

BICYCLE TIRES AND TUBES FROM TAIWAN

**Determination of the Commission
in Investigation No. 731-TA-94
(Preliminary) Under the Tariff Act
of 1930, Together With
the Information Obtained
in the Investigaton**

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C O N T E N T S

	<u>Page</u>
Determination-----	1
Views of Vice Chairman Michael J. Calhoun, Commissioners Paula Stern, Alfred E. Eckes, and Veronica A. Haggart-----	3
Additional views of Vice Chairman Michael J. Calhoun-----	11
Views of Commissioner Eugene J. Frank-----	13
Views of Chairman Bill Alberger-----	18
Information obtained in the investigation:	
Introduction-----	A-1
Description and uses-----	A-1
U.S. tariff treatment-----	A-2
Earlier investigations:	
Earlier countervailing duty investigations-----	A-3
Earlier antidumping investigations-----	A-5
Earlier escape-clause investigations-----	A-6
Domestic industry:	
U.S. producers-----	A-6
U.S. production capacity-----	A-7
Taiwan industry-----	A-8
U.S. importers-----	A-8
Channels of distribution-----	A-8
Nature and extent of the alleged sales at LTFV-----	A-9
Consideration of a reasonable indication of injury or the likelihood thereof:	
U.S. production-----	A-9
U.S. consumption-----	A-10
U.S. producer's domestic shipments-----	A-10
U.S. producer's inventories-----	A-11
U.S. imports:	
Bicycle tires-----	A-12
Tubes for bicycle tires-----	A-12
Employment and wages-----	A-15
Financial experience of U.S. producers:	
Overall establishment operations-----	A-16
Operations on bicycle tires and tubes-----	A-17
Cash flow from operations-----	A-19
Investment in operating assets-----	A-20
Consideration of the causal relationship between LTFV sales and the alleged injury:	
Market penetration by LTFV imports:	
Bicycle tires-----	A-22
Bicycle tubes-----	A-23
Prices-----	A-24
Lost sales-----	A-28
The question of threat of material injury:	
Production and capacity in Taiwan-----	A-29
Exports from Taiwan-----	A-29
Appendix A: Commission's notice of investigation-----	A-31
Appendix B: Calendar of witnesses-----	A-33
Appendix C: Chronology of action dates, countervailing duty and antidumping proceedings, Taiwan and Korea-----	A-35
Appendix D: Statistical tables-----	A-4i5

TABLES

	<u>Page</u>
1. Bicycle tires and tubes: U.S. production capacity, production, and capacity utilization, by product, 1979-81, January-April 1981 and January-April 1982-----	A-7
2. Bicycle tires and tubes: Percentage distribution of shipments of domestically produced articles and those imported from Taiwan, by channels of distribution, 1981-----	A-8
3. Bicycle tires and tubes: U.S. production, 1979-81, January-April 1981, and January-April 1982-----	A-9
4. Bicycle tires and tubes: U.S. consumption, 1979-81, January-March 1981, and January-March 1982-----	A-10
5. Bicycle tires and tubes: U.S. producer's, domestic shipments, 1979-81, January-March 1981, and January-March 1982-----	A-10
6. Bicycle tires, tubes, and sets: Shipments of bicycle tires and tubes sold separately, and shipments of sets by Carlisle 1978-81, January-March 1981, and January-March 1982-----	A-11
7. Bicycle tires and tubes: U.S. producer's yearend inventories, as of Dec. 31 of 1979-81-----	A-12
8. Bicycle tires: U.S. imports for consumption, by principal sources 1979-81, January-April 1981, and January-April 1982-----	A-13
9. Bicycle tubes: U.S. imports for consumption by principal sources 1979-81, January-April 1981, and January-April 1982-----	A-14
10. Average number of employees, total and production and related workers employed in establishments producing all products, bicycle tires, and bicycle tubes, hours worked by the latter, and wages and fringe benefits paid to the latter, 1979-81, January-April 1981, and January-April 1982-----	A-16
11. Income-and-loss experience of Carlisle Tire & Rubber Co. on overall operations of its establishment within which bicycle tires and tubes are manufactured, accounting years 1979-81, January-March 1981, and January-March 1982-----	A-17
12. Income-and-loss experience of Carlisle Tire & Rubber Co. on its bicycle tire and tube operation, accounting years 1979-81, January-March 1981 and January-March 1982-----	A-18
13. Cash flow from Carlisle Tire & Rubber Co.'s overall establishment operations and from its operations producing bicycle tires and tubes, 1979-81, January-March 1981, and January-March 1982-----	A-19
14. Carlisle Tire & Rubber Co.'s investment in operating assets employed in its overall establishment operations and operating assets used in the production of bicycle tires and tubes, as of the end of accounting years 1979-81, and as of March 31, 1981, and as of March 31, 1982-----	A-21
15. Bicycle tires: Ratio to U.S. consumption of U.S. producer's shipments, total imports, imports from Taiwan, the Republic of Korea, and from all other sources, 1979-81, January-March 1981, and January-March 1982-----	A-22

C O N T E N T S

TABLES

	<u>Page</u>
16. Bicycle tires: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, by specified periods, January 1980-March 1982-----	A-23
17. Bicycle tubes: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, 1979-81, January-March 1981, and January-March 1982-----	A-23
18. Bicycle tubes: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, by specified periods, January 1980-March 1982-----	A-24
19. Rubber products: Producer's price indices, by quarters, January 1980-March 1982-----	A-25
20. Bicycle tubes.--Average prices of 20 inch and 26 regular bicycle tubes reported by producers and importers, and margins of underselling, by quarters, January 1979-March 1982-----	A-26
21. Bicycle tires: Prices of 20-inch, blackwall, ribbed bicycle tires reported by the U.S. producer and importers, and margins of underselling, by quarters, January 1979-March 1982-----	A-27
22. Bicycle tires: Prices of 26-inch, blackwall, ribbed tires reported by the U.S. producer and importers, and margins of underselling, by quarters, January 1979-March 1982-----	A-28
23. Bicycle tires and tubes: Production capacity, production, and capacity utilization in Taiwan, 1979-81-----	A-29
24. Bicycle tires and tubes: Exports from Taiwan to the United States and all other countries, 1979-81-----	A-30

APPENDIX TABLES

D-1.--Bicycles: U.S. producer's shipments, trade, and apparent consumption, 1978-81-----	A-46
D-2.--Bicycle tires and tubes: U.S. consumption, 1977-81, January-March 1981, and January-March 1982-----	A-47
D-3.--Bicycle tires: U.S. production, U.S. producer's domestic shipments, imports for consumption, and apparent consumption, 1977-81, January-March 1981, and January-March 1982-----	A-48
D-4. Bicycle tubes: U.S. production, U.S. producer's domestic shipments, imports for consumption, and apparent consumption, 1977-81, January-March 1981, and January-March 1982-----	A-49

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. 20436

Investigation No. 731-TA-94 (Preliminary)
BICYCLE TIRES AND TUBES FROM TAIWAN

Determination

On the basis of the record 1/ developed in investigation No. 731-TA-94 (Preliminary), the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is threatened with material injury, 2/ 3/ 4/ by reason of imports of bicycle tires and tubes from Taiwan, as provided for in items 772.48 and 772.57, respectively, of the Tariff Schedules of the United States (TSUS), which are allegedly being sold in the United States at less than fair value (LTFV).

Background

On April 30, 1982, a petition was filed on behalf of Carlisle Tire & Rubber Co., Carlisle, Pa., with the U.S. International Trade Commission and with the Department of Commerce alleging that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from Taiwan of bicycle tires and tubes which are allegedly being sold at less than fair value. Accordingly, the Commission instituted a preliminary investigation under section 733(a) of the Tariff Act of 1930 to determine

1/ The "record" is defined in sec. 207.2(1) of the Commission's Rules of Practice and Procedure (47 F.R. 6190, Feb. 10, 1982).

2/ The vote of Vice-Chairman Calhoun reflects the statutory language which provides for a finding of "material injury or threat of material injury."

3/ Commissioner Frank determined that there is a reasonable indication that an industry in the United States is materially injured.

4/ Chairman Alberger determined that there is no reasonable indication that a domestic industry is materially injured or threatened with material injury.

whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or that the establishment of an industry in the United States is materially retarded, 1/ by reason of the importation of such merchandise into the United States.

Notice of the institution of the Commission investigation and of the conference to be held in connection therewith was 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 on May 12, 1982 (47 F.R. 20395). The conference was held in Washington, D.C. on May 27, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel. The Commission voted on this case in public session on June 8, 1982.

1/ Material retardation of the establishment of an industry was not raised as an issue in this investigation.

VIEWS OF VICE-CHAIRMAN MICHAEL J. CALHOUN, COMMISSIONERS PAULA STERN,
ALFRED E. ECKES, AND VERONICA A. HAGGART

We determine that there is a reasonable indication that an industry in the United States is threatened 1/ with material injury, by reason of imports of bicycle tires and tubes from Taiwan allegedly being sold at less than fair value (LTFV).

The Domestic Industry

In order to analyze the effect of alleged LTFV imports on the domestic industry, the relevant domestic industry must first be defined. Section 771(4)(A) 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." 19 U.S.C. § 1677(4)(A). Section 771(10) in turn defines "like product" 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." 19 U.S.C. § 1677(10).

Thus, we must first determine the domestic product that is "like, or in the absence of like, most similar in characteristics and uses, with" the imported product under investigation. Then, we must determine who are the domestic producers of that "like product."

The imports in this investigation are bicycle tires and tubes, which enter either separately or as sets. Each set includes one bicycle tire,

1/ The vote of Vice Chairman Calhoun reflects the statutory language which provides for a finding of "material injury or threat of material injury." (emphasis added) 19 U.S.C. § 1673b(a).

one tube, one valve cap, and one rimstrip. 2/ The two products under investigation, bicycles tires and bicycle tubes, are distinct. Tires are made of rubber, nylon and thread, whereas tubes are made simply from rubber. Tires are made by wrapping layers of the various materials used around rubberized metal wires, whereas tubes are fed into extruders and formed into a hose. Beyond the mixing of the rubber, the equipment used in the production of tires and tubes is different, and cannot be converted to alternative uses. Similarly, the production staff for tires and tubes is separate. The main function of a tire is traction, whereas the function of a tube is to contain the air within the tire.

Two main types of bicycle tires are imported: Pneumatic clincher-type tires and tubular tires. Clincher-type tires are designed for normal bicycle use and are intended for use with tubes that can be replaced. They account for virtually all of the bicycle tire imports and 100 percent of domestic bicycle tire production. Tubular tires are pneumatic tires in which tubes are permanently encased. They are used primarily on competitive amateur or professional racing bicycles and are not considered by the industry to be competitive with the clincher-type tires. 3/ Tubular tires differ significantly from clincher-type tires in their method of manufacture, retail

2/ Each major component of an imported set is classified under a different TSUS item, with the exception of the valve caps which enter as integral components of the tubes with which they are imported. Tires and tubes entered on imported bicycles are not classified separately and are not included in the import statistics for bicycle tires and tubes. The largest volume of domestic sales of bicycle tires and tubes consists of the sale of sets. However, we do not as yet have data on the percentage of allegedly LTFV imports that are sold as sets. We hope to obtain such information if the case should return for a final investigation.

3/ Report at A-1.

cost to the consumer, and the type of bicycles to which they are fitted.

Tubular tires account for a relatively insignificant proportion of the alleged LTFV imports.

Most shipments of bicycle tires, both imported and domestic, are in the 20-inch, 26-inch, and 27-inch diameter categories. ^{4/} They are characterized by two main features: (1) the color of the sidewalls which imparts a styling or cosmetic effect, and (2) the tread design. In addition to blackwalled tires, there are gumwalled tires which incorporate light or tan sidewalls or raised white lettering on the sidewalls. Tread designs include rib-type treads, and stud-type or knobby treads. Tires with rib-type treads account for the bulk of sales of both the domestic and imported products; however, the stud-type or knobby tread tires, which are generally heavier in construction and more expensive, are sold in significant quantities in the United States.

Both imported and domestic inner tubes used in bicycle tires fit the diameter and cross-sectional measurements of the tires with which they will be used. As with tires, most sales occur in the 20-, 26-, and 27-inch categories.

The manufacturing techniques for producing bicycle tires and tubes respectively are basically the same throughout the world. In the manufacture of bicycle tires, layers of fabric (usually nylon) combined with layers of tread are wrapped around two rubberized metal wires (beads) to form the tire carcass. Vulcanization completes the process. Virtually all bicycle tires are designed for use with tubes. In the manufacture of tubes, rubber is fed

^{4/} Both bicycle tires and tubes are available in approximately 20 sizes. Sizes are measured in terms of diameter and cross-section of the tire, e.g., a 20 by 1.75 tire is 20 inches in diameter measured from tread to tread and 1.75 inches in cross section measured from sidewall to sidewall.

into extruders and formed into a hose, which is then cut to length, spliced, fitted with an air valve, and vulcanized. Most equipment used in the manufacture of bicycle tires or tubes cannot be converted to alternative uses.

Pneumatic clincher-type tires produced by Carlisle are virtually identical in characteristics and uses to imported clincher-type tires of the same size, and are made by essentially the same process. (The domestic industry does not produce tubular tires.) Similarly, bicycle tubes produced by Carlisle are virtually identical to those of the same size that are imported, and are made by essentially the same process. They serve precisely the same end use.

Thus, for purposes of this preliminary investigation, we find that there is a like product corresponding to each article being imported: pneumatic clincher-type tires and bicycle tubes. 5/ 6/

Section 771(4)(D) provides:

Product Lines.--The 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 identification of production in terms of such criteria as the production process or 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. 19 U.S.C. § 1677(4)(D).

5/ According to the record in this investigation, the nature of the alleged LTFV imports is not clear. Specifically, tires and tubes enter into the United States from Taiwan both separately and in sets. The petition alleges LTFV sales of tires and tubes sold separately as well as in sets. In any final investigation, development of further data regarding imported sets may alter the analysis of the appropriate like product, and ultimately the definition of the domestic industry against which we assess the impact of these imports.

6/ See Additional Views of Vice-Chairman Calhoun, *infra*.

Separate profit and loss data on bicycle tires and bicycle tubes are not currently available to the Commission. It is our understanding that separate profit and loss data for bicycle tires and bicycle tubes could be made available to the Commission in a final investigation. 7/ Therefore, for the purposes of this preliminary investigation, we have assessed the effects of the alleged LTFV imports on the combined United States production of bicycle tires and tubes.

Reasonable indication of threat of material injury.

In making its preliminary determination, the Commission is directed by Title VII of the Tariff Act of 1930 to determine, based upon the best information available at the time of the determination, whether there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury, 8/ by reason of alleged LTFV imports of bicycle tires and tubes from Taiwan. 19 U.S.C. §§ 1671b, 1673b. In making its determination of a reasonable indication of threat of material injury in this investigation, the Commission has considered, among other factors, (1) the rate of increase of the allegedly dumped imports, (2) the condition of the domestic industry, (3) the capacity of producers in the exporting country to generate exports, and (4) the likelihood that such exports will be directed to the United States. 9/

7/ Carlisle keeps separate profit and loss data for bicycle tires and bicycle tubes for use as a management tool. In addition, Carlisle provided profit and loss data to the Commission in the section 201 (escape clause) investigation conducted in 1978.

8/ Material retardation of the establishment of a domestic industry is not an issue in this case.

9/ Cf. 19 C.F.R. § 207.26(d).

Our assessment of the impact of imports is focused on the increase in import levels during the first quarter of 1982 while economic indicators showed declines in the performance of the domestic producer. The data for January-April 1982 indicates a marked reversal of the decline in the volume of imports of bicycle tires and tubes from Taiwan from 1979 to 1981. The number of bicycle tires imported from Taiwan was more than 40 percent higher in the first 4 months of 1982 than the number imported in the first 4 months of 1981. During the same period of 1982, the average unit value of bicycle tires dropped approximately 20 percent. 10/ The number of tubes imported increased by over 23 percent during that same time period. 11/

Market share data for 1982 reflect similar changes in trends. The share of the U.S. market for bicycle tires held by imports from Taiwan remained relatively stable from 1979 to 1981. However, in January-March 1982, as consumption continued to decline, the Taiwan market share was nearly 20 percentage points higher than it was in the same period of 1981, and more than 10 percentage points higher than the annual figures for 1979 to 1981. Similarly, the share of the market held by bicycle tubes from Taiwan in the first quarter of 1982 was well above the figure for early 1981, or for any of the annual figures for the period under investigation. 12/

At the same time that imports increased, the domestic industry's production, capacity utilization, shipments, employment and profitability declined. During January-April 1982, U.S. production of bicycle tires and

10/ Report at Table 8.

11/ Report at Table 9.

12/ Report at Table 17.

tubes declined by nearly 15 percent compared to January-April 1982. 13/ Capacity utilization in the production of tires and tubes dropped significantly below 1979 levels in 1981, and remained at or below those levels in the first quarter of 1982. 14/ U.S. producer's shipments of bicycle tires and tubes declined by nearly one-third in January-March 1982 over the comparable period of 1981. 15/ Domestic shipments of bicycle tires and tubes sold as sets were down by almost one half. 16/

The number of production and related workers producing bicycle tires and tubes in 1981 was approximately the same as the number working in 1979. However, the employment level of production and related workers in the first quarter of 1982 was more than 10 percent below the comparable period of 1981. 17/ At the same time, the total number of hours worked by those employees dropped by nearly 20 percent. 18/

Carlisle's operations on bicycle tires and tubes are profitable. However, its net sales dropped significantly in the first quarter of 1982. In addition, its ratio of operating income to net sales in January-March, 1982 dropped markedly below the figure for the first quarter of 1981, and was below any of the figures for the prior three years. 19/ The cash flow on Carlisle's bicycle tire and tube operations in January-March 1982 dropped to less than half of the comparable 1981 level.

13/ Report at Table 1, Table 3.

14/ Report at Table 1.

15/ Report at Table 5.

16/ Report at Table 6.

17/ Report at Table 10.

18/ Report at Table 10.

19/ Report at Table 12.

Capacity utilization in the production of bicycle tires in Taiwan 20/ declined annually from 1979 to 1981. Capacity utilization in the production of tubes rose from 1979 to 1980, but sharply declined in 1981 and is projected to fall again in 1982. 21/ Taiwan production of bicycle tires and tubes in 1981 was approximately 14 million units or 16 percent below capacity. 22/ The United States is a major market for Taiwan tires and tubes. Thus, there is an indication of a present ability to increase exports to the United States by either increasing total production or shifting its exports. 23/

In light of the recent increase in imports of bicycle tires and tubes from Taiwan, and the most recent performance of the domestic producer, we conclude that there is a reasonable indication that there is a threat of material injury to a domestic industry by reason of the alleged LTFV imports.

20/ We currently have incomplete information on the capacity and capacity utilization of the Taiwan producers. We hope to obtain additional information on this factor if the case should return for a final investigation.

21/ Report at A-29.

22/ Report at A-30.

23/ A number of questions relating to Taiwan's potential role in the United States market were unanswered in this investigation. In any final investigation, we hope to have more data such as the number of producers in Taiwan, the facility with which new firms can enter into production in Taiwan, Taiwan's other foreign markets and import restrictions in those markets.

ADDITIONAL VIEWS OF VICE CHAIRMAN MICHAEL J. CALHOUN

In its industry analysis, the majority opinion discussed various aspects of production of tubes and tires by the domestic industry, but it makes no explicit industry finding. Rather, the majority recites the requirements of section 771(4)(D) and announces that "for purposes of this preliminary investigation, we have assessed the effects of the alleged LTFV imports on the combined United States production of bicycle tires and tubes." This failure by the majority to make an explicit industry finding is a departure from established Commission practice under the Trade Agreements Act of 1979.

I am aware of certain reasoning and analysis underlying section 771(4) construction which might well support the finding of material injury without making a specific industry finding. I am not aware, however, of any principle or rationale which supports such an abrupt departure from consistent administrative practice absent explicit and reasoned explanation. Such explicit and reasoned discussion affords parties an understanding of how Commission decisionmaking proceeds and how it might be impacted. To me, this is an essential requirement to be met in avoiding arbitrary and capricious decisionmaking. Without an open and plain discussion of why such a departure from our usual practice is taken in this case, whether such a departure might be taken again in the future and, if so, under what circumstances, I am

compelled to disassociate myself from the majority's view and make an industry analysis consistent with well established Commission practice.

In this regard, it is my view, consistent with the majority rationale in the Korean Nails investigation (Inv. No. 731-TA-45), that there are two products being imported and that for each imported product there is a domestic like product. Furthermore, based upon information available thus far it seems reasonable to conclude that bicycle tires and tubes are almost exclusively interdependent products and that the majority of bicycle tires and tubes are produced and sold as sets. Based on these factors, I find that there is one domestic industry consisting of the producers of bicycle tires and bicycle tubes.

Views of Commissioner Eugene J. Frank

On the basis of the record of Investigation No. 731-TA-94 (Prel.) I determine that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from Taiwan of bicycle tires and tubes allegedly sold at less than fair value.

At this point I would reiterate my position that the statute and legislation history in Title VII investigations require the Commission in its preliminary determinations for both antidumping and countervailing duty investigations to exercise only a low-threshold test based upon the best information available that the facts reasonably indicate that an industry in the United States could possibly be suffering material injury, threat thereof, or material retardation. 1/

Domestic Industry

Section 771(4) of the Tariff Act of 1930 defines the term "industry" as the "domestic producers as a whole of the like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 2/

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." 3/

The bicycle tires and tubes that are imported into the United States from Taiwan are like the bicycle tires and tubes produced by petitioner the Carlisle Tire and Rubber Co., which is the only manufacturer of pneumatic clincher-type bicycle tires and tubes in the United States. The other firms which produced these bicycle tires and tubes in the United States ceased

1/ H.R. Report No. 96-317 96th Cong. 1st Sess., p. 52 (1979)

2/ 19 U.S.C. 1677(4)(A).

3/ 19 U.S.C. 1677(10).

production in the 1970's. In reaching this preliminary determination, I concluded that there is one domestic industry because the largest volume of their sales consists of the sale of sets of tires and tubes. It is common for a bicycle tire manufacturer to also produce bicycle tire tubes. They are sold through same sales channels and the products are complementary. Domestic producer manufactures both the tires and tubes in a single integrated plant, and the two products are inventoried and sold as an integrated product line. The profit and loss data available to the ITC at this time pertains to the bicycle tire and tube product line of the petitioner.

Reasonable indication of material injury by reason of less than fair value imports

The statute requires the Commission to determine whether there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury by reason of imports of the products which is the subject of the investigation by the administering authority. ^{4/} It is my opinion in this case that the record demonstrates that there is a reasonable indication that the imports of bicycle tires and tubes from Taiwan allegedly sold in the United States at less than fair value are a cause of material injury to the domestic industry.

In making its determination the Commission must consider, among other factors, the volume of imports, the effect these imports have on prices in the United States of the domestically produced like product, and the impact these imports of like merchandise have on the sole domestic producer left in this case.

U.S. production declined substantially in 1981 from the 1980 production levels and was lower than production in 1979 resulting also in a corresponding

^{4/} Material retardation of the establishment of a domestic industry is not an issue in this case.

decline in capacity utilization. 5/ Although part of the decline in U.S. production and shipments can be attributed to the corresponding decline in consumption of bicycles between 1979 and 1981, it appears that the share supplied by the alleged LTFV imports to U.S. consumption has increased in both tires and tubes in the January through March 1982 period reaching the highest level of penetration *** in the years covered by this investigation in the case of tires. 6/ U.S. producers' shipments of tires for this quarter dropped precipitously from the corresponding quarter back in 1981 and which continued to go down through the second half of 1981. In the bicycle tubes area, penetration by imports from Taiwan to U.S. consumption reached a very high level in the first quarter of 1982 of *** compared to *** for the same period in 1981. 7/ U.S. producers shipments were lower in 1981 than in 1979, and for bicycle tires they were lower than in 1980. Shipments of both tires and tubes during January-March 1982 for the sole domestic producer left were substantially below shipments during the same period of 1981. Also, U.S. producer's year-end inventories of bicycle tires and tubes went up sharply from 1979 to 1980, came down somewhat in 1981, but at the end of the first quarter of 1982 had gone up higher than at comparable end of similar quarter of 1981. Employment since 1980, reported by the U.S. producer, has been going down in bicycle tires and tubes, as well as hours worked by production and related workers. These employment trends continued for the January through April period of 1982.

Domestic producer's bicycle tire and tube operation reported profits during the period covered by the investigation, although bicycle tire and tube income margins were substantially less than those of their total operation.

5/ The U.S. industry consists of only one remaining U.S. producer, therefore only general trends will be discussed.

6/ Table 15, Staff Report. For some reason there was no table in the Staff Report which covered ratio of imports to U.S. consumption and U.S. producers' shipments in one table of both bicycle tires and tubes.

7/ Staff Report, Table 17, p. A-23.

Also, in 1981, the ratio of income before taxes to net sales on bicycle tire and tube operations declined by nearly half from the ratio of net income to net sales in 1980, and during the first quarter of 1982 this trend of net income before taxes continued to deteriorate, declining sharply from comparable first quarter of 1981.

In this area of prices Staff Report says that although response in each item requested from the domestic producer was obtained, response from importers was poor. 8/ Price data were collected for the largest shipments by quarters for January 1979 through March 1982. The margins of underselling of bicycle tires were substantial throughout the period for which data was collected averaging ***percent. 9/ For 20-inch blackwalled, ribbed tires, the margins of underselling ranged during the period from a low of ***percent to a high of ***percent, and averaged ***percent. 10/ For the 26-inch blackwalled, ribbed tires, importers margins of underselling ranged from ***percent to ***percent, averaging ***percent during the period for which data was available. Lost sales to imports of bicycle tires and tubes from Taiwan since 1979 were confirmed by the Staff. 11/

Causation

The record indicates that, although imports from Taiwan of both bicycle tires and tubes declined between 1979 and 1981, Taiwan's market share increased markedly in the second half of 1981 over the 1979 level while the average unit value of bicycle tires from Taiwan declined substantially, more than doubling the margin of underselling of domestic producer. In the first quarter of 1982, margins of underselling became larger as imports from Taiwan surged and the sole domestic producer's shipments dropped sharply. The record shows that the

8/ Staff Report, p. A-24.

9/ Staff Report, p. A-26.

10/ Staff Report, p. A-27.

11/ Staff Report, p. A-28.

domestic producer was unable to increase prices to a level where they could offset higher unit costs related to less than anticipated production because of the substantial underselling of bicycle tires and tubes from Taiwan.

Taiwan exports to the United States can increase quickly in bicycle tires and tubes, and together with price and other market penetration levels already reached could, if continued, cause further injury in the operation of the sole domestic producer left; but having found material injury, I do not reach the issue of threat of material injury in this determination.

Conclusion

Based on the information available to the Commission at this time, I find that there is a reasonable indication of material injury to the domestic industry, and therefore, that this investigation should be continued.

VIEWS OF CHAIRMAN BILL ALBERGER

I determine that there is no reasonable indication of material injury or threat of material injury, and that the establishment of an industry in the United States is not materially retarded by reason of imports of bicycle tires and tubes from Taiwan, alleged to be sold at less than fair value. My judgment is based primarily on the high level of profitability of the only domestic producer of bicycle tires and tubes, the Carlisle Tire and Rubber Company (Carlisle).

While it is common to begin opinions under Title VII of the Tariff Act of 1930 (Title VII) by defining the imported product, the like product and the domestic industry, I see no need to give that matter extensive treatment. As is apparent from the report, 1/ Carlisle produces bicycle tires and tubes which are clearly "like" the imported tires and tubes under investigation from Taiwan. In my view, it makes no difference whether there is one like product or two like products or even more like products. My analysis focuses on the productive facilities of Carlisle devoted to producing bicycle tires and tubes. No other domestic company produces either bicycle tires or tubes. No allocation has been made by Carlisle between profits derived from tires and from tubes. My major concern here is the high profits, and thus the definition of the like product is superfluous.

For three full years, 1979-1981, the ratio of operating income to net sales for the bicycle tire and tube operation of Carlisle shows levels significantly in excess of the return on sales ratios for related industries. 2/ In the first quarter of 1982, the last period for which profit data is available,

1/ Report at A-1.

2/ Fortune, May 3, 1982, p. 281.

profits have declined, but are more than *** the average for rubber manufacturers. 1/ Clearly, production, shipments, capacity utilization, and employment have all declined in the first quarter of 1982. It concerns me that declines in only one calendar quarter are relied upon so heavily by my colleagues in reaching an affirmative decision in this situation. But it disturbs me even more when the industry in question remains as profitable as this one. To find a reasonable indication of threat of material injury, you should have an industry whose profits have at least dropped below average levels. It was my view that such a standard generally prevailed in Commission decisions under Title VII prior to this case. 2/ Here we have an industry that has shown the ability to be extremely profitable in the face of quite high import penetration.

From 1979 to 1981, imports of bicycle tires and tubes declined by as much as 22 percent. There is no trend that would show that the one quarter increase in 1982 will continue. Price levels for Carlisle do not seem to be adversely impacted, as they have generally increased. Further, there is no evidence of lost sales.

It is difficult to comprehend an injury finding, even at a preliminary stage, when the domestic industry is this profitable. Industries with much lower profits, and even some with losses, have been denied relief in prior cases. Such a clear sign of health should not be ignored.

1/ Report at A-18, Table 12.

2/ See Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, The Netherlands, Romania, The United Kingdom, and West Germany, USITC Pub. 1221, Feb. 1982, pp. 88-92. Note particularly the following sentence on page 92 from the majority views: "Although production, shipments, and net sales are all down significantly from the peak years of 1978 and 1979, the industry has maintained a healthy profit picture throughout the four year span investigated." So has the bicycle tire and tube operations of Carlisle.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On April 30, 1982, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce by Counsel on behalf of the Carlisle Tire & Rubber Co., Carlisle, Pa. The petition alleges that bicycle tires and tubes imported from Taiwan are being, or are likely to be, sold in the United States at less than fair value (LTFV). Accordingly, on May 5, 1982, the Commission instituted preliminary antidumping investigation No. 731-TA-94 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)). The purpose of this investigation is 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 the importation from Taiwan of bicycle tires and tubes provided for in items 772.48 and 772.57, respectively, of the Tariff Schedules of the United States (TSUS).

The statute directs that the Commission make its determination within 45 days of receipt of the petition by the Commission and Commerce, or in this case by June 14, 1982. 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 May 12, 1982 (47 F.R. 20395). 1/ A public conference was held in Washington, D.C., on May 27, 1982, at which all interested parties were afforded the opportunity to present information and data for consideration by the Commission. 2/ The Commission vote on this case was held in public session, following the staff briefing of the Commission in closed session, on Tuesday, June 8, 1982.

Description and Uses

This investigation involves bicycle tires and tubes which, if imported, enter the United States under items 772.48 and 772.57, respectively, of the TSUS. Pneumatic clincher-type tires, which incorporate a replaceable tube, are designed for normal bicycle use and account for 100 percent of domestic bicycle tire production, as well as virtually all of the bicycle tire imports. Tubular tires (pneumatic tires in which tubes are permanently encased), which account for a relatively insignificant proportion of the imports, are used primarily on racing-type bicycles and are not considered by the industry to be competitive with the clincher-type tires.

Bicycle tires and tubes are available in about 20 sizes. Sizes are measured in terms of diameter and cross section of the tire, e.g., a 20 by 1.75 tire is 20 inches in diameter measured from tread to tread and 1.75 inches in cross-section measured from sidewall to sidewall. Most shipments of bicycle tires, both domestic and imported, are in the 20-inch, 26-inch, and 27-inch diameter categories.

1/ A copy of the Commission's Notice of Investigation is presented in appA-A.

2/ A calendar of witnesses who appeared at the public conference is presented in app. B.

Bicycle tires are characterized by two main features: (1) the color of the sidewalls, which imparts a particular styling or cosmetic effect, and (2) the tread design. In addition to blackwall tires there are gumwall tires which incorporate light or tan sidewalls or raised white lettering on the sidewalls. Tread designs include rib-type treads and stud-type or knobby treads, which include the moto cross design. Tires with rib-type treads account for the bulk of sales of both the domestic and imported products, but the stud-type or knobby tread tires, which are generally heavier in construction and more expensive, are sold in significant quantities in the United States.

Two types of tubes--regular and heavy-duty--are marketed in the United States. Heavy-duty tubes, which are puncture or thorn resistant, are marketed primarily in the Western States. Industry sources estimate that an average of one to two tubes are used during the life of a tire.

Techniques used in the manufacture of bicycle tires and tubes are basically the same throughout the world. In the manufacture of bicycle tires, layers of fabric (usually nylon) combined with layers of rubber tread are wrapped around two rubberized metal wires (beads) to form the tire carcass; vulcanization completes the process. Unlike motor-vehicle tires, which are manufactured for use with or without tubes, virtually all bicycle tires are designed for use with tubes. 1/

In the manufacture of tubes, rubber is fed into extruders and formed into a hose, which is then cut to length, spliced, fitted with an air valve, and vulcanized. Most equipment used in the manufacture of bicycle tires and tubes cannot be converted for alternative uses.

U.S. Tariff Treatment

Imported bicycle tires enter the United States under item 772.48 and tubes for bicycle tires enter under item 772.57 of the TSUS. Bicycle tires and tubes enter separately and as sets (each set includes one bicycle tire, one tube, one valve cap, and one rimstrip). Each major component of an imported set is classified under the appropriate TSUS item. Rimstrips are classified under TSUS item 732.26 and are dutiable at the column 1 rate 2/ of 15 percent ad valorem, but valve caps are attached to inner tubes and enter the United States as integral components of the tubes with which they are imported. Tires and tubes entered on imported bicycles are not classified separately and are not included in the import statistics for bicycle tires and tubes. The following table shows the current column 1 (most-favored-nation rates) of duty for bicycle tires and tubes, which are applicable to imports

1/ The only exceptions are those tires referred to as sew-ups (tubular tires) and semipneumatics, which are not produced domestically and which account for less than 1 percent of total imports.

2/ Column 1 rates of duty are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, these rates would not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the General System of Preferences or under the "LDDC" rate of duty column. A-2

Bicycle tires and tubes: U.S. rates of duty, 1982

(In percent ad valorem)

TSUS No.	Description	Most-favored- nation rate 1/	Statutory rate
772.48----	Bicycle tires-----	5	10
772.57----	Bicycle tubes-----	15	30

1/ These rates of duty have been in effect since Jan. 1, 1972, and were not subject to concessions by the United States in the Multilateral Trade Negotiations concluded in Geneva in 1979.

from Taiwan, and the column 2 (statutory) rates of duty. 1/ Bicycle tires and tubes are not eligible for duty-free treatment under the Generalized System of Preferences (GSP). 2/

Earlier Investigations

Bicycle tires and tubes have been the subject of many investigations by the U.S. Government. On December 27, 1977, Carlisle Tire & Rubber Co. concurrently filed two countervailing duty complaints with the Treasury Department under section 303 of the Tariff Act of 1930, as amended, with respect to imports of bicycle tires and tubes from Taiwan and the Republic of Korea, and on January 13, 1978, Carlisle filed two antidumping complaints with the Treasury Department under the Antidumping Act, 1921, as amended, with respect to bicycle tires and tubes from Taiwan and Korea. Further, on March 2, 1978, Carlisle Tire and Rubber Company filed a petition with the U.S. International Trade Commission for import relief under section 201 of the Trade Act of 1974. See Appendix C of this report for a chronology of the four countervailing duty and antidumping proceedings supplied by counsel for Carlisle at the request of the Commission's staff.

Earlier countervailing duty investigations

Bicycle tires and tubes from Taiwan.--On December 27, 1977, Carlisle Tire and Rubber Co. filed with the Treasury Department, a countervailing duty complaint with respect to bicycle tires and tubes from Taiwan. Treasury published its notice of institution of its investigation in the Federal Register on February 23, 1978 (43 F.R. 7494), and published its preliminary

1/ Column 2 rates of duty apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

2/ The GSP, enacted as title V of the Tariff Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after January 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985.

determination in the Federal Register of July 28, 1978 (43 F.R. 32912). Treasury's notice of its final determination was published in the Federal Register of January 8, 1979 (44 F.R. 1815), and stated that benefits paid by Taiwan on the manufacture or exportation of bicycle tires and tubes were de minimus and that, therefore, no bounty or grant was being paid or bestowed within the meaning of section 303 of the Tariff Act of 1930.

Shortly after Treasury's negative determination Carlisle contested the decision and, in June 1981, the Court of International Trade remanded the case to the Department of Commerce for a redetermination of the subsidies received by the Taiwanese manufacturers. The Department of Commerce published notice of its reopening of the investigation in the Federal Register of August 3, 1981 (46 F.R. 39464). On October 28, 1981, Commerce published its final countervailing duty determination in the reopened investigation (46 F.R. 53201), finding that one Taiwanese manufacturer, Chang Shin, had received bounties and grants of greater than de minimus amounts. The amount was determined to be 0.893 percent. Following the Court of International Trade's affirmation of the results of Commerce's determination, Commerce published a countervailing duty order on February 17, 1982 (47 F.R. 1982) that the net subsidy applicable to Chang Shin's exports during the year 1977 was .893 percent ad valorem. Cash deposits of this amount are required for all imports from Chang Shin, if entered or withdrawn from warehouse after October 28, 1981. On April 22, 1982, Chang Shin filed a complaint with the Court of International Trade making judicial review of the final countervailing duty determination. No request for a Commission review of the countervailing duty order with respect to bicycle tires and tubes from Taiwan under section 104 of the Trade Agreements Act of 1979, has yet been received.

Bicycle tires and tubes from Korea.--On December 27, 1977, Carlisle Tire and Rubber Co. filed with the Treasury Department, a countervailing duty complaint with respect to bicycle tires and tubes from Korea. Treasury published its notice of its initiation of its investigation in the Federal Register of February 23, 1978 (43 F.R. 7495). On July 28, 1978, Treasury published its preliminary findings (43 F.R. 32910) and on January 12, 1979, it published its final determination (44 F.R. 2570) in which one Korean producer, Korea Inoue Kasei, received more than de minimus bounties and grants. The subsidies received by Korea Inoue Kasei amounted to 0.50 percent of the f.o.b. price for export to the United States, and Customs was directed to collect countervailing duties on all such merchandise that entered the United States on or after January 12, 1979. ^{1/} Shortly thereafter, Carlisle contested the negative finding of Treasury with regard to the other Korean producers, and on September 11, 1981, the Court of International Trade remanded the case to the Commerce Department to determine the ad valorem benefits of Korean producers

^{1/} On July 29, 1981, Commerce published the results of its annual reviews of this countervailing duty order, finding that Korea Inoue Kasei had received a net subsidy of 1.05 percent of the f.o.b. invoice price of the merchandise. A cash deposit of that amount has been requested of all entries since that date.

other than Korea Inoue Kasei. On March 3, 1982, Commerce reported to the Court that it had found a subsidy of 0.306 percent ad valorem on exports from Dae Yung, but that it considered this to be de minimus. At that time it also found benefits received by a third Korean producer, Hung-A, to be 0.55 percent ad valorem, but has not published this determination since the Court has not yet affirmed it. On March 15, 1982, Carlisle announced its intention to contest Commerce's redetermination. In addition Hung-A has made a motion to intervene in the proceedings. No further action has taken place. On July 31, 1981, the Commission was requested on behalf of Korea Inoue Kasei, to review the outstanding countervailing duty order applicable to bicycle tires and tubes from Korea under section 104 of the Trade Agreements Act of 1979. A Commission investigation arising from this request has not yet been scheduled, but must be completed prior to July 31, 1984.

Earlier Antidumping Investigations

Bicycle tires and tubes from Taiwan.--On January 13, 1979, Carlisle Tire and Rubber Co. filed with the Treasury Department an antidumping complaint on bicycle tires and tubes from Taiwan. Treasury published its notice of its antidumping proceeding in the Federal Register of February 23, 1978 (43 F.R. 7496). Despite a 5.1 percent less-than-fair-value margin found for Chang Shin in its preliminary Federal Register notices of September 18, 1978 (43 F.R. 41451) and no or minimal margins found for other Taiwan producers, Treasury's notice of its final determination, published in the Federal Register of December 29, 1978 (43 F.R. 61066), resulted in no LTFV sales for one producer, a de minimus margin from a second producer, and minimal margins for two other producers that gave assurances to the U.S. Government that further sales would not be at less than fair value.

Shortly after Treasury's negative determination, Carlisle contested the finding and on May 12, 1982, the U.S. Court of International Trade remanded the case to the Commerce Department with respect to Cheng Shin and Kinda. The findings of the Secretary of Commerce with respect to these two producers are due to be reported to the Court by August 10, 1982.

Bicycle tires and tubes from Korea.--On January 13, 1978, Carlisle Tire and Rubber Co., filed with the Treasury Department, an antidumping complaint with respect to bicycle tires and tubes from Korea. Treasury published its notice of its antidumping proceeding in the Federal Register of February 23, 1978 (43 F.R. 7496). Making an affirmative preliminary determination, it published a Notice withholding appraisement in the Federal Register of September 18, 1978 (43 F.R. 41449). Treasury's notice of its final determination appeared in the Federal Register of December 29, 1978 (43 F.R. 61067).

On December 26, 1978, the United States International Trade Commission received advice from Treasury that bicycle tires and tubes from Korea are being, or are likely to be, sold at less than fair value in the United States.

As a result, the U.S. International Trade Commission, on January 9, 1979, instituted investigation No. AA1921-193, to determine whether the United States was being or was likely to be injured as a result of sales of bicycle tires and tubes from Korea that the Secretary of the Treasury had determined were being, or were likely to be sold at less than fair value. The Commission notified the Secretary of the Treasury on March 26, 1979, of its unanimous affirmative determination. 1/ Antidumping duties on these imports have been assessed since September 18, 1978. On February 23, 1982, Commerce published its preliminary annual review of LTFV margins under section 751 for four firms, and for the period January 1, 1979-March 31, 1980, the margins ranged from 1.1 percent to 7.78 percent of the f.o.b. export value of the merchandise. Both sides have protested the LTFV margins found and a final determination has not yet been made.

Earlier Escape Clause Investigation

On March 2, 1978, the Carlisle Tire and Rubber Co. filed a petition with the U.S. International Trade Commission for import relief under section 201 of the Trade Act of 1974. As a result of that investigation, the Commission, by a vote of 4 to 1, determined that bicycle tires and tubes were being imported into the United States in such increased quantities as to be substantial cause of serious injury to the domestic industry. 2/ The Commission report in this case was delivered to the President on September 1, 1978. On October 30, 1978, the President announced that the import relief recommended by the Commission would not be in the national interest.

Domestic Industry

U.S. producers

Carlisle Tire & Rubber Co. is the only manufacturer of bicycle tires and tubes in the United States. It operates manufacturing facilities for bicycle tires and tubes at Carlisle, Pa. Firms which formerly produced bicycle tires and tubes in the United States included Goodyear Tire & Rubber Co. and the Uniroyal Co. Goodyear, which has production facilities for bicycle tires and

1/ Chairman Parker and Commissioners Moore, Bedell, and Stern determined that an industry was being or was likely to be injured; Vice Chairman Alberger determined that an industry was being injured.

2/ Chairman Parker and Commissioners Moore, and Bedell determined in the affirmative for pneumatic bicycle tires, other than tubular tires, and in the affirmative for tubes for bicycle tires. Commissioner Ablondi determined in the affirmative for bicycle tires and tubes for bicycle tires; Vice Chairman Alberger determined in the negative for bicycle tires and tubes for bicycle tires. Commissioner Minchew did not participate.

tubes in India and Indonesia, ceased U.S. production of these products in August 1976. Uniroyal ceased production of bicycle tires and tubes in January 1970 and sold its equipment and brand names to Carlisle.

U.S. production capacity

Carlisle's capacity to produce both bicycle tires and tubes increased annually between 1979 and 1981. The capacity to produce bicycle tires increased by about ** percent, from * * * units in 1979 to * * * units in 1981, while that for tubes increased by about ** percent, from * * * units in 1979 to * * * units in 1981 (table 1). According to counsel for Carlisle, the increased capacity was part of an adjustment plan to improve its competitive position which Carlisle presented to the Commission during the escape-clause investigation (No. TA-201-33) and again at the Commission hearing on bicycle tires and tubes from Korea (investigation No. AA1921-193). 1/

Carlisle's capacity utilization (production as a share of capacity) for tires increased from * * * percent in 1979 to * * * percent in 1980 but declined substantially in 1981 to * * * percent. Capacity utilization for tubes, which has been below that for bicycle tires, followed the same trend as that for tires, increasing from * * * percent in 1979 to * * * percent in 1980 and declining to * * * percent in 1981.

Table 1.--Bicycle tires and tubes: U.S. production capacity, production, and capacity utilization, by product, 1979-81, January-April 1981, and January-April 1982

Product and period	Capacity	Production	Capacity utilization
	-----1,000 units-----		Percent
Tires:			
1979-----	***	***	***
1980-----	***	***	***
1981-----	***	***	***
Jan.-Apr.--			
1981-----	***	***	***
1982-----	***	***	***
Tubes:			
1979-----	***	***	***
1980-----	***	***	***
1981-----	***	***	***
Jan.-Apr.--			
1981-----	***	***	***
1982-----	***	***	***

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

1/ Transcript of the conference, p. 29.

Taiwan Industry

The petition filed with the Commission and the Department of Commerce alleges that there are about 10 bicycle tire and tube producers in Taiwan, five of which are believed to account for over 85 percent of total production of bicycle tires and for over 80 percent of total production of bicycle tubes in that county. These five firms are also believed to account for more than 85 percent of total exports of bicycle tires and tubes from Taiwan to the United States.

U.S. Importers

More than 50 firms imported bicycle tires and tubes in 1981, at least 30 of which imported bicycle tires and tubes from Taiwan in 1981. Six firms which provided data to the Commission during this investigation accounted for about 30 percent of the tires and 40 percent of the tubes imported from Taiwan in 1981. Some of the importers of record were original-equipment manufacturers (OEM's) of bicycles. Most of the tires and tubes imported by those firms were used in the production of finished bicycles.

Channels of Distribution

Distribution of bicycle tires and tubes, whether domestic or imported, usually takes place through (1) direct sales of bicycles by OEM's and (2) sales to distributors and jobbers which supply the replacement market. Some importers, sell directly to bicycle shops; some mass merchandisers (such as * *, * *, and * *) import directly and supply the replacement market through their own retail outlets. Table 2 shows shipments in 1981 of bicycle tires, tubes, and sets by channels of distribution, for the domestically produced articles and those imported from Taiwan. The data shown for Taiwan are of limited value because they were based on a small number of questionnaire returns.

Table 2.--Bicycle tires and tubes: Percentage distribution of shipments of domestically produced articles and those imported from Taiwan, by channels of distribution, 1981

Item	Domestic			Imported from Taiwan		
	Tires	Tubes	Sets	Tires	Tubes	Sets
OEM's-----	***	***	***	***	***	***
Mass merchandisers-----	***	***	***	***	***	***
Captive retail stores-----	***	***	***	***	***	***
Bicycle shops-----	***	***	***	***	***	***
Others 1/-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***

A-8

1/ Principally includes sales to dealers and distributors.

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

Nature and Extent of the Alleged Sales at LTFV

According to the petition filed with the Department of Commerce by counsel for Carlisle, there are believed to be 10 active bicycle tire and tube manufacturers in Taiwan, five of which are believed to account for over 85 percent of the bicycle tires and tubes exported to the United States from that country. The alleged dumping margins range from 1 to as much as 41 percent.

Consideration of a Reasonable Indication of Injury
or the Likelihood ThereofU.S. production

U.S. production of bicycle tires and tubes increased from *** units in 1979 to *** units in 1980 but declined in 1981 to *** units (table 3). Production of bicycle tires in 1981 was *** percent below the level of production in 1980 and *** percent below production in 1979. Production of tubes in 1981 declined *** percent from production in 1980 and *** percent from production in 1979. Part of the decline in U.S. production (and also U.S. shipments and imports) of bicycle tires and tubes resulted from the decline in the apparent consumption of bicycles between 1979 and 1981. Apparent U.S. consumption of bicycles, at 10.9 million units in 1979, was high but declined annually to 9.0 million units in 1981. Bicycle industry sources blame the rapid drop in the market on the recession. Table D-1 in appendix D shows U.S. consumption of bicycles, during 1978-81.

Table 3.--Bicycle tires and tubes: U.S. production, 1979-81,
January-April 1981, and January-April 1982

(In thousands of units)				
Period	Tires	Tubes	Total	
1979-----	***	***	***	
1980-----	***	***	***	
1981-----	***	***	***	
January-April--				
1981-----	***	***	***	
1982-----	***	***	***	

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

Table D-2 in shows U.S. production of bicycle tires and tubes during 1977-81, January-April 1981, and January-April 1982.

U.S. consumption

U.S. consumption of bicycle tires and tubes was on a downward trend from 1979 to 1981, although consumption of tubes increased slightly in 1980. Total consumption of bicycle tires and tubes declined from *** units in 1979 to *** units in 1981, a decline of *** percent. U.S. consumption of bicycle tires declined annually from *** units in 1979 to *** units in 1981, a decline of * * * percent. U.S. consumption of tubes increased slightly, from *** units in 1979 to *** units, in 1981 declined in 1981 to *** units, *** percent below consumption in 1979 (table 4). Table D-2 shows U.S. consumption of bicycle tires and tubes for 1977-81, January-March 1981, and January-March 1982.

Table 4.--Bicycle tires and tubes: U.S. consumption, 1979-81, January-March 1981, and January-March 1982

(In thousands of units)				
Period	Tires	Tubes	Total	
1979-----	***	***	***	
1980-----	***	***	***	
1981-----	***	***	***	
January-March--				
1981-----	***	***	***	
1982-----	***	***	***	

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

U.S. producer's domestic shipments

U.S. shipments of bicycle tires and tubes by Carlisle declined irregularly from *** units in 1979 to *** units in 1980 and 1981. Shipments of bicycle tires declined annually from *** units in 1979 to *** units in 1981 while shipments of tubes declined from *** units in 1979 to *** units in 1980, but increased slightly in 1981 to *** units (table 5). Tables D-3 and D-4 show U.S. producer's domestic shipments of bicycle tires and tubes, 1977-81, January-March 1981, and January-March 1982.

Table 5.--Bicycle tires and tubes: U.S. producer's domestic shipments, 1979-81, January-March 1981, and January-March 1982

(In thousands of units)				
Period	Tires	Tubes	Total	
1979-----	***	***	***	
1980-----	***	***	***	
1981-----	***	***	***	
Jan.-Mar.--				
1981-----	***	***	***	
1982-----	***	***	***	10

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

As shown in table 6, shipments of bicycle tires and tubes which were sold separately by Carlisle declined annually from 1979 to 1981. During January-March 1982, shipments of tires sold separately continued downward, declining ** percent from shipments during the corresponding period of 1981. However, shipments of tubes sold separately increased by *** percent during January-March 1982, compared with those in January-March 1981. Shipments of tire and tube sets declined from *** units in 1979 to *** units in 1980, and then increased in 1981 to *** units. During January-March 1982, sales of sets by Carlisle were down *** percent from sales during January-March 1981.

The average unit value of sales for bicycle tires sold separately increased annually from *** in 1979 to *** in 1981 and continued upward during January-March 1982, reaching ***. The average unit value of tubes sold separately increased from *** in 1979 to *** in 1980, declined to *** in 1981, then increased to *** during the January-March 1982. The average unit value for sales of tire and tube sets increased annually from *** in 1979 to *** in 1981 and continued upward to *** during January-March 1982 (table 6).

Table 6.--Bicycle tires, tubes, and sets: Shipments of bicycle tires and tubes sold separately, and shipments of sets by Carlisle Tire & Rubber Co., 1979-81, January-March 1981, and January-March 1982

Item	:	:	:	:	Jan.-Mar.--	
					1981	1982
	:	:	:	:	:	:
Tires:	:	:	:	:	:	:
Quantity------(1,000 units)---	:	:	:	:	:	:
Value------(1,000 dollars)---	:	:	:	:	:	:
Average unit value-----	:	:	:	:	:	:
Tubes:	:	:	:	:	:	:
Quantity------(1,000 units)---	:	:	:	:	:	:
Value------(1,000 dollars)---	:	:	:	:	:	:
Average unit value-----	:	:	:	:	:	:
Sets:	:	:	:	:	:	:
Quantity------(1,000 units)---	:	:	:	:	:	:
Value------(1,000 dollars)---	:	:	:	:	:	:
Average unit value-----	:	:	:	:	:	:

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

U.S. producer's inventories

Yearend inventories of bicycle tires and tubes at Carlisle *** in 1980, compared with inventories in 1979. Inventories of both tires and tubes declined in 1981 but remained substantially higher than the 1979 inventory levels.

As a share of U.S. production of bicycle tires, inventories increased from *** percent in 1979 to *** percent in 1980, and to *** percent in 1981. Inventories of tubes, as a percentage of production, increased from *** percent in 1979 to *** percent in 1980 and to *** percent in 1981. The ratio of inventories to producer's shipments of both tires and tubes is shown in table 7.

Table 7.--Bicycle tires and tubes: U.S. producer's yearend inventories, as of Dec. 31 of 1979-81

Item	As of Dec. 31--		
	1979	1980	1981
Bicycle tires:			
Inventory-----1,000 units--	***	***	***
Ratio of inventory to:			
U.S. production---- (percent)--	***	***	***
U.S. shipments----- (do)----	***	***	***
Bicycle tubes:			
Inventory-----1,000 units--	***	***	***
Ratio of inventory to:			
U.S. production---- (percent)--	***	***	***
U.S. shipments----- (do)----	***	***	***

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

U.S. imports

Bicycle tires.--U.S. imports of bicycle tires declined annually, from 23.1 million units in 1979 to 18.7 million units in 1981, or by a total of 19 percent, as imports from both Taiwan and Korea, by far the principal suppliers, declined annually. Imports from Taiwan were down 22 percent in 1981, compared with those in 1979, and imports from Korea were down 26 percent. However, imports from Japan, France, and Italy, countries which supplied a much smaller share of total imports, increased during 1979-81 (table 8).

Tubes for bicycle tires.--U.S. imports of tubes increased from 33.3 million units in 1979 to 34.5 million units in 1980, but declined substantially in 1981 to 25.4 million units. Imports from Taiwan, the principal supplier, influenced the trend, increasing from 20.2 million units in 1979, to 22.4 million units in 1980, and declining in 1981 to 15.6 million units. Imports from Korea, the second largest supplier, declined without interruption from 12.2 million units in 1979 to 7.9 million units in 1981. From 1979 to 1981, U.S. imports from Japan and France increased. The People's Republic of China, which exported no tubes to the United States in 1979, exported 107,000 tubes in 1980 and 571,000 tubes to the United States in 1981 (table 9).

Table 8.--Bicycle tires: U.S. imports for consumption, by principal sources, 1979-81, January-April 1981, and January-April 1982

Source	1979	1980	1981	January-April--	
				1981	1982
Quantity (1,000 units)					
Taiwan-----	11,755	11,370	9,118	2,338	3,300
Republic of Korea-----	9,252	8,183	6,863	1,844	1,461
Japan-----	1,440	1,937	1,956	803	430
France-----	101	133	197	74	25
Italy-----	49	82	115	47	52
India-----	333	247	242	200	0
All others-----	202	302	175	126	8
Total-----	23,132	22,274	18,666	5,432	5,276
Value (1,000 dollars)					
Taiwan-----	12,304	17,058	15,121	4,148	4,677
Republic of Korea-----	9,699	11,089	10,449	2,841	2,260
Japan-----	2,936	4,794	6,276	2,470	1,156
France-----	400	532	1,022	388	158
Italy-----	307	754	985	416	393
India-----	261	282	321	275	-
All others-----	398	650	584	409	26
Total-----	26,305	35,159	34,758	10,897	8,670
Unit value					
Taiwan-----	\$1.05	\$1.05	\$1.66	\$1.77	\$1.42
Republic of Korea-----	1.05	1.36	1.52	1.54	1.55
Japan-----	2.04	2.45	3.21	3.01	2.69
France-----	3.98	3.99	5.19	5.24	6.32
Italy-----	6.24	9.19	8.55	8.85	7.56
India-----	.79	1.14	1.33	1.38	-
All others-----	1.97	2.15	3.34	3.25	3.25
Average-----	1.14	1.58	1.86	2.01	1.64

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Bicycle tubes: U.S. imports for consumption, by principal sources, 1979-81, January-April 1981, and January-April 1982

Source	1979	1980	1981	January-April--	
				1981	1982
Quantity (1,000 units)					
Taiwan-----	20,179	22,356	15,635	4,214	5,179
Republic of Korea-----	12,179	10,396	7,928	2,459	1,979
Japan-----	407	808	666	199	150
France-----	73	344	306	181	16
People's Republic of China-----	0	107	571	25	0
India-----	362	265	242	200	0
All others-----	120	226	89	32	38
Total-----	33,320	34,502	25,437	7,310	7,362
Value (1,000 dollars)					
Taiwan-----	13,837	19,492	13,761	3,094	3,695
Republic of Korea-----	8,301	9,241	7,804	2,038	1,597
Japan-----	452	929	861	225	167
France-----					
People's Republic of China-----	71	425	532	187	45
India-----	-	80	481	16	-
All others-----	169	177	180	120	-
Total-----	130	249	122	40	68
Total-----	22,960	30,593	23,741	5,720	5,572
Unit value					
Taiwan-----	\$0.69	\$0.87	\$0.88	\$0.73	\$0.71
Republic of Korea-----	.68	.89	.98	.83	.81
Japan-----	1.11	1.15	1.29	1.13	1.11
France-----	.98	1.24	1.74	1.03	2.81
Peoples's Republic of China-----	-	.75	.84	.64	-
India-----	.47	.67	.74	.60	-
All others-----	1.08	1.10	1.37	1.25	1.79
Average-----	.69	.89	.93	.78	.76

Source: Compiled from official statistics of the U.S. Department of Commerce.

Employment and wages

The average number of production and related workers producing bicycle tires at Carlisle increased from *** in 1979 to *** in 1980, and then declined in 1981 to ***. There were *** fewer workers producing bicycle tires during January-April 1982 than during January-April 1981. Employment of workers that produced tubes for bicycle tires followed the same trend as that for tires, increasing in 1980 and decreasing in 1981 and again in January-April 1982 (table 10).

Average annual wages paid to workers that manufactured bicycle tires and tubes declined annually, from *** in 1979, to *** in 1980, and to *** in 1981; the average hours worked annually by each worker declined from slightly more than *** in 1979 to about *** in 1980. Average hourly earnings increased from *** in 1979 to *** in 1981, and the fringe benefits paid to production workers by the company increased annually from *** per hour in 1979 to *** per hour in 1981.

Table 10.--Average number of employees, total and production and related workers employed in establishments producing all products, 1/ bicycle tires, and bicycle tubes, hours worked by the latter, and wages and fringe benefits paid to the latter, 1979-81, January-April 1981, and January-April 1982.

Item	1979	1980	1981	Jan.-Apr.--	
				1981	1982
Average number employed in the reporting establishments:					
All persons-----number--	***	***	***	***	***
Production and related workers producing--					
All products-----number--	***	***	***	***	***
Bicycle tires-----do----	***	***	***	***	***
Bicycle tubes-----do----	***	***	***	***	***
Hours worked by production and related workers producing--					
All products-----1,000 hours--	***	***	***	***	***
Bicycle tires-----do----	***	***	***	***	***
Bicycle tubes-----do----	***	***	***	***	***
Wages paid to production and related workers producing--					
All products-----1,000 dollars--	***	***	***	***	***
Bicycle tires-----do----	***	***	***	***	***
Bicycle tubes-----do----	***	***	***	***	***
Fringe benefits paid to production and related workers producing--					
All products-----1,000 dollars--	***	***	***	***	***
Bicycle tires-----do----	***	***	***	***	***
Bicycle tubes-----do----	***	***	***	***	***
Total employment costs charged to production and related workers producing--					
All products-----1,000 dollars--	***	***	***	***	***
Bicycle tires-----do----	***	***	***	***	***
Bicycle tubes-----do----	***	***	***	***	***

1/ All products include tires and tubes for motorcycles, modpeds, lawnmowers and snowblowers.

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

Financial experience of U.S. producers

Overall establishment operations.--Carlisle's overall establishment net sales rose from *** in 1979 to *** and ***, in 1980 and 1981, respectively (table 11). During January-March 1982, net sales fell *** percent to *** compared with net sales of *** for the corresponding period of 1981.

Carlisle derived *** percent of its total establishment revenue from the sale of bicycle tires and tubes in 1979, *** percent in 1980, and *** percent in 1981. Such sales accounted for *** percent and *** percent, respectively, of total establishment revenues during January-March 1981 and January-March 1982.

Carlisle's overall establishment operation was profitable during 1979-81. The company reported an operating income of ***, or *** percent of net sales in 1979. In 1980, such income rose to ***, or to *** percent of net sales. Operating income declined to *** in 1981 and represented *** percent of net sales. Operating income fell sharply to *** (**% percent of net sales) during January-March 1982, compared to *** (**% percent of net sales) for the corresponding period of 1981. Net income before income taxes followed the same trend as operating income and its relative relationship to net sales was almost identical to that of operating income.

Operations on bicycle tires and tubes.--Net sales of bicycle tires and tubes rose from *** in 1979 to *** in 1981, or by *** percent (table 12). Net sales declined *** percent to *** during January-March 1982, compared with *** in sales for the corresponding period of 1981.

Table 11.--Income-and-loss experience of Carlisle Tire & Rubber Co. on the overall operations of its establishment within which bicycle tires and tubes are manufactured, accounting years 1979-81, January-March 1981, and January-March 1982

Item	:	:	:	:	January-March--	
					1981	1982
Net sales-----1,000 dollars--:	:	***	:	***	:	***
Cost of goods sold-----do-----:	:	***	:	***	:	***
Gross income-----do-----:	:	***	:	***	:	***
General, selling, and	:	:	:	:	:	:
administrative expenses----do-----:	:	***	:	***	:	***
Operating income-----do-----:	:	***	:	***	:	***
Other income or (expense)----do-----:	:	***	:	***	:	***
Net income before income	:	:	:	:	:	:
taxes-----do-----:	:	***	:	***	:	***
Ratios to net sales:	:	:	:	:	:	:
Gross income-----percent--:	:	***	:	***	:	***
Operating income-----do-----:	:	***	:	***	:	***
Net income before income	:	:	:	:	:	:
taxes-----do-----:	:	***	:	***	:	***
Cost of goods sold-----do-----:	:	***	:	***	:	***
General, selling, and	:	:	:	:	:	:
administrative expenses-do-----:	:	***	:	***	:	***
Net sales of bicycle tires	:	:	:	:	:	:
and tubes-----do-----:	:	***	:	***	:	***
	:	:	:	:	:	:

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

Table 12.--Income-and-loss experience of Carlisle Tire & Rubber Co. on its bicycle tire and tube operations, accounting years 1979-81, January-March 1981, and January-March 1982

Item	1979	1980	1981	January-March	
				1981	1982
Net sales-----1,000 dollars--:	***	***	***	***	***
Cost of goods sold-----do----:	***	***	***	***	***
Gross income-----do-----:	***	***	***	***	***
General, selling, and administrative expenses--do----:	***	***	***	***	***
Operating income-----do-----:	***	***	***	***	***
Other income or (expense)--do-----:	***	***	***	***	***
Net income before income taxes-----do-----:	***	***	***	***	***
Ratios to net sales:					
Gross income-----percent--:	***	***	***	***	***
Operating income-----do-----:	***	***	***	***	***
Net income before income taxes-----do-----:	***	***	***	***	***
Cost of goods sold-----do-----:	***	***	***	***	***
General, selling, and administrative expenses--do----:	***	***	***	***	***

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

Carlisle's bicycle tire and tube operation operated profitably during the period covered by this report, although bicycle tire and tube income margins were substantially less than those of Carlisle's total establishment operation in 1979 and 1981. Carlisle reported an operating income of ***, or *** percent of net sales, in 1979. In 1980, such income reached ***, which represented *** percent of net sales. Operating income fell to ***, or *** percent of net sales, in 1981. Operating income dropped sharply to ***, or *** percent of net sales, during January-March 1982, compared with an operating income of ***, or *** percent of net sales for the corresponding period of 1981.

In relation to net sales, net income before income taxes was the same as operating income in each of the reporting years except 1979, when net income before taxes was equal to *** percent of net sales versus *** percent for operating income.

The ratio of cost of goods sold to net sales ranged from *** percent in 1980 to *** percent and *** percent, in 1979 and 1980, respectively. The ratio was *** percent for January-March 1982. The ratio of cost of goods sold to net sales was considerably lower for Carlisle's overall establishment operation, ranging from *** percent in 1980 to *** percent for January-March 1982. On the other hand, general, selling, and administrative expenses for bicycle tires and tubes ranged from *** percent of net sales in 1980 to *** percent for January-March 1982, compared with an overall establishment selling and administrative expense range of *** percent in 1978 to *** percent for January-March 1982.

Cash flow from operations.---Cash flow generated from Carlisle's overall establishment operations and its operations producing bicycle tires and tubes are shown in table 13. During 1979-81, cash flow from overall operations

Table 13.--Cash flow from Carlisle Tire & Rubber Co.'s overall establishment operations and from its operations producing bicycle tires and tubes, 1979-81, January-March 1981, and January-March 1982

Item	:	:	:	:	January-March	
					1981	1982
Overall Operations:	:	:	:	:	:	:
Net income before income	:	:	:	:	:	:
taxes-----1,000 dollars--	:	:	:	:	:	:
Depreciation and	:	:	:	:	:	:
amortization-----do----	:	:	:	:	:	:
Cash flow-----do----	:	:	:	:	:	:
Bicycle tires and tubes:	:	:	:	:	:	:
Net income before income	:	:	:	:	:	:
taxes-----do----	:	:	:	:	:	:
Depreciation and	:	:	:	:	:	:
amortization-----do----	:	:	:	:	:	:
Cash flow-----do----	:	:	:	:	:	:

A-19

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

ranged from a low of *** in 1979 to a high of *** in 1980. The cash flow reported for January-March 1982 was *** compared with *** for the corresponding period of 1981. During 1979-81, Carlisle's bicycle tire and tube operations generated a cash flow ranging from a low of *** in 1979 to a high of *** in 1980. The cash flow for January-March 1982 was ***, compared with *** for the corresponding period of 1981.

Investment in operating assets.--Carlisle's investment in operating assets (inventories at cost, fixed assets at book value, and other operating assets at cost) relative to its overall establishment operations and its bicycle tire and tube operations are shown in table 14 for 1979-81, January-March 1981, and January-March 1982.

Total establishment operating assets increased yearly during the reporting period, ranging from *** in 1979 to *** as of March 31, 1982. Net profit before income taxes, as a share of total operating assets, ranged from *** percent in 1979 to *** percent in 1980. Total operating assets used in the production of bicycle tires and tubes rose from *** in 1979 to *** as of March 31, 1982. Net income before income taxes derived from bicycle tire and tube operations ranged, as a share of operating assets, from a high of *** percent in 1980 down to *** percent in 1981.

Table 14.--Carlisle Tire & Rubber Co.'s investment in operating assets employed in its overall establishment operations and operating assets used in the production of bicycle tires and tubes, as of the end of accounting years 1979-81, as of March 31, 1981, and as of March 31, 1982

Item	1979	1980	1981	January-March	
				1981	1982
Overall establishment operation:					
Inventories-----1,000 dollars--	***	***	***	***	***
Fixed assets:					
Original cost-----do-----	***	***	***	***	***
Book value-----do-----	***	***	***	***	***
Replacement cost-----do-----	***	***	***	***	***
Other operating assets-----do-----	***	***	***	***	***
Total operating assets 1/-----do-----	***	***	***	***	***
Net profit before income taxes-----do-----	***	***	***	***	***
Ratio of net income before income taxes to total assets-----percent--	***	***	***	***	***
Bicycle tires and tubes:					
Inventories-----1,000 dollars--	***	***	***	***	***
Fixed assets:					
Original cost-----do-----	***	***	***	***	***
Book value-----do-----	***	***	***	***	***
Replacement cost-----do-----	***	***	***	***	***
Other operating assets-----do-----	***	***	***	***	***
Total operating assets 1/-----do-----	***	***	***	***	***
Net profit before income taxes-----do-----	***	***	***	***	***
Ratio of net income before income taxes to total assets-----percent--	***	***	***	***	***

1/ Includes inventories, fixed assets at book value, and other operating assets.

2/ Partial year ratios are not comparable with full year ratios.

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

Consideration of the Causal Relationship Between
Less-Than-Fair-Value Sales and the
Alleged Injury

Market penetration by LTFV imports

Bicycle tires.--The share of U.S. consumption supplied by bicycle tires imported from Taiwan increased from *** percent in 1979 to *** percent in 1980 and then declined in 1981 to *** percent. The ratio of imports from Taiwan to consumption during January-March 1982 increased to *** percent from *** percent during January-March 1981. The share of U.S. consumption supplied by imports from Korea declined from *** percent in 1979 to *** percent in 1981 and increased slightly during January-March 1982 compared with the share in January-March 1981. The share supplied from all other foreign sources increased between 1979 and 1981 but declined substantially in the first quarter of 1982 (table 15).

Table 15.--Bicycle tires: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, 1979-81, January-March 1981, and January-March 1982

(In percent)						
Period	Ratio to U.S. consumption of--					
	U.S.	Imports from--				Total
	producer's					imports
	domestic : shipments:	Taiwan	Korea	All others		
1979-----	***	***	***	***	***	***
1980-----	***	***	***	***	***	***
1981-----	***	***	***	***	***	***
Jan.-Mar.--						
1981-----	***	***	***	***	***	***
1982-----	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

As stated earlier in this report, the demand for bicycle tires in the United States declined substantially after 1979. Annual figures hide the cyclical nature of demand for those products, which generally rises in the first half of the year and falls in the second half. ^{1/} Despite the declining U.S. market, the share supplied by the alleged LTFV imports from Taiwan, as well as that supplied by Korea, increased slightly during July-December 1981, as compared with July-December 1980, and the share supplied by Taiwan increased again in January-March 1982 (table 16).

^{1/} Transcript of the conference, p. 36.

Table 16.--Bicycle tires: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, by specified periods, and January 1980-March 1982

(In percent)								
Period	:	Ratio to U.S. consumption of--						
	:							
	:	U.S.	:	Imports from--			:	
	:	producer's	:				:	
	:	domestic	:	Taiwan	:	Korea	:	Total
:	shipments:	:		:	All other	:	imports	
1980:	:	:	:	:	:	:	:	
January-June---	:	***	:	***	:	***	:	***
July-December--	:	***	:	***	:	***	:	***
1981:	:	:	:	:	:	:	:	
January-June---	:	***	:	***	:	***	:	***
July-December--	:	***	:	***	:	***	:	***
1982: Jan.-Mar--	:	***	:	***	:	***	:	***
	:	:	:	:	:	:	:	

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Bicycle tubes.--Imported tubes supplied *** percent of U.S. consumption in 1979, increased their share to *** percent in 1980, then declined to *** percent in 1981. The share supplied by tubes imported from Taiwan increased from *** percent in 1979 to *** percent in 1980, declined in 1981 to *** percent and increased in the first quarter of 1982 to *** percent. The share of U.S. consumption supplied from imports from Korea declined from *** percent in 1979 to *** percent in 1981 and also declined slightly in the first quarter of 1982 (table 17).

Table 17.--Bicycle tubes: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, 1979-81, January-March 1981, and January-March 1982

(In percent)										
Period	:	Ratio to U.S. consumption of--								
	:									
	:	U.S.	:	Imports from--			:			
	:	producer's	:				:			
	:	domestic	:	Taiwan	:	Korea	:	All other	:	Total imports
:	shipments:	:	:	:	:	:	:	:	:	
1979-----	:	***	:	***	:	***	:	***	:	***
1980-----	:	***	:	***	:	***	:	***	:	***
1981-----	:	***	:	***	:	***	:	***	:	***
January-March--	:	:	:	:	:	:	:	:	:	:
1981-----	:	***	:	***	:	***	:	***	:	***
1982-----	:	***	:	***	:	***	:	***	:	***
	:	:	:	:	:	:	:	:	:	A-23

A-23

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

The share of U.S. consumption supplied by Carlisle increased in January-June 1981 compared with that in January-June 1980. Likewise during July-December 1981, the share of consumption supplied by Carlisle increased from that in July-December 1980, the share supplied by Taiwan declined in January-June 1981, compared with that in January-June of 1980 and in July-December 1981 compared with that in July-December 1980 (table 18).

Table 18.--Bicycle tubes: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, by specified periods, January 1980-March 1982

(In percent)						
Period	Ratio to U.S. consumption of--					
	U.S.	Imports from--			Total	
	producer's				imports	
	domestic	Taiwan	Korea	All other		
	shipments					
1980:						
January-June---	***	***	***	***	***	***
July-December--	***	***	***	***	***	***
1981:						
January-June---	***	***	***	***	***	***
July-December--	***	***	***	***	***	***
1982: Jan.-Mar--	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Prices

The Commission requested the domestic producer and importers to provide information on prices for sales to major customers of the most common 20 and 26 inch tires, tubes, and sets of tires and tubes. The domestic producer provided price data for each item requested; response from importers was poor. Only two importing firms, *** and ***, provided usable price data.

*** and *** import tires and tubes for distribution to the retail outlets of their parent organizations, *** and ***. Accordingly, neither importer provided price data on sets of tires and tubes. Sets are sold primarily to OEM's rather than retailers.

Both *** and *** also purchase tires and tubes from the petitioners and were included in the price data provided by Carlisle. For this reason, the comparisons shown in the tables include two levels of distribution: the prices at which *** purchased tires and tubes from Carlisle and the prices at which *** sold its imported tires and tubes. Therefore, the margins of underselling derived from the data are likely to be smaller than actual margins observed by the retail outlets.

*

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The Producer's Price Index for miscellaneous rubber products is shown in table 19. List prices of such products, among which are bicycle tires and tubes, increased by 39.1 percent from January-March 1979 through January-March 1982. The index of bicycle tube prices, derived from the data reported by the petitioner, increased by *** percent during the same period. These increases were common to virtually all types of tubes for which prices were provided. There was considerably more fluctuation in prices of the various domestic tires than in prices of tubes, however. Prices of some tires increased by as little as *** percent, while others increased by as much as *** percent during the period covered by the investigation.

Table 19.--Rubber products: Producers' Price Indices, by quarters
January 1979-March 1982

(Jan.-Mar. 1979=100)					
Period	: Producer's : : prices index : : for miscella- : : neous rubber :	: Tubes :	: Tires :		
			20-inch	26-inch	
1979:	:	:	:	:	:
Jan.-Mar-----:	100.0 :	*** :	*** :	*** :	***
Apr.-June-----:	102.3 :	*** :	*** :	*** :	***
Jul.-Sept-----:	105.6 :	*** :	*** :	*** :	***
Oct.-Dec-----:	109.4 :	*** :	*** :	*** :	***
1980:	:	:	:	:	:
Jan.-Mar-----:	110.2 :	*** :	*** :	*** :	***
Apr.-June-----:	113.3 :	*** :	*** :	*** :	***
Jul.-Sept-----:	116.8 :	*** :	*** :	*** :	***
Oct.-Dec-----:	117.3 :	*** :	*** :	*** :	***
1981:	:	:	:	:	:
Jan.-Mar-----:	121.7 :	*** :	*** :	*** :	***
Apr.-June-----:	124.8 :	*** :	*** :	*** :	***
Jul.-Sept-----:	127.8 :	*** :	*** :	*** :	***
Oct.-Dec-----:	134.0 :	*** :	*** :	*** :	***
1982: Jan.-	:	:	:	:	:
Mar-----:	139.1 :	*** :	*** :	*** :	***
:	:	:	:	:	:

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

Bicycle tubes.--Comparison of prices of bicycle tubes are possible only for 20-inch and 26-inch regular tubes. Prices reported by the domestic producer were for the single largest shipment in each quarter and include sales of different quantities and occasionally, slightly different specifications. For this reason, fluctuations from one period to the next may not necessarily be significant.

Carlisle's prices of the two types of tubes increased by similar amounts during the period covered by the investigation. In January-March 1979, tubes were sold by Carlisle for *** and by January-March 1982, the price had increased by *** percent to *** (table 20). Bicycle tubes from Taiwan were sold in January-March 1979 for *** per tube, but increased to as much as *** in early 1981. Importers' prices declined during October-December 1981, and were reported to be about *** each in January-March 1982.

Table 20.--Bicycle tubes: Average prices of 20-inch and 26-inch regular tubes reported by the U.S. producer and importers, and margins of underselling, by quarters, January 1979-March 1982

Period	Carlisle	Importers		Margins of underselling
		***	***	
		Per tube		Percent
1979: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1980: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1981: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1982: Jan.-Mar-----	***	***	***	***
1/	***			
2/	***			

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

Margins of underselling were substantial throughout the period for which data were collected. These margins ranged between *** and *** percent, averaging *** percent. A number of sales were reported by Carlisle to *** during the same period in which *** reported sales of tubes from Taiwan. Margins of underselling at these times averaged *** percent.

Bicycle tires.--Carlisle's prices for 20-inch blackwall ribbed tires increased irregularly from *** per tire in January-March 1979 to *** per tire in July-September 1980, or by *** percent (table 21). The domestic producer's prices generally declined thereafter, reaching *** each in October-December 1981 and January-March 1982, or by *** percent.

Prices of imported 20-inch blackwall, ribbed tires followed a trend similar to that of the petitioner's prices, although at a lower level. These tires were sold at *** each in January-March 1979 and increased to *** each in October-December 1980, or by *** percent. Importers' prices then declined to *** per tire in January-March 1982, or by *** percent. The importers' margins of underselling ranged from *** percent in January-March 1981 to *** percent in July-September 1980 at the time when Carlisle's prices were reportedly at their highest level. The average margin was *** percent.

Table 21.--Bicycle tires: Prices of 20-inch, blackwall, ribbed bicycle tires reported by the U.S. producer and importers, and margins of underselling, by quarters, January 1979-March 1982

Period	Carlisle	Importers		Margins of underselling
		***	***	
		Per tire		Percent
1979: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1980: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1981: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1982: Jan.-Mar-----	***	***	***	***

1/ * * *.

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

The prices reported by Carlisle for 26 inch blackwall ribbed tires increased irregularly from *** each in January-March 1979 to *** each in January-March 1982, or by *** percent (table 22). There was no prolonged period of declining prices evident in the data. Importers' prices also generally increased until early 1981, but declined slightly thereafter. Importers' reported sales of these tires at *** each in January-March 1979, and at an average of *** each in January-March 1981, representing an increase of *** percent. Prices then declined slightly to *** each in January-March 1982, or by *** percent. Importers' margins of underselling ranged from *** percent to *** percent, averaging *** percent during the period for which data is available.

Table 22.--Bicycle tires: Prices of 26-inch, blackwall, ribbed tires reported by the U.S. producer and importers, and margins of underselling, by quarters, January 1979-March 1982.

Period	Carlisle	Importers		Margins of underselling
		***	***	
		Per tire		Percent
1979: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1980: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1981: Jan.-Mar-----	***	***	***	***
Apr.-June-----	***	***	***	***
July-Sept-----	***	***	***	***
Oct.-Dec-----	***	***	***	***
1982: Jan.-Mar-----	***	***	***	***
1/ * * *.				
2/ * * *.				

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

Lost Sales

Carlisle Tire & Rubber Co. reported that it had lost sales to *** firms since 1979 to imports of bicycle tires and tubes from Taiwan. The Commission's staff contacted all of those firms. All of the firms reported that they purchased bicycle tires and tubes from Taiwan during 1979-81, all of the firms reported that they also purchased from Carlisle although one firm reported that it did not purchase from Carlisle prior to 1981.

Price, quality, and availability were listed in most instances as the primary reasons for purchasing tires and tubes from Taiwan. All of the firms reported that their sourcing patterns have not changed. Most firms reported that the imported products were priced below the domestic products. Two of the firms reported that they would continue to purchase imported products because Carlisle is unable to supply the domestic market, and therefore, an alternate source of supply is needed. One of the two firms also reported that many styles (colors) available from producers overseas are not produced by Carlisle.

The Question of Threat of Material Injury

Production and capacity in Taiwan

Production in Taiwan of both bicycle tires and tubes, as reported to the State Department by the Taiwan Regional Association of Rubber Industries (the Association) increased from 1979 to 1980 and then declined in 1981 as shown in table 23. Production of bicycle tires in Taiwan rose from 27.5 million units in 1979 to 34.0 million units in 1980, but fell to 29.9 million units in 1981. Production forecasts by the Association call for 29.1 million units in 1982 and 30.9 million units in 1983. Production of tubes rose from 43.6 million units in 1979 to 49.7 million units in 1980, but fell to 42.0 million units in 1981. Production is slated to fall to 40.6 million units in 1982, but to rise to 43.2 million units in 1983.

Capacity to produce bicycle tires, which increased from 27.9 million units in 1979 to 35.9 million units in 1980, fell slightly to 35.7 million units in 1981, and was projected by the Association to remain at that level in 1982 and 1983. Capacity to produce tubes rose from 46.1 million units in 1979 to 52.0 million units in 1980, dropped to 50 million units in 1981, and was projected to remain at that level in 1982 and 1983.

Capacity utilization in the production of bicycle tires declined annually from 98.7 percent in 1979 to 83.9 percent in 1981. Capacity utilization for tires was forecasted by the Association to fall to 81.5 percent in 1982 but to rise to 86.7 percent in 1983. Capacity utilization for tubes increased from 94.6 percent in 1979 to 95.7 percent in 1980 and then declined to 84.0 percent in 1981. Capacity utilization for tubes is projected to fall to 81.1 percent in 1982, but to increase to 86.3 percent in 1983.

Table 23.--Bicycle tires and tubes: Production capacity, production, and capacity utilization in Taiwan, 1979-81

Product and year	Production capacity	Production	Capacity utilization
	-----1,000 units-----		Percent
Bicycle tires:			
1979-----	27,874	27,512	98.7
1980-----	35,892	33,954	94.6
1981-----	35,673	29,930	83.9
Bicycle tubes:			
1979-----	46,119	43,629	94.6
1980-----	51,966	49,731	95.7
1981-----	50,000	41,973	84.0

Source: Compiled from data obtained by the U.S. Department of State from the Secretary General of the Taiwan Regional Association of Rubber Industries.

Exports from Taiwan

The Taiwan Regional Association of Rubber Industries reported to the State Department its exports to the United States during 1979-81, as shown in table 24. As a share of bicycle tire production, total exports from Taiwan declined from 91 percent in 1979 to 89 percent in 1980, and to 79 percent in

1981. As a share of tube production, total exports of those products declined from 95 percent in 1979 to 93 percent in 1980 and to 85 percent in 1981.

Table 24.--Bicycle tires and tubes: Exports from Taiwan to the United States and all other countries, 1979-81

Product and market	1979	1980	1981
Quantity (1,000 units)			
Bicycle tires exported to--			
United States-----	12,525	10,866	9,479
Others-----	12,618	19,239	14,040
Total-----	25,143	30,105	23,519
Bicycle tubes exported to--			
United States-----	21,834	21,722	16,142
Others-----	19,701	24,509	19,579
Total-----	41,535	46,231	35,621
Value (1,000 dollars)			
Bicycle tires exported to--			
United States-----	14,180	16,747	15,733
Others-----	14,642	29,495	22,289
Total-----	28,822	46,242	38,022
Bicycle tubes exported to--			
United States-----	12,569	16,137	11,735
Others-----	11,328	17,139	14,503
Total-----	23,897	33,276	26,239
Unit value			
Bicycle tires exported to--			
United States-----	\$1.13	\$ 1.54	\$1.66
Others-----	1.16	1.53	1.58
Total-----	1.15	1.54	1.62
Bicycle tubes exported to--			
United States-----	.58	.74	.73
Others-----	.57	.70	.74
Total-----	.58	.72	.74

Source: Compiled from data obtained by the U.S. Department of State from the Secretary General of the Taiwan Regional Association of Rubber Industries.

Exports of bicycle tires to the United States accounted for less than one-half of Taiwan's exports to all markets in 1979, 1980, and 1981. Its exports of tubes to the U.S. market were less than one-half of its exports to all markets in 1980 and 1981. Projections supplied by the Association estimate that exports of tires to the United States will fall from the 9.5 million unit level reported in 1981 to 9.1 million units in 1982, but will return to 9.5 million units in 1983. For tubes, the Association projects a decline from 16.1 million units exported to the United States in 1981 to 15.5 million units in 1982, but an increase to 16.1 million units in 1983.

APPENDIX A

COMMISSION'S NOTICE OF INVESTIGATION

UT subject to conditions for the protection of employees.

DATE: Exemption is effective on June 11, 1982. Petitions for reconsideration must be filed by June 1, 1982. Petitions for stay must be filed by May 21, 1982.

ADDRESSES: Send pleadings to:

(1) Section of Finance, Room 5414, Interstate Commerce Commission, 12th St. and Constitution Ave., NW., Washington, DC 20423.

(2) Petitioner's Representative: Mark A. Kalafut, Union Pacific Railroad Company, 1416 Dodge Street, Omaha, NE 68179.

Pleadings should refer to Finance Docket No. 29874.

FOR FURTHER INFORMATION CONTACT: Louis E. Gitomer, (202) 275-7245.

SUPPLEMENTARY INFORMATION:

Additional information is contained in the Commission's decision. To purchase a copy of the full decision contact T. S. Infosystems, Inc., Room 2227, 12th & Constitution Avenue, Washington, D.C. 20423, or by calling: (202) 289-4357—D.C. Metropolitan Area or (800) 424-5403—toll free for outside the D.C. area.

Dated: May 5, 1982.

By the Commission, Chairman Taylor, Vice-Chairman Gilliam, Commissioners Gresham, Sterrett, and Andre, Agatha L. Mergenovich, Secretary.

[FR Doc. 82-12948 Filed 5-11-82; 8:45 am]

BILLING CODE 7035-01-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-94 (Preliminary)]

Bicycle Tires and Tubes From Taiwan

AGENCY: International Trade Commission.

ACTION: Institution of a preliminary antidumping investigation and scheduling of a conference to be held in connection with the investigation.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-94 (Preliminary) 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 Taiwan of bicycle tires and tubes, provided for in items 772.48 and 772.57, respectively, of the Tariff Schedules of the United States

(TSUS)(1982), which are alleged to be sold in the United States at less than fair value.

EFFECTIVE DATE: April 30, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. John MacHatton, Supervisory Investigator, U.S. International Trade Commission; telephone 202-523-0439.

SUPPLEMENTARY INFORMATION

Background

This investigation is being instituted following receipt of a petition filed by counsel for Carlisle Tire and Rubber Company, Carlisle, Pa. The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition, or by June 14, 1982 (19 CFR 207.17). This investigation will be subject to the provisions of part 207 of the Commission's Rules and Practice and Procedure (19 CFR Part 207, 44 FR 76457 and 47 FR 6190), and particularly subpart B thereof. A copy of the petition filed in this case is available for public inspection during official working hours (8:45 a.m. to 5:15 p.m.) at the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436, telephone 202/523-0448.

Written Submissions

Any person may submit to the Commission on or before May 28, 1982, a written statement of information pertinent to the subject matter of this investigation. A signed original and fourteen 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 § 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 public inspection.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m., on May 27, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the Supervisory Investigator for the investigation, Mr. John MacHatton,

telephone 202-523-0439, not later than May 25, 1982, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR Part 207), and part 201, subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. John MacHatton.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

Issued: May 6, 1982.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 82-12948 Filed 5-11-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-101]

Certain Hot Air Corn Poppers and Components Thereof; Termination of Investigation

AGENCY: International Trade Commission.

ACTION: Termination of investigation No. 337-TA-101 as the result of the dismissal of all remaining party respondents.

SUMMARY: Notice is hereby given that the Commission has granted Motions Nos. 101-41 to dismiss three respondents remaining in the investigation as parties on the basis of settlement agreements which the complainant has entered into with each of the respondents concerned. Prior to the Commission's action on those motions, the Commission issued orders terminating the investigation as to each of the other party respondents. Consequently, upon the granting of Motions Nos. 101-41, the investigation has been terminated in its entirety.

AUTHORITY: The investigation was conducted pursuant to 19 U.S.C. 1337(b)(1). The Commission's authority to terminate the proceedings on the basis of settlement agreements is contained in § 210.51(c) of the Commission's Rules of Practice and Procedure (19 CFR 210.51(c)).

APPENDIX B
CALENDAR OF WITNESSES

CALENDAR OF PUBLIC CONFERENCE
Investigation No. 731-TA-94 (Preliminary)
Bicycle Tires and Tubes from Taiwan

Those listed below appeared as witnesses at the United States International Trade Commission conference which was held connection with the subject investigation on Thursday, May 27, 1982, in room 117 of the USITC Building, 701 E Street, NW., Washington, D.C.

In support of the petition

Eugene L. Stewart
Washington, D.C.
on behalf of--

Carlisle Tire and Rubber Co.
Carlisle, Pennsylvania
John J. Michalski, Executive Vice President
John H. Clifton, Esq., General Counsel
John L. Kiehl, Vice President, Marketing and Salesman
Paul W. Orris, Product Manager, bicycle tires and tubes

Eugene L. Stewart)
 --OF COUNSEL
Tetence P. Stewart)

In opposition to the petition

Myron Solter
Washington, D.C.
on behalf of--

Bicycle Tire and Tube Producers and Exporters of Taiwan

Myron Solter--OF COUNSEL

Collier, Shannon, Rill & Scott
Washington, D.C.
on behalf of--

The Bicycle Manufacturers Association and Certain individual
Bicycle Manufacturers

Lauren R. Howard--OF COUNSEL

APPENDIX C

Chronology of action dates, countervailing duty and antidumping proceedings, Taiwan and Korea, supplied by counsel for Carlisle Tire & Rubber Co., at the request of the Commission's staff

Chronology of action dates,
Countervailing Duty Proceeding,
Bicycle Tires & Tubes from Taiwan

12-27-77 Complaint filed with Customs

12-29-77 Countervailing duty investigation initiated.

2-23-78 Notice of investigation published, 43 F.R. 7494-5.

7-28-78 Preliminary countervailing duty determination published, 43 F.R. 32912.

1-8-79 Final countervailing duty determination published, 44 F.R. 1815, holding that the benefits paid by the Government of the Republic of China on the manufacture/exportation of bicycle tires and tubes were in the aggregate de minimis in size, and that therefore no bounty or grant is being paid or bestowed within the meaning of section 303 of the Tariff Act of 1930.

1-10-79 Carlisle filed its Notice of Desire to Contest the de minimis C/V determination.

2-20-79 Customs published Carlisle's notice of desire to contest in the Federal Register, 44 F.R. 10450.

3-8-79 Carlisle files summons in Customs Court for judicial review of the de minimis C/V determination.

6-19-81 Court of International Trade remands the case to the Department of Commerce for a redetermination of the ad valorem benefit received by the Taiwanese BTT manufacturers.

8-3-81 Department of Commerce publishes notice of reopening of the C/V duty investigation in accordance with the Court's decision of 6-19-81. 46 F.R. 39464.

10-28-81 Commerce publishes its final countervailing duty determination in the reopened investigation, 46 F.R. 53201, holding that one Taiwanese manufacturer, Cheng Shin, received bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended, in a greater than de minimis amount, the net amount being determined to be 0.893 percent ad valorem. Pending further action by the Court, Commerce instructed Customs to suspend liquidation on entries of BTT's from Taiwan manufactured by Cheng Shin entered or withdrawn from warehouse for consumption on or after 10-28-81, and if exported after 10-28-81. Commerce instructed Customs to collect a deposit of estimated countervailing duties in the amount of 0.893 percent ad valorem on entries for which liquidation has been suspended.

- 11-17-81 The Court of International Trade affirmed the results of the Commerce redetermination. Slip Opinion 81-104.
- 2-17-82 Commerce published a Countervailing Duty Order, 47 F.R. 1982, pursuant to the Court's decision of 11-17-81, determining that during the year 1977 the rate of net subsidy to Cheng Shin was .893 percent ad valorem. It required Customs to collect a cash deposit of estimated countervailing duties of .893 percent ad valorem on entries of bicycle tires and tubes from Taiwan manufactured by Cheng Shin, if entered or withdrawn from warehouse for consumption on or after 10-28-81, and if exported after 10-28-81. This deposit requirement is to remain in effect until publication of the final results of the first administrative review under section 751 of the Act.
- 4-22-82 Cheng Shin files an amended complaint with the C.I.T. seeking judicial review of the final countervailing duty determination upon remand.

Chronology of action dates,
Antidumping Duty Proceeding,
Bicycle Tires & Tubes from Taiwan

1-13-78	Complaint filed with Customs
2-23-78	Notice of initiation of Antidumping Proceeding published, 43 F.R. 7496.
9-18-78	Notice of withholding of appraisement and of tentative exclusion from and tentative discontinuance of antidumping investigation published, 43 F.R. 41451. No LTFV margin was found on one producer, the margins found on a second producer were determined to be de minimis, and the margins on sales by a third producer were considered minimal and assurances were accepted that its future sales to the U.S. would be at not less than fair value. A weighted average LTFV margin of 5.1% was found for Cheng Shin. Customs officers were directed to withhold appraisement of BTs from Taiwan except those produced by the three producers with no, de minimis, or minimal margins.
12-29-78	Final determination of sales at not less than fair value, and discontinuance of antidumping investigation published, 43 F.R. 61066. The weighted average LTFV margin for all sales was 0.48 percent. No margins were found on sales by one producer, the margins found on sales by a second producer were determined to be de minimis, and the margins found on sales by two other producers were considered to be minimal, and assurances were received from those producers that future sales to the U.S. would be not at LTFV. The order to withhold appraisement was terminated.
1-9-79	Carlisle served notice on the Secretary of the Treasury under Sec. 516(d) of the Tariff Act of 1930, as amended, advising of its desire to contest the negative final determination.
3-5-79	Notice of American Manufacturer's desire to contest the final determination was published, 44 F.R. 12127.
4-9-79	Carlisle's complaint filed in the U. S. Customs Court requesting judicial review of the final determination.

-2-

5-12-82

U.S. Court of International Trade, in Slip Opinion 82-37, vacated the Secretary's determination with respect to Cheng Shin and Kenda, and remanded the case to the Secretary of Commerce for redetermination of fair value and the margins of sales at LTFV as to those producers; moreover, it held that the basis of the Secretary's allowance of adjustments for certain home market warranties and credit terms in the case of all but one producer (where the allowances were not in issue) was unclear and the case was further remanded to the Secretary of Commerce for appropriate findings as to those issues and a redetermination of LTFV margins if necessary. The Secretary is directed to report his findings and redetermination within 90 days of the order (i.e., by 8-10-82).

Chronology of action dates,
Countervailing Duty Proceeding,
Bicycle Tires & Tubes from Korea

12-27-77 Carlisle's countervailing duty petition filed with Secretary of Treasury.

2-23-78 Notice of initiation of countervailing duty investigation published, 43 F.R. 7495.

7-28-78 Preliminary countervailing duty determination published, 43 F.R. 32910, holding that for two producers in Korea, the aggregate of the net benefits received were de minimis, and for the third producer, Korea Inoue Kasei, the net benefit was 0.50 per cent ad valorem for which views were requested as to whether that amount was de minimis.

1-12-79 Final countervailing duty determination published, 44 F.R. 2570, holding that Korea Inoue Kasei (KIK) receives bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended, in the net amount of 0.5 percent ad valorem (of the f.o.b. price for export to the United States), but that the subsidies received by the other Korean BTT producers were de minimis. Customs was directed to collect countervailing duties in the amount of 0.5% ad valorem on BTT's produced by KIK which are entered on or after 1-12-79.

1-16-79 Notice of desire to contest the final negative determination filed with Treasury.

4-6-79 Notice of American Manufacturer's desire to contest the final negative countervailing duty determination published, 44 F.R. 20841.

5-31-79 Carlisle filed its complaint in the U.S. Customs Court requesting judicial review of the countervailing duty determination.

9-11-81 The U.S. Court of International Trade in Slip Opinion 81-80 held that the record before the agency did not contain sufficient information to enable the court to rule on the issue of the proper value of the benefits received by the producers as to which Treasury had made a negative countervailing duty determination, or to decide whether the benefits were de minimis. The Court stayed the action, vacated the negative countervailing duty determination, and remanded the case to the Secretary of

-2-

Commerce for further investigation to determine the ad valorem benefit provided those Korean BTT producers by the Government of Korea. The Secretary was directed to report his redetermination to the court within 120 days of the Court's order, viz., by 1-11-82.

3-3-82

The Commerce Department submitted its report of redetermination of the issues in the case to the Court of International Trade. The Department determined the net benefit received by producer Dae Yung is 0.306 per cent ad valorem, which it considers to be de minimis. It determined the benefit received by Hung-A to be 0.55 percent ad valorem, and stated its intention to publish a notice of its redetermination so as to make it effective as to entries of BTTs manufactured by Hung-A entered or withdrawn from warehouse for consumption on or after the date of the court's affirmation of the redetermination.

3-15-82

Carlisle stated to the Court its desire to contest the redetermination of the Department. The Court scheduled a conference with counsel for the parties for May 26, which date was adjourned to enable the Court to rule on a motion by Hung-A to intervene in the proceeding. As of this date, the papers pertaining to Hung-A's intervention are not complete, and the Court has not yet ruled on Hung-A's motion. The Court will not set a date for a conference of counsel to discuss the further proceedings in the case until it rules on Hung-A's motion to intervene.

7-29-81

The Department of Commerce published the final results of its administrative review under Sec. 751 of the countervailing duty determination as to BTTs produced by KIK imported from Korea, 46 F.R. 38736. It determined that BTT's produced by KIK have benefited by subsidies with a net subsidy rate of 1.05 percent of the f.o.b. invoice price. A cash deposit of 1.05 percent is required on all shipments entered or withdrawn from warehouse for consumption on or after 7-29-81.

Chronology of action dates,
Antidumping Duty Proceeding,
Bicycle Tires & Tubes from Korea

1-13-78 Complaint filed with Customs.

2-23-78 Notice of initiation of Antidumping Proceeding published, 43 F.R. 7496.

9-18-78 Notice of withholding of appraisement and preliminary determination that Korean BTT manufacturers were selling BTTs for export to the United States at less than fair value. 43 F.R. 41449.

12-29-78 Final determination of sales at less than fair value, with weighted average LTFV margins of 3.4% for Dae Yung, 5.3% for Hung A, and 7.2% for Korea Inoue Kasei. 43 F.R. 61067.

3-26-79 Determination of injury by the I.T.C., USITC Publication 958.

4-13-79 Finding of dumping published, 44 F.R. 22051.

2-23-81 ITA publishes preliminary determinations in Sec. 751 review of BTTs from Korea, 46 F.R. 13531-32, as follows:

<u>Korean Exporter</u>	<u>Time Period</u>	<u>Weighted Avg. Margin</u>
Dae Yung Comm'l Co	3-1-78 to 12-31-78	5.75%
	1-1-79 to 3-31-80	1.11%
Hung-A Industrial Co	4-1-78 to 12-31-78	3.62%
	1-1-79 to 3-31-80	2.22%
Korea Inoue Kasei Co	4-1-78 to 12-31-78	1.11%
	1-1-79 to 3-31-80	7.78%
Shin Hung Rubber Co	1-1-79 to 3-31-80	6.66%

4-8-81 Hearing at ITA where Carlisle presented its views why the LTFV margins should be greater, and counsel for Korean firms argued the opposite.

4-22-81 Post-hearing briefs filed by the parties.

Note: As of this date (6-14-82) the ITA has not published the final determination in the Sec. 751 review.

-2-

As required by Sec. 353.48(b) of the Commerce Regulations, a cash deposit based upon the most recent of the margins set forth above shall be required on all shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results. This requirement remains in effect until publication of the final results of the next administrative review.

APPENDIX D
ADDITIONAL STATISTICAL TABLES

Table D-1.--Bicycles: U.S. producer's shipments, trade,
and apparent consumption, 1978-81

(In thousands of units)

Year	U.S. producer's shipments	Imports	Exports	Apparent consumption
1978-----	7,492	1,960	73	9,379
1979-----	9,038	1,866	52	10,853
1980-----	6,941	2,155	92	9,004
1981-----	6,832	2,224	91	8,965

Source: Estimated by the Bicycle Manufacturers Association.

Table D-2.--Bicycle tires and tubes: U.S. consumption, 1977-81,
January-March 1981, and January-March 1982

(In thousands of units)

Period	Tires	Tubes	Total
1977-----	***	***	***
1978-----	***	***	***
1979-----	***	***	***
1980-----	***	***	***
1981-----	***	***	***
January-March--			
1981-----	***	***	***
1982-----	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table D-3.--Bicycle tires: U.S. production, U.S. producer's domestic shipments, imports for consumption, and apparent consumption, 1977-81, January-March 1981, and January-March 1982

Period	Pro- duction	Pro- ducers domestic shipments	Imports	Apparent con- sumption	Ratio (percent) of total imports to--		Ratio (percent) of imports from Taiwan to--	
					Pro- duction	Con- sumption	Pro- duction	Con- sumption
			1,000 units				Percent	
1977-----	***	***	20,315	***	***	***	***	***
1978-----	***	***	19,640	***	***	***	***	***
1979-----	***	***	23,132	***	***	***	***	***
1980-----	***	***	22,274	***	***	***	***	***
1981-----	***	***	18,666	***	***	***	***	***
Jan.-Mar.--								
1981-----	1/ ***	***	3,975	***	1/ ***	***	1/ ***	***
1982-----	1/ ***	***	4,225	***	1/ ***	***	1/ ***	***

1/ Data are for January-April.

Source: U.S. production and shipments, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

Table D-4.--Bicycle tubes: U.S. production, U.S. producer's domestic shipments, imports for consumption, and apparent consumption, 1977-81, January-March 1981, and January-March 1982

Period	Pro- duction	Producers domestic shipments	Imports	Apparent con- sumption	Ratio (percent) of total imports to--		Ratio (percent) of im- ports from Taiwan to--	
					Pro- duction	Con- sumption	Pro- duction	Con- sumption
			1,000 units				Percent	
1977-----	***	***	29,143	***	***	***	***	***
1978-----	***	***	29,193	***	***	***	***	***
1979-----	***	***	33,320	***	***	***	***	***
1980-----	***	***	34,502	***	***	***	***	***
1981-----	***	***	25,437	***	***	***	***	***
Jan.-Mar.--								
1981-----	1/ ***	***	5,566	***	1/ ***	***	1/ ***	***
1982-----	1/ ***	***	5,734	***	1/ ***	***	1/ ***	***

1/ Data are for January-April.

Source: U.S. production and shipments, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

