian axles, with their substantial price advantage, could gain a significantly larger share of the U.S. market.

Consideration of the Causal Relationship between Alleged LTFV Imports and Alleged Injury

Market penetration of alleged LTFV imports

U.S. imports of trailer axles from Hungary increased from * * * in 1979 to a * * * percent share of a declining commercial market in 1980. Likewise the alleged LTFV imports accounted for * * * percent of the total (commercial and captive) 1980 market (table 10), up from * * * in 1979. The petitioner has contended that imports of the Hungarian axles will increase at an even faster rate in 1981.

Table 10.--Trailer axles: U.S. producer's domestic shipments, imports for consumption, and apparent consumption for the commercial market and total market, 1978-80

Year	Commercial market <u>1/</u>			
	Domestic	Imports for	Apparent	Ratio of imports
	shipments	consumption	U.S. consumption	to apparent consumption
	<u>Units</u>			<u>Percent</u>
1978-----	***	-	***	-
1979-----	***	-	***	-
1980-----	***	***	***	***
	Total market <u>2/</u>			
	Domestic	Imports for	Apparent	Ratio of imports
	shipments	consumption	U.S. consumption	to apparent consumption
1978-----	***	-	***	-
1979-----	***	-	***	-
1980-----	***	***	***	***

1/ Excludes captive consumption.

2/ Includes captive consumption.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. A-21

Lost sales

Three domestic producers alleged that sales of the Hungarian RABA axles marketed by Eaton Corp. in the United States during 1980 and January-February 1981 had displaced 38,000 units of domestic sales of comparable products valued at \$10.5 million. Quantities and values of the alleged lost sales by producers are listed as follows:

<u>Year</u>	<u>Firm</u>	<u>Quantity</u> <u>(in units)</u>	<u>Value</u>
1980/81---	* * *	***	***
1980-----	* * *	***	***
1981-----	* * *	***	***

In an effort to verify the allegations, trailer axle customers were contacted, and statements from Eaton which reported its sales of RABA axles to these customers during 1980 were also examined.

Calls to seven of the eight customers whose names were provided by domestic producers tended to confirm the lost sales allegations. ^{1/} Five of the seven customers indicated that they had purchased varying quantities of RABA axles during 1980 in place of domestically produced axles from various sources including Rockwell, Dana, and Eaton. All five of these buyers stated that the low price of the RABA axle was an important consideration in their purchasing decisions. However, three of these customers also indicated that a desire to diversify their source of supply had affected their decision. A sixth customer which had also begun buying RABA axles from Eaton in 1980 similarly stated that the low price of the RABA axle was the chief factor affecting its purchase. However, this customer said that he had relied exclusively on domestically produced Eaton axles prior to 1980. Therefore, this firm's purchase of the RABA axle was not at the expense of any of the domestic producers who had alleged lost sales from this firm. A seventh customer stated that it had not purchased any RABA axles and did not plan to purchase any in the future, despite the low price of the Hungarian product, because of uncertainty about the quality of the Hungarian product. Details of Eaton's 1980 sales of the imported product are shown in the following tabulation:

^{1/} The staff was unable to contact the eighth customer. However, the petitioner alleges that the lost sales to this customer amounted to only * * *. A-22.

Customer	Quantity	Value
* * *-----	***	***
* * *-----	***	***
* * *-----	***	***
* * *-----	***	***
* * *-----	***	***
* * *-----	***	***
Total-----	***	***

Although contacts with purchasers provide evidence of lost sales, submissions by Eaton Corp. suggest that the lost sales of * * * units alleged by the petitioners is too large. Eaton states that its sales amounted to only * * * units of complete RABA axles in the United States during 1980. A possible explanation for the discrepancy is that petitioners may have overestimated the lost sales that resulted from competition from RABA axles, while underestimating the loss in sales that resulted from the sharp overall decline in demand for trailer axles. All seven of the customers that were contacted stated that they had reduced total purchases of axles in 1980.

Although several of the buyers who were contacted stated that they had reduced purchases of domestically produced Eaton axles in favor of RABA axles during 1980, * * *. The combined purchases of the three largest buyers of RABA axles in 1980, * * * amounted to * * * units out of the total of * * * units which Eaton states that it sold in the U.S. in 1980. However Eaton's combined sales of domestic axles to these three customers amounted to * * * units in 1979. Therefore lost domestic sales of its U.S.-produced axles by Eaton in 1980 to these two major accounts were * * *. * * *.

Prices

Although industry sources have indicated that price is a major factor affecting demand for trailer axles, many other factors, including brand loyalty, reputation for service, product quality, and shipping costs, also have an important influence on purchases of these axles. Therefore, significant differences in prices between alternative suppliers are often required to induce manufacturers of truck trailers to shift from one supplier of axles to another.

Weighted average quarterly prices of domestically produced rectangular and tubular axles are presented in tables 11 and 12 along with prices of competing imported Hungarian axles manufactured by RABA and marketed in the United States by Eaton Corp. Price comparisons were developed from questionnaire responses by domestic producers, who were asked to provide average prices charged and quantities purchased by their three largest customers for the products that they consider to be most directly comparable with the RABA axles marketed by Eaton. An examination of the questionnaire responses suggests that individual transaction prices are often significantly

Table 11.--Weighted average domestic and imported prices of rectangular-beam trailer axles with brakes, by quarters, 1979-1980

Period	Price per unit		Margin of underselling		Prices charged per unit by individual domestic producers		
	Domestic	Imports (price charged by Eaton Corp for Hungarian RABA axles)	Absolute margin: per unit	Margin	Rockwell	Eaton	
1979:				Percent			
Jan-Mar-----	\$254		-	-	***		-
Apr-June-----	268		-	-	***		-
July-Sept-----	269		-	-	***		-
Oct-Dec-----	280		-	-	***		-
1980:							
Jan-Mar-----	272	***	***	***	***		***
Apr-June-----	282	***	***	***	***		***
July-Sept-----	281	***	***	***	***		-
Oct-Dec-----	282	***	***	***	***		-

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

Table 12.--Weighted average domestic and imported prices of tubular-beam trailer axles with brakes, by quarters, 1979-1980

Period	Price per unit		Margin of underselling		Prices charged per unit by individual domestic producers				
	Domestic	Imports (price charged by Eaton Corp for Hungarian RABA axles)	Absolute margin: per unit	Margin	Rockwell	Standard Forge	Dana	Eaton	
1979:				Percent					
Jan-Mar-----	\$265				***	***	***	***	-
Apr-June-----	266				***	***	***	***	-
July-Sept-----	273				***	***	***	***	***
Oct-Dec-----	274				***	***	***	***	***
1980:									
Jan-Mar-----	279	***	***	***	***	***	***	***	***
Apr-June-----	278	***	***	***	***	***	***	***	***
July-Sept-----	285	***	***	***	***	***	***	***	***
Oct-Dec-----	282	***	***	***	***	***	***	***	***

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

influenced by the size of the purchase, with large-volume customers tending to receive lower prices than smaller purchasers. Although quarterly domestic prices were obtained for 1979 and 1980, prices of the imported product are only available from January-September 1980 onward, since complete Eaton/RABA axles with the brake assembly attached were not sold in the United States before that time. The Eaton/RABA prices in the table are averages for all sales in the United States during the periods indicated.

Prices of domestic products have generally increased slowly during 1979-80. In the case of tubular axles, domestic prices rose without interruption from \$265 per unit in January-March 1979 to \$285 per unit in July-September 1980, and then declined slightly to \$282 per unit in October-December 1980. Prices of rectangular axles increased irregularly from \$254 per unit in January-March 1979 to \$282 dollars per unit in October-December 1980.

Although domestic prices have increased during 1979-80, the increases have not kept pace either with price increases for other durable manufactured products or with key materials used in the production of these axles. Between the October-December 1979 and October-December 1980, the Producer Price Index for all durable manufacturers rose by 10 percent. In contrast, quarterly prices of domestic rectangular and tubular axles increased by only 1 percent and 3 percent, respectively, during this period. At the same time, the price of steel tubing, the primary material input in the production of tubular axles, rose by 11 percent from October-December 1979 to October-December 1980.

The decline in demand for trailer axles during 1980, which is evident from the sharp drop in domestic sales, probably contributed to this weakness in domestic prices. However, the petitioners have alleged that competition from low-priced imports has also been an important factor.

It is evident from the tables that the Eaton/RABA imported axles are consistently priced lower than the average domestic prices for both rectangular and tubular axles throughout 1980. Margins of underselling for rectangular axles in 1980 ranged from * * * percent in January-March to * * * in April-June. Margins of underselling for tubular axles ranged from * * * percent in October-December to * * * percent in July-September.

Eaton has suggested that it is charging a lower price for these axles than for comparable domestically produced axles in order to offset the marketing disadvantage that it faces in the U.S. market because of the foreign origin of these products. Also, as it has indicated in briefs submitted to the Commission, prices of both rectangular and tubular axles were adjusted upward during the latter part of 1980. In the case of the rectangular axle, prices were increased from * * * per unit during January-June of 1980 to * * * during July-December. In the case of tubular axles, prices were increased from a level of * * * during January-September 1980 to * * * per unit during October-December.

According to Eaton's statement, the delivered cost of the RABA rectangular axles which were shipped to its Louisville facility averaged * * * during May-December 1980, while the cost of the tubular axles was * * * during this period.

Appendix A

**U.S. International Trade Commission Notice of Preliminary
Antidumping Investigation and Scheduling of Conference**

the execution of an assistance or acquisition and operating agreement, the Commission shall postpone the issuance of such a certificate for such period of time as such an agreement (including any extensions or modifications) is in effect. Information and procedures regarding the financial assistance for continued rail service or the acquisition of the involved rail line are contained in 49 U.S.C. 10905 (as amended by the Staggers Rail Act of 1980, Pub. L. 96-448, effective October 1, 1980). All interested persons are advised to follow the instructions contained therein as well as the instructions contained in the above-referenced decision.

Agatha L. Mergenovich,
Secretary.

[FR Doc. 81-0350 Filed 2-24-81; 8:45 am]

BILLING CODE 7035-01-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-98]

Certain Screw Jacks and Components Thereof, Including Cold-Worked Pinion Gears; Order

Pursuant to my authority as Chief Administrative Law Judge of this Commission, I hereby designate Administrative Law Judge Janet D. Saxon as Presiding Officer in this investigation.

The Secretary shall serve a copy of this order upon all parties of record and shall publish it in the Federal Register.

Issued: February 17, 1981.

Donald K. Duvall,
Chief Administrative Law Judge.

[FR Doc. 81-0248 Filed 2-24-81; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-97]

Certain Steel Rod Treating Apparatus and Components Thereof; Notice

Notice is hereby given that the Preliminary Conference in this investigation has been postponed at the request of the parties to 10:00 a.m., Friday, February 27, 1981. The Preliminary Conference will be held at the previously noticed address of 1010 Wisconsin Avenue, N.W., Suite 201, Washington, D.C. 20007.

The Secretary shall serve a copy of this order upon all parties of record and shall publish it in the Federal Register.

Issued: February 17, 1981.

Judge Donald K. Duvall,
Presiding Officer.

[FR Doc. 81-0247 Filed 2-24-81; 8:45 am]

BILLING CODE 7020-02-M

[731-TA-38 (Preliminary)]

Truck Trailer Axle-and-Brake Assemblies, and Parts Thereof, From Hungary; Notice of Institution of Preliminary Antidumping Investigation and Scheduling of Conference

AGENCY: United States International Trade Commission.

ACTION: Institution of preliminary antidumping investigation to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports from Hungary of truck trailer axle-and-brake assemblies, and parts thereof, provided for in items 692.32 and 692.60 of the Tariff Schedules of the United States, alleged to be sold at less than fair value.

EFFECTIVE DATE: February 19, 1981.

FOR FURTHER INFORMATION CONTACT: John Macfhatton, Supervisory Investigator (202-523-0439).

Background. This investigation is being instituted following receipt of a petition on February 12, 1981, filed by Rockwell International Corp., Pittsburgh, Pa., on behalf of the domestic industry producing truck trailer axle-and-brake assemblies. The petition alleged sales at less than fair value of truck trailer axle-and-brake assemblies produced in Hungary.

Authority. Section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673(a)) requires the Commission to make a determination of whether there is a reasonable indication that 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 alleged to be, or likely to be, sold in the United States at less than fair value. Such a determination must be made within 45 days after the date on which a petition is filed under section 732(b) or on which notice of an investigation commenced under section 732(a) is received from the Department of Commerce. Accordingly, the Commission, on February 19, 1981, instituted preliminary antidumping investigation No. 731-TA-38. This investigation will be subject to the provisions of part 207 of the Commission's Rules of Practice and

Procedure (19 CFR 207, 44 FR 70457) and, particularly, subpart B thereof.

Written submissions. Any person may submit to the Commission on or before March 9, 1981, a written statement of information pertinent to the subject matter of this investigation. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of section 201.6 of the Commission's Rules and Practice of Procedures (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference. The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 10 a.m., e.s.t., on March 5, 1981, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Persons wishing to participate in the conference should contact the supervisory investigator for the investigation, Mr. John Macfhatton (202-523-0439). It is anticipated that persons in support of the petition for antidumping duties and persons opposed to such petition will each be collectively allocated 1 hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

Issued: February 19, 1981.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-0249 Filed 2-24-81; 8:45 am]

BILLING CODE 7020-02-M

NATIONAL FOUNDATION FOR THE ARTS AND THE HUMANITIES

Artists-in-Education Panel; Meeting

Pursuant to Section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), notice is hereby given that a meeting of the Artists-in-Education Panel to the National Council on the Arts will be held on March 12-14, 1981 from 9:00 a.m. - 5:30 p.m., in room 1422 of the Columbia Plaza Office Complex, 2401 E St., N.W., Washington, D.C. 20506.

Appendix B

Department of Commerce Notice of Initiation of
Antidumping Investigation

Dated: March 4, 1981.

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

(JFK Doc. 81-7564 Filed 3-4-81, 4:41 p.m.)

BILLING CODE 3510-25-M

DEPARTMENT OF COMMERCE

Truck Trailer Axles-and-Brake Assemblies and Parts Thereof From Hungary; Initiation of Antidumping Investigation

AGENCY: U.S. Department of Commerce.

ACTION: Initiation of Antidumping
Investigation.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating an antidumping investigation to determine whether truck trailer axles-and-brake assemblies, and parts thereof, from the Hungarian People's Republic are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission of this action so that it may determine whether these imports are injuring or are threatening to materially injure a U.S. industry.

EFFECTIVE DATE: March 11, 1981.

FOR FURTHER INFORMATION CONTACT: John J. Kenkel, Import Administration Specialist, Office of Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, D.C. 20230 (202-377-3464).

SUPPLEMENTARY INFORMATION:

Initiation of Antidumping Investigation

On February 12, 1981, we received a petition that complies with the requirement of § 353.36 of the Commerce Regulations (19 CFR 353.36). Filed by Rockwell International Corporation in Pittsburgh, Pennsylvania, on behalf of the U.S. industry producing truck trailer axles and brake assemblies and parts thereof ("axles"), the petition alleges that axles from the Hungarian People's Republic ("Hungary") are likely to be sold at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) ("the Act"). It also alleges that these imports are likely to cause material injury to a U.S. industry. The allegations of both sales at less than fair value and material injury are supported by sufficient evidence to warrant initiation of an antidumping investigation.

The petitioner has alleged that Hungary is a state-controlled economy

country as defined in section 773(c) of the Act (19 U.S.C. 1677b(c)). Accordingly, the petitioner bases its analysis on prices for such or similar merchandise in non-state-controlled economy countries (Canada, Italy and the United Kingdom).

Currently classified under items 692.32 and 692.60 of the Tariff Schedules of the United States, these axles are tubular or rectangular beams with brakes attached. In their most common configuration, truck trailer axles are combined with a trailer which is joined to a tractor to form what is colloquially known as "eighteen wheelers." Separate brake assemblies are not included in this investigation.

Upon examining this petition, we have found that the information presented reasonably supports the allegations. Therefore, in accordance with section 732 of the Act, we are initiating an investigation to determine whether there is a reasonable indication to believe or suspect that axles from Hungary are being, or are likely to be, sold in the United States at less than fair value. If the normal time limits apply to this investigation, we will announce our preliminary determination by July 22, 1981.

Notification to the ITC

Section 732(d) of the Act requires us to notify the U.S. International Trade Commission of this action, and to provide it with a copy of the information we used to arrive at this determination. We will make available to the ITC all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by March 30, 1981, whether there is a reasonable indication that imports of these axles from Hungary are likely to injure a U.S. industry. If its determination is negative, this investigation will terminate without further notice; otherwise, it will proceed to its conclusion.

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

March 4, 1981.

(JFK Doc. 81-7533 Filed 3-10-81, 8:45 a.m.)

BILLING CODE 3510-25-M

Minority Business Development Agency Financial Assistance Application Announcement

March 4, 1981.

Expert and Consulting Services

This announcement under Federal Assistance Catalogue No. 11.800 is to solicit applications for a consulting service program in the MBDA Dallas Region which includes Montana, North Dakota, South Dakota, Wyoming, Utah, Colorado, New Mexico, Oklahoma, Texas, Arkansas, and Louisiana. Project will operate at a cost not to exceed \$370,000 and the Project I.D. No. is 06-10-80024-01. Executive Order 11625 authorizes the Minority Business Development Agency (MBDA), formerly the Office of Minority Business Enterprise, to fund projects which will provide technical and management assistance to minority business enterprise. This proposed project is specifically designed to provide specialized assistance to satisfy the needs of the minority business firms, management and technical assistance and to develop special impact projects in growth and high leverage industries.

Program Description

A. The grantee, as an independent grantee and not as an agent of the government, shall provide the necessary personnel, material and facilities to provide a program of professional consultant services to supplement the expertise and capabilities of MBDA grantees to minority business persons and firms which meet the MBDA fiscal year 1981 policy statement which appears as Attachment I.

B. The grantee shall render assistance in all disciplines of the general business framework, including construction contracting.

C. The grantee shall contract with qualified consultants in the full gamut of business and construction expertise in as wide a geographical area as possible to assure timely economical and effective services to clientele.

D. The recipient shall accept appropriate clients to provide service only on referral from the Regional Director or his designee or principals of MBDA funded organizations. Task orders referred by principals of MBDA funded organizations will include proper documentation to support the assistance being requested.

E. Unless the Regional Director or his representative provides prior written approval, the recipient shall not provide

Appendix C

**List of Participants in U.S. International Trade
Commissions Conference**

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-38 (Preliminary)

TRUCK TRAILER AXLE-AND-BRAKE ASSEMBLIES FROM HUNGARY

Schedule of Appearances at Conference

Hearing Room, U.S.I.T.C. Building Thursday, March 5, 1981

In Support of Petition:

Rockwell International Corporation; Pittsburgh, Pa.:
Don W. Oates, Vice President and General Manager
William Eroo, Sales Manager, Trailer Axle Division
G. F. Flannery, Automotive Operations Division
John Bronaugh, Legal Department

Of Counsel:

Patton Boggs and Blow, Washington, D.C.
Charles Owen Verrill, Jr.
Frank R. Samolis

Dana Corporation, Toledo, Ohio:

Robert Pollack, Office of the General Counsel
Thomas Green, Axle Division

Of counsel:

Beveridge & Diamond, Washington, D.C.
Alexander Sierck

Standard Forge & Axle Co., Inc., Montgomery, Ala.:

E. J. Duffy
E. J. Jones

Of counsel:

Ford, Harrison, Sullivan, Lowry & Sykes, Atlanta, Ga.:
John Campbell

In Opposition to the petition:

Eaton Corp., Cleveland, Ohio:

Robert Gillison, President, Truck Components Group
James Pruneski, General Manager, Brake Division

Economic Consulting Services, Inc., Washington, D.C.

Stanley Nehmer, President
Bruce Malishevitz, Vice President

Of counsel:

Jones, Day, Reavis and Pogue, Washington, D.C.
John S. Walker
William D. Katz
Thomas F. Cullen, Jr.

