

# **BICYCLES FROM THE REPUBLIC OF KOREA AND TAIWAN**

**Determination of the Commission in  
Investigations Nos. 731-TA-110 (Preliminary)  
and 731-TA-111 (Preliminary) Under the  
Tariff Act of 1930, Together with the  
Information Obtained  
in the Investigations**

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



# UNITED STATES INTERNATIONAL TRADE COMMISSION

## COMMISSIONERS

Alfred E. Eckes, Chairman

Paula Stern

Veronica A. Haggart

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Kenneth R. Mason, Secretary to the Commission

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### Staff assigned:

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Ralph Watkins, Office of Industries  
Gerald Benedick, Office of Economics  
Marvin Claywell, Office of Investigations  
Eliza Patterson, Office of the General Counsel  
Bill Osborne, Presidential Exchange Executive

---

Jim McClure, Supervisory Investigator

Address all communications to  
Office of the Secretary  
United States International Trade Commission  
Washington, D.C. 20436

# C O N T E N T S

	<u>Page</u>
Determination-----	1
Views of the Commission-----	3
Information obtained in the investigation:	
Introduction-----	A-1
Previous investigations-----	A-2
Nature and extent of alleged sales at LTFV-----	A-2
Description and uses:	
The product-----	A-2
27-inch 10-speed-----	A-4
26-inch 10-speed-----	A-4
Other 10-speed bicycles-----	A-4
26-inch 3-speed-----	A-5
20-inch BMX-----	A-5
Other 20-inch bicycles-----	A-5
Other bicycles-----	A-5
U.S. tariff treatment-----	A-6
U.S. producers-----	A-8
U.S. importers-----	A-12
Channels of distribution-----	A-14
Apparent consumption-----	A-14
Consideration of injury to an industry in the United States:	
U.S. production-----	A-15
U.S. capacity and capacity utilization-----	A-16
U.S. producers shipments-----	A-18
U.S. exports-----	A-19
U.S. producers' inventories-----	A-21
Employment and wages-----	A-21
Financial experience of U.S. producers-----	A-22
Overall establishment operations-----	A-22
Operations on bicycles-----	A-23
Investment in productive facilities-----	A-24
Consideration of threat of material injury to an industry in the United States:	
Korea-----	A-26
Taiwan-----	A-26
Consideration of the causal relationship between alleged material injury or the threat thereof and alleged LTFV imports:	
U.S. imports-----	A-28
U.S. importers' inventories-----	A-35
Market penetration of alleged LTFV imports-----	A-36
Prices-----	A-36
Lost sales:	
Imports from Taiwan-----	A-43
Imports from Korea-----	A-44
Price supression/depression-----	A-44
Appendix A. Commission's Notice of Investigation-----	A-45
Appendix B. Calendar of witnesses-----	A-49
Appendix C. Statistical tables-----	A-53

# CONTENTS

	<u>Page</u>
Tables	
1. Bicycles: U.S. production, by firms and product categories, 1981-----	A-10
2. Bicycles: Percentage distribution of U.S. production, by firms, and by product categories, 1981-----	A-11
3. Bicycles: U.S. imports for consumption from Taiwan and Korea, by principal sources and importers of specific types, January-August 1982-----	A-13
4. Bicycles: Percentage distribution of U.S. imports from Taiwan and Korea, by sources and by importers of specified types, January-August 1982-----	A-13
5. Bicycles: Apparent U.S. consumption, 1979-81, January-August 1981, and January-August 1982-----	A-15
6.--Bicycles: U.S. production, by responding firms, 1979-81, January-August 1981, and January-August 1982-----	A-16
7.--Bicycles: U.S. production, by specified types, 1979-81, January-August 1981, and January-August 1982-----	A-16
8. U.S. capacity and capacity utilization, by responding firms, 1979-81, January-August 1981, and January-August 1982-----	A-17
9. Bicycles: U.S. shipments of domestically produced bicycles, by firm, 1979-81, January-August 1981, and January-August 1982-----	A-18
10. Bicycles: U.S. Producer's shipments of domestically produced bicycles, by specified types, 1979-81, January-August 1981, and January-August 1982-----	A-19
11. Bicycles: U.S. exports of domestic merchandise, by principal markets, 1979-81, January-August 1981, and January-August 1982-----	A-20
12. Bicycles: Inventories of domestic bicycles held by U.S. producers on December 31, 1979-81-----	A-21
13. Average number of employees in the reporting establishments, total and production and related workers employed in establishments producing all products, <u>1/</u> and bicycles, hours worked and wages and fringe benefits paid, 1979-81, January-August 1981, and January-August 1982-----	A-22
14. Income-and-loss experience of 4 U.S. producers on the overall operation of their establishments within which bicycles are produced, 1979-81, interim 1981, and interim 1982-----	A-23
15. Income-and-loss experience of 4 U.S. producers on their bicycle operations 1979-81, interim 1981, and interim 1982-----	A-24
16. Income-and-loss experience of 4 U.S. producers on their bicycle operation, by firm, 1979-81, interim 1981, and interim 1982-----	A-25
17. Investment in productive facilities by 4 U.S. producers of bicycles, as of the end of accounting years 1979-81-----	A-25
18. Bicycles: U.S. imports for consumption, by principal sources, 1979-81, January-August 1981, and January-August 1982-----	A-29

# CONTENTS

	<u>Page</u>
Tables--Continued	
19. Bicycles: U.S. imports for consumption, total and from Taiwan and Korea, 1979-81, January-August 1981, and January-August 1982-----	A-30
20. Bicycles: U.S. imports from Taiwan, by responding firm's, 1979-81, January-August 1981, and January-August 1982-----	A-31
21. Bicycles: U.S. imports from Korea, by responding firms, 1979-81, January-August 1981, and January-August 1982-----	A-31
22. Bicycles from Taiwan: U.S. importers shipments, by firm, 1979-81, January-August 1981, and January-August 1982-----	A-32
23. Bicycles from Taiwan: U.S. importers shipments, by types, 1979-81, January-August 1981, and January-August 1982-----	A-32
24. Bicycles from Korea: U.S. importers shipments, by firm, 1979-81, January-August 1981, and January-August 1982-----	A-33
25. Bicycles from Korea: U.S. importers shipments, by types, 1979-81, January-August 1981, and January-August 1982-----	A-34
26. Bicycles from Taiwan: U.S. importers' inventories, by importers, as of Dec. 31, 1979-81, and Aug. 31, 1981-82,-----	A-35
27. Bicycles: U.S. consumption and market penetration of imports from Taiwan, Korea, and all other countries, 1979-81, January-August 1981, and January-August 1982-----	A-36
28. Range of weighted average net selling prices for sales of imports from Taiwan and for sales of domestic products to <u>mass-merchandise customers</u> , and the average margins by which imports from Taiwan undersold domestic products, by types of labeling, by types of products, and by quarter, January 1980-September 1982-----	A-39
29. Range of weighted average net selling prices for sales of imports from Korea and for sales of domestic products to <u>mass-merchandise customers</u> , and the average margins by which imports from Korea undersold domestic products, by types of labeling, by types of products, and by quarter, January 1980-September 1982-----	A-40
30. Range of weighted average net selling prices for sales of imports from Taiwan and for sales of domestic products, to <u>independent dealer customers</u> , and the average margins by which imports from Taiwan undersold domestic products, by types of labeling, by types of products, and by quarter, January 1980-September 1982-----	A-41
31. Range of weighted average net selling prices for sales of imports from Korea and for sales of domestic products, to <u>independent dealer customers</u> , and the average margins by which imports from Korea undersold domestic products, by type of labeling, by types of products, and by quarter, January 1980-September 1982-----	A-41

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



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

Investigations Nos. 731-TA-110 (Preliminary) and  
731-TA-111 (Preliminary), Bicycles from  
the Republic of Korea and Taiwan

Determinations

On the basis of the record 1/ developed in investigations Nos. 731-TA-110 (Preliminary) and 731-TA-111 (Preliminary), the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is no reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from the Republic of Korea of bicycles, provided for in items 732.02 through 732.26, inclusive, of the Tariff Schedules of the United States (TSUS), which are allegedly being sold in the United States at less than fair value (LTFV). The Commission further determines that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, 2/ by reason of imports from Taiwan of bicycles, as provided for in the TSUS items shown above, which are allegedly being sold in the United States at LTFV.

Background

On September 24, 1982, petitions were filed with the United States International Trade Commission and the U.S. Department of Commerce by counsel on behalf of AMF Wheel Goods Division, Columbia Manufacturing Company, Huffy Corporation, and Murray Ohio Manufacturing Company, individually and as members of the Bicycles Manufacturers Association, Inc., alleging that an

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

2/ Commissioner Haggart finds a reasonable indication of present material injury only.

industry in the United States is materially injured, or threatened with material injury, by reason of imports from the Republic of Korea and Taiwan of bicycles which are allegedly being sold at less than fair value. Accordingly, the Commission instituted preliminary investigations under section 733(a) of the Tariff Act of 1930, 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 that the establishment of an industry is materially retarded, 1/ by reason of the importation of such merchandise into the United States.

Notice of the institution of the Commission investigations and 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 October 6, 1982 (47 F.R. 44171). The conference was held in Washington, D.C. on October 18, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel. The Commission voted on these cases in public session on November 2, 1982.

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



## VIEWS OF THE COMMISSION

We determine that there is no reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reason of imports of bicycles from the Republic of Korea (Korea), which are allegedly being sold in the United States at less than fair value (LTFV). Further, we determine that there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, 1/ by reason of alleged LTFV bicycle imports from Taiwan. 2/

Domestic industry

Section 771(4)(A) of the Tariff Act of 1930, 19 U.S.C. 1677(4)(A), 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." "Like product" is defined in section 771(10) of the Tariff Act of 1930, 19 U.S.C. § 1677(10), as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article under investigation."

Bicycles are two-wheel vehicles propelled by a rider. Both domestic and imported bicycles have a frame, seat post, saddle, handlebar stem, handlebars, forks, wheels (consisting of hubs, spokes, rims, and nipples), pedals, crank, chain, chainwheel, and brakes. Typical options include multiple speeds (which require front and rear derailleurs, gear shift lever, and cables),

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1/ Commissioner Haggart determines only that there is a reasonable indication of material injury, and therefore does not reach the issue of reasonable indication of threat of material injury.

2/ Reasonable indication that the establishment of an industry in the United States is materially retarded is not an issue in these investigations.

caliber brakes instead of coaster brakes, 3-piece cotterless crank instead of single piece crank, reflectors, fenders, grips, and taped handle bars. 3/

Bicycles are distinguishable 4/ from each other by their wheel size, weight, and number of gears. There are a variety of models including: 10-speed bicycles with wheels 26 or 27 inches in diameter and weight of less than 36 pounds; three-speed bicycles with wheels 26 inches in diameter and weight of less than 36 pounds; and single-speed bicycles with 20-inch wheels, including "BMX" bicycles. 5/

Bicycles are sold through two channels of distribution: mass merchandisers and independent bicycle dealers (IBDs). 6/ Imports from Korea are sold primarily through the mass merchandiser market while imports from Taiwan are sold predominantly through IBDs. Domestically produced bicycles are sold through both channels of distribution. 7/

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3/ Report at A-2.

4/ Petitioners argue that the domestic industry is comprised of U.S. producers of bicycles, as a whole, undifferentiated by type, price, or class of purchaser. See Brief in support of Petition filed October 20, 1982 at 1. On the other hand, importers, Taiwan Vehicle Manufacturing Association, the American Association of Bicycle Importers, Inc., and Kent International, argue that the domestic industry should be analyzed according to product lines. See their Post-Conference Brief at 6. Importers, Schwinn Bicycle Co. and Giant Manufacturing Co. argue that since the domestic industry should be defined according to bicycle type and distribution channel, there are four distinct industries (lightweight and BMX bicycles in each of the two channels). See Schwinn Bicycle's Co. Statement in Opposition to Petition for Relief Under the United States Antidumping Law with respect to Bicycles imported from Taiwan filed October 20, 1982 at 2 and Post-Conference Brief of Giant Manufacturing Co. filed October 20, 1982 at 3.

5/ Report at A-4 and A-5.

6/ In general, the mass merchandising channel includes large chain and discount stores which sell products other than bicycles. The IBD channel is comprised of over seven thousand individually owned shops that specialize in sales of bicycles. While bicycles sold by mass merchandisers require some assembly by the consumer, IBD's both assemble and service the bicycles that they sell. See Report at A-3 and A-4.

7/ Report at A-14.

Bicycles compete most directly with the same models sold through the same distribution channel. However, information developed in this preliminary investigation indicates that there is competition between distribution channels and across model types. 8/ Furthermore, although certain bicycle models may require additional or higher quality components, better grades of steel for tubing, or special care in welding and finishing operations, manufacturers produce substantially all bicycles with the same workers, on the same machinery, using the same production methods. 9/

Differences in size, weight, accessories and accompanying service are an insufficient basis for a finding of more than one like product. 10/ Furthermore, no significant distinctions are evident between the characteristics and uses of the products sold in the IBD and the mass merchandiser markets. Therefore, we conclude that the like product in these investigations is bicycles. Since we have found that the like product is bicycles, the domestic industry consists of the domestic producers of bicycles. 11/

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8/ Hearing Transcript at p. 180.

9/ Report at A-3 and A-4.

10/ In defining the "like product" Congress cautioned that "minor differences in physical characteristics or uses" should not be the basis for a determination that products are not "like" each other. S. Rep. No. 249, 96th Cong., 1st Sess. 90 (1979).

11/ U.S. Producers of bicycles include: the four petitioners in these investigations (Huffy Corp., Murray Ohio Manufacturing Co., AMF Wheel Goods Division, and Columbia Manufacturing Co.); Chain Bike; BMX Products; Schwinn Bicycle Co. and Scorpion. See Report at A-8 and A-9. In addition to producing bicycles in the United States, both Schwinn and Huffy import bicycles from Taiwan. See Report at A-12. From the information presently available to us, we do not find it appropriate to exclude either Huffy or Schwinn pursuant to section 771(4)(B), 19 U.S.C. § 1677(4)(B), from our definition of the domestic industry.

Reasonable Indication of Material injury or threat thereof by reason of LTFV imports

Section 771(7) of the Tariff Act of 1930, 19 U.S.C. § 1677(7), directs the Commission to consider in making its injury determination, among other factors: (1) the volume of imports of the merchandise under investigation; (2) their impact on price; and (3) the consequent impact of the imports on the domestic industry. In assessing the impact on the domestic industry, we are further directed by section 771(7)(c)(iii), 19 U.S.C. § 1677(7)(c)(iii), to evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to: production, sales, market share, profits, productivity, return on investments, capacity utilization, cash flow, inventories, employment, wages, growth, ability to raise capital, and investment.

In making a determination as to whether there is threat of material injury the Commission considers, among other factors: (1) the rate of increases of subsidized or dumped imports into the U.S. market; (2) the capacity in the exporting country to generate exports; and (3) the availability of other export markets. 12/ Findings of a reasonable indication of threat of material injury must be based on a showing that the likelihood of harm is real and imminent, and not based on mere supposition, speculation, or conjecture. 13/

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12/ 19 CFR 207.26(d).

13/ S. Rep. No. 96-249, 96th Cong., 1st Sess. 88-89 (1979); S. Rep. No. 1298, 93d Cong., 2d sess. 180 (1974); *Alberta Gas Chemicals, Inc. v. United States*, 515 F.Supp. 780, 790 (Ct. Int'l Trade 1981).

### Condition of the Domestic Industry

A number of important indicators show that the condition of the domestic bicycle industry has deteriorated since 1979. 14/ Data on production, capacity utilization, shipments, employment, and financial performance reflect the declining trends and the industry's present unprofitable position. Five firms accounting for the major portion of domestic production responded to the Commission's producer's questionnaire. Production by these firms declined by 21 percent between 1979 and 1981, and further declined by 31 percent in January-August of 1982 as compared with the same period of 1981. 15/ Although capacity increased somewhat during the period of this investigation, capacity utilization declined more than can be explained by capacity increases. 16/

Producers' shipments of domestically produced bicycles declined by 25 percent between 1979 and 1980, and then increased slightly, by 1 percent, in 1981. Shipments in January-August 1982 declined by 30 percent from the corresponding period of 1981. 17/ U.S. producers' inventories increased annually, nearly doubling between 1979 and 1981. The ratio of inventories to producers' shipments increased annually from 4.2 percent in 1979 to 10.5 percent in 1981. 18/

The number of production and related workers has declined annually since 1979. In 1981, employment was down 21 percent from 1979 and in January-August 1982 dropped 28 percent from the corresponding 1981 period. 19/

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14/ It should be noted that in 1979 domestic producer shipments and apparent domestic consumption were at their highest levels since 1974. (See table C-1, Report at A-54.)

15/ Report at A-15 and A-16.

16/ Report at A-17.

17/ Report at A-18.

18/ Report at A-21.

19/ Report at A-21.

Data supplied to the Commission show that the responding firms' aggregate bicycle operations were profitable in 1979 and 1980 and unprofitable in full year 1981 and the period from January-August 1982. 20/ 21/

#### Imports from Korea

We do not find a causal connection between imports from Korea and the difficulties being experienced by the domestic industry. Imports from Korea are currently at low levels. They declined from 178,000 units in 1979 to 131,000 units in 1981, or by 26 percent, 22/ and although they increased by 18 percent in the period January-August 1982 as compared with the same period in 1981, from 66,000 to 78,000 units, it is expected that imports for the full year of 1982 will be well below the 1981 level. 23/ The market share held by imports from Korea dropped from 1.6 to 1.5 percent of apparent domestic consumption from 1979 to 1981 and amounted to 1.8 percent for the period January-August 1982 as compared to 1.0 percent in the same period in 1981. 24/

Data gathered during the investigation shows that in those instances where price comparisons could be made, Korean prices were often substantially above domestic prices. 25/ Specifically, in the mass merchandiser market where a major portion of the Korean product is sold, prices of Korean bicycles were greater than those of domestic bicycles in 37 out of 46 quarters where comparisons were possible. Thus, Korean imports have not suppressed or

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20/ Report at A-23.

21/ The need to protect business confidential information precludes discussion of the financial performance of U.S. producers in anything other than the most general terms.

22/ Report at A-29.

23/ Transcript at p. 171-172.

24/ Report at A-36.

25/ Report at A-38.

depressed domestic prices. Moreover, lost sales information corroborates the lack of a causal nexus between imports from Korea and any injury. For the period January 1980-September 1982, the alleged lost sales which accounted for 78 percent of Korean imports, were reported by purchasers to be lost for reasons other than price. 26/

Additionally, we do not find a reasonable indication of a threat of injury by imports from Korea. Existing capacity is now nearly fully utilized at the 93.7 percent in 1981 and there are strong sales in the Korean home market. 27/

In conclusion, we do not find a reasonable indication of material injury or threat thereof by reason of alleged LTFV Korean imports.

#### Imports from Taiwan

The information presently available indicates that imports from Taiwan are causing, or threatening to cause, material injury to the domestic industry. 28/ Imports from Taiwan increased from 1.0 million in 1979 to 1.2 million in 1981, or by 18 percent, before dipping from 811,000 units to 688,000 units, or by 15 percent, in the period January-August 1982 as compared with the same period in 1981. 29/ In spite of this drop in imports, Taiwan's share of the U.S. market increased 22 percent in January-August 1982 in comparison to the same period in 1981. This increase follows a 43 percent increase in Taiwan's market share from 1979 to 1981. 30/

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26/ Report at A-44. Based on the pricing and lost sales data, we did not cumulate the impact of imports from Korea with those from Taiwan since we did not find imports from Korea to be a contributing cause of material injury. Cumulation would only be considered if imports from Korea were a contributing cause of material injury.

27/ Report at A-26.

28/ See note 2 *supra*.

29/ Report at A-28 and A-29.

30/ Report at A-36.

In contrast to the situation with Korea previously described, imports from Taiwan frequently were priced below the domestic product, sometimes by margins as large as 45 percent. Prices for imports from Taiwan followed those of domestic bicycles, but in some instances their upward trend stopped a quarter earlier than the upward trend in domestic prices, indicating potential price suppression. 31/ Lost sales allegations covered a small portion of the imports from Taiwan. 32/ In some instances, price was found to be a factor in the decision to purchase the imports from Taiwan. 33/

Therefore, we conclude that a reasonable indication of material injury or threat thereof by reason of alleged LTFV imports from Taiwan has been shown. 34/ 35/

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31/ Report at A-38.

32/ Commissioner Stern notes that, as with Korea, some sales appear to be lost for reasons other than price.

33/ Report at A-43-A-44.

34/ Chairman Eckes and Commissioner Stern note that information on threat is limited at this stage. Their affirmative preliminary determination is based on the above information and our expectation that we will have more information on capacity utilization in Taiwan should the case return for a final investigation.

35/ See note 2 supra.



## INFORMATION OBTAINED IN THE INVESTIGATION

### Introduction

On September 24, 1982, petitions were filed with the United States International Trade Commission and the U.S. Department of Commerce by counsel on behalf of AMF Wheel Goods Division, Columbia Manufacturing Co., Huffy Corp., and Murray Ohio Manufacturing Company, individually, and as members of the Bicycle Manufacturers Association, Inc. The petitions allege that bicycles from the Republic of Korea (Korea) and Taiwan are being, or are likely to be, sold in the United States at less than fair value (LTFV). Accordingly, on September 27, 1982, the Commission instituted investigation No. 731-TA-110 (Preliminary) and 731-TA-111 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)). The purpose of these investigations 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 imports from Korea and Taiwan of bicycles provided for in items 732.02 through 732.26, inclusive, of the Tariff Schedules of the United States (TSUS) which are allegedly sold at LTFV.

The statute directs the Commission to make its determination within 45 days of the receipt of a petition, or in these cases by November 8, 1982. Notice of the institution of the Commission's investigations 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 of October 6, 1982 (47 F.R. 44171). 1/ A public conference was held in Washington, D.C., on October 18, 1982, at which time all interested parties were afforded the opportunity to present information and data for consideration by the Commission. 2/ The Commission vote on these investigations was held in public session on Tuesday, November 2, 1982.

### Previous Investigations

The U.S. International Trade Commission (formerly the U.S. Tariff Commission) has conducted previous investigations with respect to bicycles. In 1955, following an escape-clause investigation, the U.S. Tariff Commission determined that bicycles were being imported in such increased quantities as to seriously injure the domestic industry. As a result, the President partially suspended a 1947 tariff concession on items that caused the injury, thereby raising the tariff level. That import protection remained in effect until 1968.

Two antidumping investigations relating to bicycles have also been conducted by the Commission. In 1964, the Commission determined there was no injury by reason of LTFV sales from Hungary, and in 1971, the Commission found no injury by reason of LTFV imports of bicycles from West Germany.

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1/ A copy of the Commission's notice of investigations is presented in app. A.

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

## Nature and Extent of Alleged Sales at LTFV

According to the petitions, there are about 5 bicycle producers in Korea and approximately 40 in Taiwan, with 5 of the Taiwanese producers supplying the bulk of the exports to the United States from that source. Alleged dumping margins for bicycles from Korea range from 9.1 percent to 30.7 percent and those from Taiwan range from 10.0 percent to 54.7 percent. The allegation of sales at less than fair value of this merchandise from Korea is supported by comparisons of offered U.S. prices with the foreign market values based on the constructed value of this merchandise using approximate costs in Korea. The allegation of sales at less than fair value of this merchandise from Taiwan is supported by comparisons of offered U.S. prices with the foreign market value based on home market sales prices.

## Description and Uses

The product

Bicycles are two-wheel vehicles propelled by a rider. All bicycles have a frame, seat post, saddle, handlebar stem, handlebars, forks, wheels (consisting of hubs, spokes, rims, and nipples), pedals, crank, chain, chainwheel, and brakes. 1/ Typical options include multiple speeds (which require front and rear derailleurs, gearshift lever, and cables), caliper brakes instead of coaster brakes, 3-piece cotterless crank instead of single piece crank, reflectors, fenders, chain guard, grips, and taped handle bars.

The major domestic producers manufacture bicycles in a similar process. Although certain bicycle models require additional or higher quality components or a better grade of steel for the tubing or special care in the welding and finishing operations, each manufacturer makes substantially all the types of bicycles produced at each plant using the same production methods, the same machinery, and the same workers in the respective plants. The basic material is U.S. sourced steel sheet and strips. The strips pass through a highly automated "tube mill" that makes the steel tubing used in the frame, seat post, forks, handlebar stem, and handlebars. The steel tubes are then cut to their appropriate length depending on their function and the size of the frame. The process for welding the tubes together to form the frame varies from producer to producer. 2/ \* \* \* uses a highly capital intensive process in which press-fit frames are furnace brazed. Other producers weld each point of contact on the frame separately. These companies vary in the degree to which they have been able to automate this labor intensive process.

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1/ Some racing models do not have brakes.

2/ The machinery and employees used in the production of bicycle operations of the manufacturing process are sometimes used in the production of other articles, particularly lawnmowers and exercisers.

Most tubing for U.S.-made frames is a "straight gauge," meaning that it is not reinforced where it joins other parts of the frame. The heat at which most mass-produced frames are automatically seam welded often exceeds 1,400 degrees Centigrade. Welding at such heat has a tendency to weaken the steel. However, strength can be added by doublebutting the tubing (the metal is thicker at both ends of the tube where the maximum stress occurs, yet the outside diameter of the tube is unchanged) and hand welding at a lower heat (850 degrees Centigrade maximum) in a slower process.

The alternative to seam welding is the labor-intensive process of lugging the frames. Lugs are small metal sleeves which are fitted to the tubes fit prior to brazing. The lugs act as braces where the tubes fit together. <sup>1/</sup> Only a small portion of U.S.-made bicycles are lugged, yet all imported lightweight bicycles are lugged.

Schwinn machines its parts from raw stock whereas other producers buy parts from domestic suppliers. The major producers buy domestically made (unfinished) single-piece cranks, then thread, tumble, and plate the cranks. Various steel parts which are stamped and pressed for later assembly (usually welding) to the frame include stems or forks, press clamps, crank housing, kick stand, kick stand housing, and headers.

Some producers form spokes and nipples from steel wire and roll rims, puncture the rims, then chrome plate the spokes, nipples, and rims inhouse. Other producers buy all three-wheel components from domestic sources. Wheel assembly is standard throughout the industry. Spokes are laced through the hub and into the rim in a very labor-intensive process. Nipples are attached manually to the end of the spokes passing through the rim. An "automatic pull up machine" then tightens the spokes and screws on the nipples firmly. Both the single U.S. producer of bicycle tires and foreign manufacturers supply tires to U.S. bicycle manufacturers which then assemble the tires to the wheels. The wheels are then trued in, a function which is critical to the safety of the bicycle.

Each producer has its own standards for painting the frame. Typically, the frame receives a phosphate bath after various small parts have been spot welded to it, then dipped in a nonvolatile primer. Varying coats of paint are applied in an electrostatic process. Manual touchup painting is required to varying degrees according to the efficiency and quality of the automatic sprayers used and the quality requirements of the finished bicycles. The frames are then finish baked. The procedure is fairly capital intensive.

Decals are placed on the painted frames manually. One company, \* \* \*, does some silk screening on the frames. The frames then move down an assembly line to receive the rear wheel, chain wheels, sprockets, derailleurs, and chain. The degree of final assembly depends on the manufacturer. To facilitate packing and shipping, some assembly is required at the point of sale. Schwinn requires its authorized dealers to assemble the front wheel, pedals, seat post, saddle, handlebar stem, handlebars, caliper brakes, and

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<sup>1/</sup> Consumer Guide, Bicycle Buyer's Guide 1980, Publications International, Ltd., 1980, p. 15f. A-3

reflector package. Additionally, cables must be strung and adjusted. Typically, it will require a trained dealer (or contractor for a mass merchant) 45 minutes to assemble each multispeed bicycle and 30 minutes for a single speed. Some bicycles sold by mass merchants must be assembled by the consumer.

In addition to importing a large portion of their tires, and some of their saddles and reflectors, domestic bicycle manufacturers rely heavily on foreign sources for bicycle chain, brakes, levers, hubs, cogs, brakes, derailleurs, and they are totally dependent on imports for 3-piece cranks.

The principal categories of bicycles are briefly described as follows:

27-inch 10-speed.--These are lightweight bicycles, weighing less than 36 pounds, having wheels with a 27-inch diameter, 1-1/4-inch tires, 10-speeds, caliper brakes, and tape-wrapped handlebars. The retail price ranges from \$160 to as much as \$3,000, with most of these bicycles being sold through independent bicycle dealers (IBD). The price usually increases as the weight decreases. Stock models can weigh as little as 21 pounds. Decreases in weight can be achieved by using high-grade alloy steel for tubing such as chrome molybdenum (chrome-moly) or seamless manganese-and-molybdenum steel, and lugging the frame. Lugging is particularly important for adding strength to lightweight frames. Although the lugging process adds weight, it makes the use of lightweight steel feasible, thereby decreasing the net weight of the bicycle. Straight gage, seam-welded frames become less reliable as the weight of the steel decreases. Other than decreasing the weight, and lugging the joints, important ways to increase the quality of the bicycle are by doublebutting the tubes, and upgrading components such as derailleurs, hubs, cotterless crank, chainwheel, brakes, and pedals. The best grades of such components are imported from Japan and Italy. Adults are the prime market for this category of bicycle. Variations of this category are 27-inch 12- and 15-speed lightweights. In 1981, this category accounted for \* \* \* percent of the bicycles produced by U.S. firms which responded to the Commission's producer questionnaires.

26-inch 10-speed.--These bicycles differ from the 27-inch 10-speeds in that they have wheels 26 inches in diameter and 1-3/8-inch tires. More of these bikes are sold through mass merchandisers rather than through IBs. Adults are an important market for this category. Almost all domestically produced models are seam welded while all imports are lugged. In 1981, this category accounted for \* \* \* percent of the bicycles produced by the questionnaire respondents.

Other 10-speed bicycles.--The most common among the types of bicycles is the lightweights with 24-inch diameter wheels and 1-3/8-inch tires. This type of lightweight is typically ridden by adult females or younger riders. Other features are similar to the 26- and 27-inch 10-speed lightweights. An emerging type of 10-speed is the "all-terrain," an adult "dirt bike" with 26-inch diameter wheels, 2-1/8-inch rugged tires, and partially extended handle bars with grips instead of tape. These are lightweight bicycles with similar componentry to the bicycle moto-cross (BMX) models which are discussed in a later section. The speeds are geared down for steep hills and mountain trails. This entire category accounted for \* \* \* percent of the bicycles produced by the questionnaire respondents in 1981.

26-inch 3-speed.--These lightweights have 3 speeds, 26-inch diameter wheels, 1-3/8-inch tires, taped handle-bars, and a choice of caliper brakes or coaster brakes. Most are sold through mass merchants with the chief consumers being youths or adults over the age of 30. In 1981, this category accounted for \* \* \* percent of the bicycles produced by the questionnaire respondents.

20-inch BMX.--These models emerged in the early 1970's as children in California modified their "high risers" to look like the motorcycles used in motocross racing. The sport of bicycle motocross racing quickly developed. BMX models have 20-inch diameter wheels with 2-1/8-inch knobby tires, handlebar grips, extended handle bars, and a choice of caliper brakes or coaster brakes. "Competition certified" models have certain, distinctive features such as a high-tension carbon steel or chrome-moly frame, 6-1/2-inch single-piece crank, special handlebars with a horizontal brace, and 4-1/2-inch hanger drop, which BMX "look alike" may not have. Both types are sold by mass-merchants but dealers tend toward the competition models. Competition models range in retail price from \$80 to \$400 whereas "look alike" are priced from \$48 to \$145. BMX models accounted for \* \* \* percent of the bicycles produced by the questionnaire respondents in 1981.

Other single-speed bicycles with 20-inch diameter wheels.--The most important type of bicycle in this category is the high riser. It was introduced in 1963 by Schwinn under the model name "Sting-Ray." High risers have 20-inch diameter wheels with 1-3/4-inch tires, extended handlebars, handlebar grips, coaster brakes, chain guards, fenders, and elongated saddles raised on adjustable seat braces. High rise bikes are designed for children and sold primarily through mass-merchandisers. Most weigh 36 to 39 pounds.

The other type of bicycle in this category is a 20-inch diameter wheel, 1-3/4-inch tire, sturdy middleweight (36 to 39 pounds) designed for children. It has coaster brakes, standard handlebars, handlebar grips, chain guard, and fenders. These bicycles are also sold principally through mass-merchandisers. These bicycles can be converted to "crusiers" by substituting 2-1/8-inch (balloon) knobby tires and removing the fenders and chain guard. This entire category accounted for \* \* \* percent of the bicycles produced by the questionnaire respondents in 1981.

Other bicycles.--The most significant type of bicycle not included in the above categories is the single-speed, 26-inch diameter wheel, 1-3/4-inch tire middleweight. These bikes have a single-speed coaster brake, standard handlebars with grips, fenders, and chain guard. A variation popular on the beaches of California, Florida, and Atlantic City, N.J. is the "cruiser." As described above, it is a middleweight without fenders or a chain guard. But it has knobby balloon tires, and is available with either 26-inch or 24-inch wheels and a 5-speed model with caliper brakes.

Other important types of bicycle are (1) 12- and 15-speed lightweights, which are otherwise identical to 27-inch 10-speeds and tend to be high priced; (2) 5-speed lightweights which are similar to 26-inch 10-speed lightweights, and are available with 26- or 24-inch diameter wheels and 1-3/8-inch tires; (3) 5- and single-speed "all terrain" bicycles which are otherwise identical.

to the 10-speed all-terrain model; (4) 16-inch diameter wheel middleweights 1/ designed for young children which are otherwise identical to the 20-inch middleweight described above, except these bicycles may be modified through cosmetics, fenders, and seat styling to look similar to BMX or high rise models, and may feature training wheels; and (5) tandem bicycles which are available in 10-speed, 27-inch by 1-1/4-inch tire models, with taped handlebars or 5-speed, 26-inch by 1-3/8-inch tire models, with handlebar grips, fenders, and chain guard. Tandems are available almost exclusively through IBDs. This miscellaneous category accounted for \* \* \* percent of the bicycles produced by the questionnaire respondents in 1981.

#### U.S. tariff treatment

Imported bicycles are classified under items 732.02 through 732.26 of the Tariff Schedules of the United States (TSUS). The following table shows the current rates of duty which apply to imports of bicycles from those countries having most-favored-nation (MFN) status (col. 1); the future column 1 rates of duty negotiated in the Tokyo round of the Multilateral Trade Negotiations (MTN), 2/ which are also currently applicable to the least developed developing countries (LDDC); 3/ and the rates of duty which apply to imports from countries under Communist domination or control (col. 2). 4/ No imported

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1/ These are also called sidewalk bicycles because they are not designed to be ridden on highways. The Consumer Product Safety Commission has less stringent standards for sidewalk bicycles.

2/ The rates of duty in rate of duty column numbered 1 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, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

3/ The rates of duty in rate of duty column "LDDC" are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging of duty reductions) and are applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided in column numbered 1 applies.

4/ The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

Bicycles: U.S. rates of duty, present and  
negotiated by TSUS items

TSUS: item: No. :	Description	: Present :col.1 rate : of duty 1/	:Negotiated : :col. 1 rate: : of duty 2/	: Col. 2 : rate of : duty 3/
:	:	:	:	:
:	Bicycles:	:	:	:
:	Having both wheels not over 19	:	:	:
:	inches in diameter:	:	:	:
732.02:	Valued not over \$6.25 each-----	:15% ad val.	:	: 30% ad val.
732.04:	Valued over \$6.25 but not	:75¢ each	: 45¢ each	: 30% ad val.
:	\$8.33-1/3 each.	:	:	:
732.06:	Valued over \$8.33-1/3 each-----	:11% ad val.	:	: 30% ad val.
:	Having both wheels over 19 inches:	:	:	:
:	but not over 25 inches in	:	:	:
:	diameter:	:	:	:
732.08:	Valued not over \$10 each-----	:15% ad val.	:	: 30% ad val.
732.10:	Valued over \$10 but not over	:\$1.16 each	: 60¢ each	: 30% ad val.
:	\$13.33-1/3 each.	:	:	:
732.12:	Valued over \$13.33-1/3 each----	:11% ad val.	:	: 30% ad val.
:	Having both wheels over 25	:	:	:
:	inches in diameter:	:	:	:
:	If weighing less than 36	:	:	:
:	pounds complete without	:	:	:
:	accessories and not de-	:	:	:
:	signed for use with tires	:	:	:
:	having a cross-sectional	:	:	:
:	diameter exceeding 1.625	:	:	:
:	inches:	:	:	:
732.14:	Valued not over \$8.33-1/3	:11% ad val.	:	: 30% ad val.
:	each.	:	:	:
732.16:	Valued over \$8.33-1/3 but	:	:	:
:	not over \$16.66-2/3	:82¢ each	: 65¢ each	: 30% ad val.
:	each.	:	:	:
732.18:	Valued over \$16.66-2/3	:5.5% ad val.	:	: 30% ad val.
:	each.	:	:	:
:	Other:	:	:	:
732.21:	Valued not over \$16.66-2/3	:12.1% ad	: 7.2% ad	: 30% ad val.
:	each.	: val.	: val.	:
732.24:	Valued over \$16.66-2/3	:11% ad val.	:	: 30% ad val.
:	each.	:	:	:
732.26:	Other-----	:15% ad val.	:	: 30% ad val.
:	:	:	:	:

1/ Effective Jan. 1, 1982.

2/ Rate negotiated under the Multilateral Trade Negotiations in Geneva (Tokyo Round), with the exception that the rates for items 732.02, 732.06, 732.08, 732.12, 732.14, 732.18, 732.24, and 732.26 were not negotiated.

3/ Rate provided in the Tariff Act of 1930.

bicycles are eligible for duty-free treatment under the (GSP). 1/ The staged column 1 rate reductions negotiated under the MTN and the base rate, in effect from January 1, 1972, to December 31, 1979, are shown in the following table.

#### U.S. Producers

In 1981, eight firms accounted for nearly 99 percent of the domestic output of bicycles. The firms are currently manufacturing bicycles in 11 facilities located in Ohio, Tennessee, Illinois, Massachusetts, Pennsylvania, Oklahoma, California, Mississippi, and Wisconsin. There are at least five other small, specialty bicycle manufacturers in California, Wisconsin and New York. In addition, there are over 40 domestic sources of custom-made frames (not finished bicycles).

Manufacturers responding to the Commission's questionnaire accounted for \* \* \* percent of U.S. production in 1981 (\* \* \* percent in 1979). 2/ Three of the four petitioning firms responded to the Commission's questionnaire and accounted for \* \* \* percent of U.S. production in 1981: Huffy, \* \* \* percent, Murray-Ohio, \* \* \* percent, and AMF, \* \* \* percent. The two other questionnaire respondents were Schwinn, which provided \* \* \* percent of domestic output in 1981, 3/ and Scorpion, which accounted for \* \* \* percent. Significant non-respondents were petitioner Columbia, 4/ Chain Bike, and BMX Products. Collectively, these three firms are believed to have accounted for \* \* \* percent of U.S. production in 1981. It is also believed that the remaining five firms accounted for \* \* \* percent of production.

Table 1 presents the 1981 production of the five questionnaire respondents by category of bicycle manufactured and table 2 shows each category as a percent of total production. \* \* \*.

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1/ The Generalized System of Preferences, under title V of the Trade Act of 1974, provides for duty-free treatment of 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 Jan. 1, 1975, and is scheduled to remain in effect until Jan. 4, 1985.

2/ Schwinn's estimates of producers' shipments presented in their March 1982 publication, U.S. Bicycle Market Statistics-1895 to 1981, Preliminary Conference Exhibit 3, are believed to be the most reliable available data on U.S. production because the Commission did not obtain a 100-percent response to its questionnaire.

3/ Schwinn was represented at the Conference and provided data in opposition to the petitions.

4/ Attempts by the staff to obtain the questionnaire data from Columbia were unsuccessful although they did provide a tour of their manufacturing facilities to one of the staff during field work in connection with this investigation.



Bicycles Pre-MTN rate and staged rate modifications, by TSUS items, 1980-87

TSUS item No.	Pre-MTN col. 1 rate of duty 1/	Rates of duty 2/, effective with respect to articles entered on and after Jan. 1--						
		1980	1981	1982	1983	1984	1985	1986 : 1987
732.04--	93.5¢ each:	87¢ each	81¢ each	75¢ each	69¢ each	63¢ each	57¢ each	51¢ each : 45¢ each
732.10--	\$1.50 each:	\$1.38 each	\$1.27 each	\$1.16 each	\$1.05 each	93¢ each	82¢ each	71¢ each : 60¢ each
732.16--	93.5¢ each:	89¢ each	86¢ each	82¢ each	79¢ each	75¢ each	72¢ each	68¢ each : 65¢ each
732.21--	15% ad	14% ad	13.1 % ad	12.1% ad	11.1% ad	10.1% ad	9.2% ad	8.2% ad : 7.2% ad
	val.	val.	val.	val/	val.	val.	val.	val. : val.
1/	Effective Jan. 1, to 1972-Dec. 31, 1979.							

Since 1970, three companies have stopped manufacturing bicycles. They are Excelsior Manufacturing Co. (1970), H.P. Synder Manufacturing Co. (1976), and Stebler Cycle Corp. (1977). However, a number of companies (at least four) were established during the 1970's to produce BMX bicycles in California. Three small operations were also set up in New York and Wisconsin. In addition, Huffy opened a large plant in Ponca City, Okla., in 1980 and, after the facility became fully operational, closed an older, smaller, less efficient facility in California in 1982. 1/ Schwinn constructed a new plant in Mississippi in 1980 for the manufacture of high-quality (lugged frame) lightweight 27-inch 10-speed models, opened a small facility in Wisconsin for custom-made bicycles in 1981, and scaled down its Chicago operations for making middleweight models in 1982. In 1980, AMF

Table 1.--Bicycles: U.S. production, by firms and product categories, 1981

\* \* \* \* \*

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1/ The Value Line Investment Survey, July 30, 1982, p. 784; and Wall Street Journal, "Many Plant Closings Reflect Switch in Strategy as Well as Poor Economy," Oct. 15, 1982, sec. 2, p. 37.

Table 2.--Bicycles: Percentage distribution of U.S. production,  
by firms, and by product categories, 1981

\* \* \* \* \*

consolidated its operations by relocating a portion of its bicycle production equipment from its Little Rock, Ark., site to its operation in manufacturing other wheel goods in Olney, Ill.

Schwinn signed an agreement on September 23, 1982, to send bicycle frames made in its Chicago facilities and various Schwinn-made or purchased components to Murray-Ohio in Lawrenceburg, Tenn. , under a 2-year contract whereby Murray will assemble approximately 13 different Schwinn models (primarily 20-inch and 26-inch single and 3-speed models) from parts supplied or approved by Schwinn. The assembly and finishing process will meet Schwinn's specifications and all of the bicycles will be sold under the Schwinn label to Schwinn's authorized dealers.

#### U.S. Importers

The concerns responding to the Commission's questionnaires accounted for over 58 percent of total U.S. imports from Taiwan and 68 percent of total imports from Korea in 1981. The three largest importers accounted for 45 percent of the imports from Taiwan; another three accounted for 67 percent of the imports from Korea.

\*            \*            \*            \*            \*            \*

The share of Schwinn's shipments accounted for by imports increased from \* \* \* percent in 1979 to \* \* \* percent in 1981.

National also makes top-of-the-line "Raleigh" brand 27-inch 10-speed models. Additionally, Raleigh bicycles are also made by several companies in Taiwan. <sup>1/</sup> In January-June 1982, Huffy purchased the rights to the trademarks of TI Raleigh Industries, Ltd., for a 10-year period. Huffy created a subsidiary, Raleigh Cycle Corporation of America, to market "Raleigh" label bicycles imported from Japan and Taiwan and "Rampar" label bicycles produced in the United States through independent authorized Raleigh dealerships.

A domestic producer, Schwinn, accounted for \* \* \* percent of U.S. imports from Taiwan in the first half of 1982.

Table 3 lists the importers of bicycles from Taiwan and Korea which responded to the Commission's questionnaire by volume of shipments and by type during January-August 1982.

Table 4 presents each category of bicycle as a percent share of total import shipments by the responding firms during January to August 1982.

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<sup>1/</sup> The Commission did not receive a questionnaire response from a company believed to be, until recently, a significant importer of bicycles from Taiwan, TI Raleigh Industries, Ltd., because its U.S. subsidiary went out of business in 1982.

Table 3.--Bicycles: U.S. imports for consumption from Taiwan and Korea, by principal sources and importers of specific types, January-August 1982

\* \* \* \* \*

Table 4.--Bicycles: Percentage distribution of U.S. imports from Taiwan and Korea, by sources and by importers of specified types, January-August 1982

\* \* \* \* \*

## Channels of Distribution

Mass merchandisers account for approximately 70 to 75 percent of the bicycles sold in the United States. Independent bicycle dealers (IBD) account for the remaining 25 to 30 percent. In general, bicycles retailing for under \$150 are sold through mass-merchants, whereas more expensive bicycles are sold through IBDs. The exception is Schwinn, all of whose bicycles are marketed through IBDs. Of the approximately 7,000 IBDs in the United States, \* \* \* are authorized Schwinn dealers. These Schwinn dealers, who also sell other brands of bicycles, account for about \* \* \* percent of total U.S. sales. Except for the Schwinn and Ross (Chain Bike) lines, almost all IBD sales are competition-type BMX models or imported lugged frame 27-inch multispeed lightweights. 1/ The four petitioners sell almost exclusively to mass-merchants. 2/ Except for competition-type BMX models and the Schwinn line, almost all juvenile bicycles are sold through mass-merchants. Most lightweights sold through the mass-merchant channel have 26-inch wheels.

Questionnaire responses indicate that 85 percent of bicycles imported from Taiwan in 1981 were sold through IBDs 3/ and 94 percent of those imported from Korea in 1981 were sold to mass-merchants. 4/

## Apparent Consumption

The Commission did not receive questionnaire responses from all U.S. producers of bicycles. The producers' shipments data shown in this section of the report, as stated earlier, were prepared and published by Schwinn and is believed to be the most reliable data available in the absence of total response to the questionnaires. 5/

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1/ \* \* \*.

2/ \* \* \*.

3/ Exhibit 4 of Schwinn's Post Conference Brief indicates that about \* \* \* percent of Taiwanese exports to the United States in 1981 went to the IBD market.

4/ The Post-Conference Brief of the Korea bicycle exporters, p. 12, states that 95 percent of Korea's exports to the United States are sold to mass-merchants.

5/ Some question arose during the Commission conference (transcript p. 83) regarding the period covered by the Commission questionnaire. Traditionally, the Commission has requested data during a preliminary investigation for the last 3 full years plus the latest available partial year data which can be compared with the corresponding period of the previous year. For bicycles, however, 1979 was not a representative year on which to base trends. U.S. producer's shipments in 1979 totaled an estimated 9.0 million units and U.S. consumption totaled an estimated 10.9 million units, both of which are higher than in any year since 1974. Table C-1 in the appendix shows U.S. producers shipments, imports for consumption, and apparent consumption, 1971-81.

Apparent U.S. consumption of bicycles declined annually from 10.9 million units in 1979 to 8.8 million units in 1981, representing a decline of 19 percent. During January-August 1982, it is estimated that consumption continued downward, declining by nearly 2 million units, or by 31 percent compared with consumption during January-August 1981 (table 5). The recent decline in consumption has been attributed largely to the sluggish economy at the retail level, poor spring weather conditions, and a strong demand at Christmas time for video games that diverted spending from the purchases of bicycles. 2/ The share of consumption accounted for by imports grew from 17 percent in the peak market year of 1979 to 24 percent in 1980 and 25 percent in 1981. The market share supplied by imports during the January-August period of 1981 and 1982 remained at 26 percent.

Table 5.--Bicycles: Apparent U.S. consumption, 1979-81, January-August 1981, and January-August 1982

Period	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	Quantity (1,000 units)				Percent
1979-----	1/ 9,038	1,866	52	10,852	17.2
1980-----	1/ 6,942	2,155	92	9,005	23.9
1981-----	1/ 6,832	2,224	91	8,965	24.8
January-August--					
1981-----	2/ 4,773	1,653	45	6,381	25.9
1982-----	2/ 3,319	1,144	30	4,433	25.8

1/ Data shown for 1979-81 are Schwinn's estimates presented in the March 1982 publication U.S. Bicycle Market Statistics-1895 to 1981. Partial year data were estimated by the U.S. International Trade Commission, as noted.

2/ Estimated on the basis of data submitted in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce.

Source: Compiled by the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce and other sources as noted.

### Consideration of Material Injury to an Industry in the United States

#### U.S. production

Five U.S. manufacturers of bicycles responded to the Commission questionnaires. Production by the responding firms, which accounted for an estimated \* \* \* percent of U.S. production in 1981, declined irregularly from \* \* \* million units in 1979 to \* \* \* million units in 1981, a decline of \* \* \* million units, or 21 percent. The trend in U.S. bicycle production continued

2/ Transcript of Conference, p 95.

downward during January-August 1982, declining by an additional \* \* \* million units, or 31 percent below the level of production during January-August 1981. As shown in table 6, production by each of the responding firms declined during the period covered by the Commission's questionnaire.

Table 6.--Bicycles: U.S. production, by responding firms, 1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

Table 7 shows U.S. production of the specific types of bicycles identified by the petitioners as those which are most competitive with the types of imports which were allegedly sold at less than fair value. As shown in the table, the BMX category was the only type for which increased

Table 7.--Bicycles: U.S. production, by specified types, 1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

production was reported between 1979 and 1981. U.S. production of the 20-inch BMX bicycles \* \* \*, increasing from \* \* \* million units in 1979 to \* \* \* million units in 1981, representing an increase of \* \* \* percent. However production of BMX bicycles during January-August 1982 was down \* \* \* units, or \* \* \* percent, from production in January-August 1981. Most of the decline in overall U.S. bicycle production was accounted for by the other 20-inch bicycles which consisted mostly of the high riser type. Production of those bicycles declined by \* \* \* million units, or \* \* \* percent, between 1979 and 1981. U.S. production of the 10-speed, 27-inch bicycles also declined



substantially (\* \* \* percent) between 1979 and 1981. Production of the 10-speed, 27-inch bicycles continued to decline in 1982, by an additional \* \* \* percent from production during the corresponding period of January-August 1981.

U.S. capacity and capacity utilization

Total production capacity of the five responding U.S. bicycle manufacturers increased annually from \* \* \* million units in 1979 to \* \* \* million units in 1981, representing an increase of \* \* \* million units or 9 percent. Capacity continued to increase during January-August 1982, up 6 percent from capacity in January-August 1981. As shown in table 8, capacity utilization by the responding firms has declined annually since 1979.

Table 8.--U.S. capacity and capacity utilization, by responding firms, 1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

Three firms, Schwinn, Huffy, and AMF Wheel Goods, reported significant changes in their bicycle production facilities during the period covered by the Commission's questionnaire.

Schwinn.--

*	*	*	*	*	*	*
---	---	---	---	---	---	---

Huffy.--

*	*	*	*	*	*	*
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AMF Wheel Goods.--

*	*	*	*	*	*	*
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U.S. producers' shipments

Shipments of domestically produced bicycles by the responding U.S. producers declined from \* \* \* million units in 1979 to \* \* \* million units in 1980, representing a decline of 25 percent, and then increased slightly (1 percent) in 1981. Shipments in January-August 1982 declined by 30 percent from the corresponding period of 1981 (table 9).

Table 9.--Bicycles: U.S. shipments of domestically produced bicycles, by firm, 1979-81, January-August 1981, and January-August 1982

*	*	*	*	*	*	*
---	---	---	---	---	---	---

Table 10 shows U.S. producers' shipments of the specific types of bicycles identified by the petitioners as most competitive with the imports which are alleged to be sold at LTFV. As shown in the table, the 20-inch, BMX models were the only types of domestic bicycles for which sales increased between 1979 and 1981.

Adults are the principal riders of 26-inch and 27-inch 10-speeds and 26-inch 3-speeds, whereas youths chiefly ride 24-inch 10-speeds and 20-inch models. In 1981, producers' shipments of "adult" models were \* \* \* percent below the 1979 level. Meanwhile producers' shipments of "youth" models slipped by only \* \* \* percent. The data reflect two observations made by industry sources during field work: first, 1979 was an exceptionally good year, especially for adult bicycles, because of the gasoline crisis, <sup>1/</sup> and second, early in the current recession, adults were willing to postpone purchases of bicycles for themselves, but continued to purchase bicycles for their children. As the recession deepened, shipments of both categories of bicycles fell sharply: producers' shipments of adult models were off by \* \* \* percent in January-August 1982 compared with the same period of 1981, and youth shipments dropped by \* \* \* percent.

Table 10.--Bicycles: U.S. Producer's shipments of domestically produced bicycles, by specified types, 1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

#### U.S. exports

U.S. exports of domestically produced bicycles increased from 52,000 units in 1979 to 92,000 units in 1980 but declined to 91,000 units in 1981. \* \* \*. Exports of U.S. bicycles in recent years have consisted principally of 20-inch, BMX bicycles. Principal foreign markets for U.S. bicycles were the United Kingdom, Mexico, Venezuela, and Canada (Table 11).

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<sup>1/</sup> Panic buying during the temporary gasoline crisis of 1979 resulted in most U.S.-made models being sold out.

Table 11.--Bicycles: U.S. exports of domestic merchandise, by principal markets, 1979-81, January-August 1981, and January-August 1982

Market	1979	1980	1981	January-August--	
				1981	1982
	Quantity (1,000 units)				
United Kingdom-----	1/	20	22	14	5
Mexico-----	10	17	16	5	4
Venezuela-----	4	1	10	3	2
Canada-----	20	22	7	5	4
All other-----	18	32	36	18	15
Total-----	52	92	91	45	30
	Value (1,000 dollars)				
United Kingdom-----	11	1,524	2,027	1,338	785
Mexico-----	409	756	815	236	203
Venezuela-----	205	25	595	179	121
Canada-----	543	820	345	272	267
All other-----	2,272	2,201	2,152	1,123	874
Total-----	3,440	5,326	5,934	3,148	2,250
	Unit value				
United Kingdom-----	\$234.60	\$75.29	\$90.42	\$93.52	\$146.08
Mexico-----	40.73	44.58	51.24	44.61	55.16
Venezuela-----	55.06	31.66	60.77	70.88	52.81
Canada-----	27.65	36.70	49.50	52.98	61.86
All other-----	122.30	68.43	60.51	62.93	60.95
Average-----	66.12	57.58	65.46	69.79	75.01
1/ Less than 500 units.					

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

U.S. producers' inventories

U.S. producers inventories of domestically produced bicycles increased annually, nearly doubling between 1979 and 1981. Producers inventories on December 31, 1981 were up 93 percent compared with the inventory level of December 1979. The ratio of inventories to producers shipments increased annually from 4.2 percent in 1979 to 10.5 percent in 1981 (table 12).

Table 12.--Bicycles: Inventories of domestic bicycles held by U.S. producers on December 31, 1979-81

\* \* \* \* \*

Employment and wages

The number of production and related workers engaged in the manufacture of bicycles has declined annually since 1979. In 1981, employment of such workers was down by \* \* \* employees compared with employment in 1979, representing a decline of 21 percent. Employment in January-August 1982, declined by an additional \* \* \* workers, or by 28 percent (table 12). 1/ 2/

Average annual wages paid to the workers that manufactured bicycles declined irregularly from \* \* \* million in 1979 to \* \* \* million in 1981. The average annual hours worked by such employees declined from \* \* \* in 1979 to \* \* \* in 1981. Average hourly earnings of those employees declined from \* \* \* in 1979 to \* \* \* in 1981 while fringe benefits, at \* \* \* per hour were the same in both 1979 and 1981.

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1/ \* \* \*.

2/ As stated earlier in this report, some of the machinery and employees used in the manufacturing process were used for both bicycles and other products at \* \* \* and \* \* \*. \* \* \*..

Table 13.---Average number of employees in the reporting establishments, total and production and related workers employed in establishments producing all products, 1/ and bicycles, hours worked and wages and fringe benefits paid, 1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

#### Financial experience of U.S. producers

Four U.S. firms accounting for about \* \* \* percent of the value of total U.S. shipments of bicycles in 1981, supplied usable income-and-loss data relative to both their establishment operations and their operations on bicycles alone. In the aggregate, the four firms reported diminishing sales and profits for both operations during the reporting periods.

Overall establishment operations.---The four firms' overall establishment net sales declined irregularly from \* \* \* million to \* \* \* million during 1979-81 (table 14). Net sales fell sharply to \* \* \* million in interim 1982, compared with \* \* \* million in the corresponding period of 1981.

In the aggregate, the four firms derived between \* \* \* percent (1981) and \* \* \* percent (1979) of their overall sales revenue from the sale of bicycles in each year during 1979-81. The relationship fell to \* \* \* percent during interim 1982, compared with \* \* \* percent for the same period of 1981.

The reporting firms' establishment operations were profitable during 1979-81, although, profits declined yearly during this period. Aggregate operating income ranged from a high of \* \* \* million, or \* \* \* percent, of net sales in 1979, to a low of \* \* \* million, or \* \* \* percent, of net sales in 1981. Operating income declined sharply to \* \* \* million, or \* \* \* percent, of net sales in interim 1982, compared with an operating income of \* \* \* million, or \* \* \* percent, of net sales for the corresponding period of 1981.

Aggregate net income fell at a faster rate than operating income during 1979-81 and interim 1982. Such profit ranged downward from \* \* \* percent of net sales in 1979 to \* \* \* percent in 1981, and in interim 1982, the four firms sustained an aggregate net loss equal to \* \* \* percent of net sales. The increase in other expenses--mainly interest expense--was responsible for the more rapid decline of net income before taxes.

Cash flow generated from U.S. producers overall establishment operations are also shown in table 14. Cash flow declined annually during 1979-81, from \* \* \* million in 1979 to \* \* \* million in 1981. During interim 1982, the four firms sustained a negative cash flow of \* \* \* million.

Manufacturing costs and operating expenses increased at a faster rate than sales revenue during 1979-81 and interim 1982. As a share of net sales, cost of goods sold increased irregularly from \* \* \* percent in 1979 to \* \* \* percent in interim 1982, and operating expenses (GS&A) increased irregularly from \* \* \* percent of net sales in 1979 to \* \* \* percent in interim 1982.

\* \* \* \* \*

Operations on bicycles.--The four reporting firms' net sales of bicycles declined annually from \* \* \* million in 1979 to \* \* \* million in 1981, or by \* \* \* percent. Such sales fell to \* \* \* million in interim 1982, representing a decline of \* \* \* percent from the \* \* \* million in sales reported for the corresponding period of 1981 (table 15).

The four firms' aggregate bicycle operations were profitable in 1979 and 1980 and unprofitable in each of the other reporting periods. Operating

Table 14.--Income-and-loss experience of 4 U.S. producers on the overall operation of their establishments within which bicycles are produced, 1979-81, interim 1981, and interim 1982

\* \* \* \* \*

income declined sharply from \* \* \* million, or \* \* \* percent of net sales, in 1979 to \* \* \* million, or \* \* \* percent of net sales, in 1980. In 1981, the four firms sustained an operating loss of \* \* \* or \* \* \* percent of net sales, and during interim 1982, they sustained an operating loss of \* \* \* million, or \* \* \* percent of net sales, compared with an operating income of \* \* \* million, or \* \* \* percent of net sales, during the corresponding period of 1981.

The four firms incurred substantial interest costs (other income expense) during the reporting period. As a result, net income or loss margins were substantially lower than operating income or loss margins during the reporting period. In 1979 and 1980, the four firms posted net income margins of \* \* \* percent and \* \* \* percent, respectively. In 1981, they sustained a net loss equal to \* \* \* percent of net sales, and in interim 1981 and 1982, they sustained net loss margins of \* \* \* percent and \* \* \* percent, respectively.

\* \* \* \* \*

As a share of net sales, manufacturing costs (cost of goods sold) rose yearly, from \* \* \* percent of net sales in 1979 to \* \* \* percent in interim 1982, and general, selling and administrative expenses rose irregularly from \* \* \* percent to \* \* \* percent of net sales during this period indicating that selling prices and/or sales volume did not keep pace with rising costs and expenses during the reporting period.

Cash flow generated from U.S. producers' bicycle operations declined annually during 1979-81, from a positive cash flow of \* \* \* million in 1979 to a negative cash flow \* \* \* million in 1981. The four firms reported a negative cash flow of \* \* \* million in interim 1982, compared with a positive cash flow of \* \* \* for the corresponding period of 1981.

Table 15.--Income-and-loss experience of 4 U.S. producers on their bicycle operations 1979-81, interim 1981, and interim 1982

\* \* \* \* \*

Individual company financial data relative to the four firms' bicycle operations are presented in table 16. The data reveals that profits for all four firms declined substantially during the reporting period, especially during interim 1982.

\* \* \* \* \*

Investment in productive facilities.--Four firms supplied data relative to their investment in productive facilities employed in the establishments in which bicycles are manufactured and their investment in productive facilities used in the manufacture of bicycles. The four firms overall establishment investment in such facilities, valued at cost, increased by \* \* \* million during 1979-81. The book value of such assets increased \* \* \* million during 1979-81.



The four firms' investment in productive facilities used in the manufacture of bicycles, valued at cost, increased by \* \* \* million during 1979-81, and book value of such assets increased \* \* \* million during this period (table 17).

Table 16.--Income-and-loss experience of 4 U.S. producers on their bicycle operation, by firm, 1979-81, interim 1981, and interim 1982

\* \* \* \* \*

Table 17.--Investment in productive facilities by 4 U.S. producers of bicycles, as of the end of accounting years 1979-81

\* \* \* \* \*

Consideration of Threat of Material Injury to an  
Industry in the United States

Foreign production, capacity and exports

Korea.--The bicycle industry in Korea started production in 1944 but was stifled by the effects of the Korean War and poor economies of scale. The industry benefited from the oil crisis in 1973 which stimulated strong, consistent growth in Korea's domestic demand. Sales of bicycles in Korea reached 520,000 units in 1980, and it is estimated that sales will be near 800,000 units in 1982. The three Korean producers that export bicycles have a reported annual capacity of 950,000 units. 1/ Their collective utilization of that capacity was to be 93.7 percent in 1981. The largest producer in Korea, Sanchunri Bicycle Industry, does not export bicycles. 3/ The Korean manufacturers make the tubular frames and forks but rely on small domestic specialized parts producers for their components. A shortage of foreign exchange has led the Government of Korea to discourage the purchase of high quality components from foreign sources. Although the Government has announced plans to invest in the four leading bicycle producers to improve the quality of their product and the efficiency of their assembly process in order to boost exports, the potential for success is in doubt. 2/ Official data regarding the quantity of Korea's exports of bicycles are not available at this time. 3/ However, it is known that combined exports to its two chief markets, Canada and the United States, peaked at 380,000 units in 1978. 4/ Between 1978 and 1980, U.S. imports from Korea fell from 198,000 to 123,000; they recovered slightly to 131,000 in 1981. During January-August 1982, imports from Korea were 17 percent ahead of the pace for the corresponding period of 1981. (Total imports from all sources were off by 31 percent.) KIA accounted for 60 percent of the Korean bicycles exported to the United States in 1981, followed by Sunkyoung with 33 percent and Corex with 7 percent. 5/

Taiwan.--During the bicycle boom of 1972-74, as many as 100 producers in Taiwan were exporting bicycles to the United States. There are currently only 28 producers in Taiwan, with fewer than 10 exporting to the United States. 6/ In 1980, 2.5 million bicycles were produced in Taiwan; 2.2 million were exported, 1.1 million going to the United States. 7/ During 1978-81, U.S.

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1/ Transcript of the Conference, p. 174. The companies are KIA Industrial, Sunkyoung Cycles, Ltd., and Corex-Tokyo Corp., with respective capacities of 650,000; 200,000; and 100,000.

2/ \* \* \* conference Exhibit 2.

3/ According to the Post-Conference Brief of the Korean bicycle exporters, App. E, \* \* \* percent of the value of Korea's exports during 1979-81 was accounted for by exports to the United States.

4/ Conference Exhibit 2.

5/ Post-Conference Brief of the Korean bicycle exporters, App. B.

6/ Conference transcript, p. 151; and Japan Bicycle Press, "Taiwan makers - looking to escape from dependence on exports to U.S.," Jan. 15, 1981, p. 14.

7/ The Post-Conference Brief of the Taiwan Transportation Vehicle Manufacturing Association, p. 14, claims that the share of total Taiwan bicycle exports accounted for by the United States declined from 45.7 percent in 1979 to 35.4 percent in 1980 and 1981.

imports from Taiwan climbed from 825,000 to 1.2 million. However, during January-August 1982, imports from Taiwan fell by 15 percent from the level in the corresponding period of 1981. No data are currently available to project the capacity of Taiwan's industry.

Chief among Taiwan's seven principal producers is the 10-year old Giant Manufacturing. Giant accounted for \* \* \* percent of the bicycles produced in Taiwan in 1981 and \* \* \* percent of Taiwan's exports to the United States that year. Giant's operations have benefited from technical assistance provided by engineers from Schwinn and its Japanese customers to ensure that Giant's bicycles would be built to their specifications. (Bicycle manufacturers in Japan looked to Taiwan for relatively cheap labor to make their less sophisticated bicycles.) Schwinn's engineers continue to share technology with their associates at Giant. With the construction of a new factory in 1980, Giant was able to expand its capacity from 250,000 units in 1980 to 600,000 in 1981. (Giant utilized approximately \* \* \* percent of its capacity during 1981 and 1982.) 1/ This expansion coincided with a strike at Schwinn's plants in Chicago that lasted from October 1980 to February 1981. In the interim, Giant's contract with Schwinn was expanded from \* \* \* units in 1980 to \* \* \* in 1981. Giant's exports to other U.S. customers grew from 70,000 to between \* \* \* and \* \* \* during 1980-81. Australia received 13 percent of Giant's production in 1980, with the remaining 12 percent exported primarily to Europe and Canada. None of its production was sold in Taiwan. However, that changed in 1981 as 5 percent went to the local market and expectations are that home-market sales will climb to 19 percent in 1982. 2/ Giant's new plant makes medium-priced lightweights that will be focused on the European market, while the older plant continues to turn out low-priced models. 3/ In 1981, 55 to 60 percent of Giant's production was in the 27-inch 10-speed category, and 30 to 35 percent were BMX models. 4/ With the exception of one contract in 1982, all of Giant's U.S. sales since 1977 have been to the IBD market. 5/

Taiwan's second largest manufacturer is Merida Industry Co., Ltd. In 1980, 65 percent of Merida's exports were to the United States (over half of that amount went to Raleigh), 25 percent went to Europe, and 10 percent to Australia. Merida announced plans in 1980 to concentrate more on the high-quality European market in 1981 and to reduce its dependence on the U.S. market to 50 percent of its total exports. 3/

Ranked third is Taiwan Hodaka Industrial Co., Ltd., a subsidiary of a Japanese producer of high-quality lightweights. Taiwan Hodaka was one of the first Taiwanese bicycle producers to enter the U.S. market. In 1980, over 60 percent of its total production of 130,000 was exported to the United States. Most of these exports were high rise and BMX models having unit prices ranging

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1/ Giant's Post-Conference Brief, p. 15.

2/ Preliminary conference transcript, p. 152.

3/ Japan Bicycle Press.

4/ Transcript of Conference, p. 152.

5/ Giant's Post-Conference Brief, p. 2.

from a \$40 to \$50 f.o.b. 1/ The company purchased an electrostatic painting machine in late 1980 as a step toward concentrating on medium-priced 10-speed models in the future. 2/

The fourth largest producer in Taiwan is Kung Hsue She Co., Ltd. (KHS), with 1980 production of 120,000 units, of which 90 percent were high-quality 10-speed models. Seventy percent of its production was exported to the United States in 1980, where 30 percent of the imports are marketed through its subsidiary, KHS, Inc. KHS also exports frames to dealers in Europe, Singapore, Hong Kong, and Australia. 2/

With the opening of a new plant (which has an electrostatic painting machine) in 1981, Dodsun Bicycle and Machinery Manufacturers became the fifth largest producer in Taiwan. Noted for the quality of its frames, most of Dodson's exports go to Europe, and 40 percent go to the United States. 2/

EE Company was ranked second only to Giant in 1978 but dropped to sixth in 1980 as production fell below 120,000. The United States receives 80 percent of EE's exports. However, EE overestimated the U.S. demand for 10-speed models in 1980. To adjust to the change in the U.S. market, EE modified its new plant, which opened in May 1980, to concentrate on BMX models. BMX bikes were scheduled to account for 60 percent of EE's output in 1981. The new plant has the capacity to produce 432,000 bicycles annually. EE supplies BMX models under the Raleigh brand. 2/

The smallest of the seven principal producers in Taiwan is Fairly Bike Manufacturing Co., Ltd. Fairly was expected to make 100,000 medium-priced 10-speed lightweights and BMX models in 1981, with 30 percent of production being exported to the United States under the "Raleigh" brand. The rest were to be exported to Europe, chiefly Holland and West Germany. Fairly benefited from the extensive technical assistance provided to it by Nichibei-Fuji during the period it was under contract with the noted Japanese bicycle manufacturer. 2/

#### Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Alleged LTFV Imports

##### U.S. imports

U.S. imports of bicycles rose annually from 1.9 million units in 1979 to 2.2 million units in 1981, or by an increase of 19 percent. Imports fell during January-August 1982, declining by 509,000 units or 31 percent compared with the same period of 1981. Principal sources of U.S. imports during the period were Japan, Taiwan, France, and Korea (table 18).

As shown in table 19, imports of bicycles from Taiwan increased annually between 1979 and 1981, but imports from Korea declined. In 1981, imports from Taiwan were up by 186,000 units, or by 18 percent, compared with what they

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1/ According to Schwinn's Post-Conference Brief, Exhibit 4, Taiwan Hodaka A-28 accounted for \* \* \* percent of Taiwan's exports to the mass-merchant market in the United States by Taiwan's seven largest producers' during 1979-81. Their share dropped to \* \* \* percent in January-June 1982 as Giant made its first sale in the mass-merchant market since 1977.

2/ Japan Bicycle Press.

were in 1979, while imports from Korea were down by 47,000 units, or by 26 percent. During January-August 1982, imports from Taiwan declined by 123,000 units, or 15 percent, from imports during January-August 1981. Imports from Korea, however, increased in the partial year of 1982, up 12,000 units, or by 18 percent, from imports during January-August 1981.

Table 18.--Bicycles: U.S. imports for consumption, by principal sources, 1979-81, January-August 1981, and January-August 1982

Source	1979	1980	1981	January-August--	
				1981	1982
	Quantity (1,000 units)				
Japan-----	293	620	661	606	254
Taiwan-----	1,007	1,074	1,193	811	688
France-----	63	77	62	61	69
Korea-----	178	123	131	66	78
Poland-----	181	161	111	54	18
All other-----	45	42	66	45	37
Total-----	1,866	2,155	2,224	1,653	1,144
	Value (1,000 dollars)				
Japan-----	24,398	59,581	81,430	74,593	29,928
Taiwan-----	47,698	58,239	73,405	52,214	41,088
France-----	7,627	11,076	10,860	10,641	9,100
Korea-----	7,269	5,609	7,483	3,751	4,375
Poland-----	4,439	4,289	3,369	1,669	584
All other-----	4,983	4,805	8,085	7,181	4,039
Total-----	106,380	150,667	184,632	150,049	89,114
	Unit value				
Japan-----	\$83.20	\$96.08	\$123.17	\$123.14	\$117.68
Taiwan-----	47.35	54.22	61.55	64.41	59.70
France-----	121.48	144.43	174.50	175.55	131.61
Korea-----	40.87	45.61	56.93	56.60	56.25
Poland-----	24.56	26.57	30.40	30.86	31.61
All other-----	110.73	114.40	122.50	159.58	109.16
Average-----	57.00	69.92	83.01	90.80	77.92

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

Table 19.--Bicycles: U.S. imports for consumption, total and from Taiwan and Korea, 1979-81, January-August 1981, and January-August 1982

Period	Taiwan	Korea	Total, Taiwan and: Korea	All other	Total, all Countries
Quantity (1,000 units)					
1979-----	1,007	178	1,185	681	1,866
1980-----	1,074	123	1,197	958	2,155
1981-----	1,193	131	1,324	900	2,224
January-August--					
1981-----	811	66	877	776	1,653
1982-----	688	78	766	378	1,144
Value (1,000 dollars)					
1979-----	47,698	7,269	54,967	51,413	106,380
1980-----	58,239	5,609	63,848	86,819	150,667
1981-----	73,405	7,483	80,888	103,779	184,632
January-August--					
1981-----	52,214	3,751	55,965	94,084	150,049
1982-----	41,088	4,375	45,463	43,651	89,114
Unit value					
1979-----	\$47.35	\$40.87	\$46.39	\$75.50	\$57.00
1980-----	54.22	45.61	53.34	90.63	69.92
1981-----	61.55	56.93	61.09	115.31	83.01
January-August--					
1981-----	64.41	56.60	63.81	121.09	90.80
1982-----	59.70	56.25	59.35	115.48	77.92

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

The average unit value of imports from Taiwan climbed by 30 percent during 1979-81, then fell by 7 percent during January-August 1982 compared with the corresponding period of 1981. Using the same time frame, the average unit value of imports from Korea increased by 39 percent before slipping by 1 percent. Meanwhile the average unit value of imports from all other sources jumped by 53 percent before decreasing by 5 percent.

\* \* \* \* \*

Table 20.--Bicycles: U.S. imports from Taiwan, by responding firm's,  
1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

Data obtained by questionnaire from importers of bicycles from Korea represented 71 percent of the total imports from that source in 1979 and for 68 percent in 1981. As shown in table 21, \* \* \* .

Table 21.--Bicycles: U.S. imports from Korea, by responding firms,  
1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

Table 22 shows importers' shipments of bicycles from Taiwan by firm and table 23 shows importers shipments of bicycles from Taiwan by types. <sup>1/</sup> The responding firms reported increased shipments of 10-speed, 27-inch bicycles, BMX bicycles, and bicycles in the all other category which included such products as 16-inch and 26-inch single-speed bicycles. The share of 10-speed

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<sup>1/</sup> \* \* \* .

Table 22.--Bicycles from Taiwan: U.S. importers shipments, by firm,  
1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

Table 23.--Bicycles from Taiwan: U.S. importers shipments, by types,  
1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*



bicycles accounted for by 27-inch models increased from \* \* \* percent in 1979 to \* \* \* percent in January-August 1982. during the same time frame, the share accounted for by 26-inch models slipped from \* \* \* percent to \* \* \* percent.

Tables 24 and 25 shows importers shipments of bicycles from Korea, by firms and by types. The responding importers reported that shipments of all types of bicycles from Korea, except for the 20-inch high risers, and bicycles in the all other category, believed to be 16-inch juvenile models, declined significantly between 1979 and 1981.

Table 24.--Bicycles from Korea: U.S. importers shipments, by firm,  
1979-81, January-August 1981, and January-August 1982

\* \* \* \* \*

Table 25.--Bicycles from Korea: U.S. importers shipments, by types,  
1979-81, January-August 1981, and January-August 1982

\*

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U.S. importers' inventories

Four firms that imported bicycles from Korea; \* \* \* reported small quantities of Korean built bicycles in inventory. However, since most of the bicycles imported from Korea were destined for the mass market and are generally sold on the basis of importer contracts in advance of importation, each of those firms had less than \* \* \* bicycles in inventory. Only one of the firms, \* \* \*, reported that it sells bicycles from Korea to the IBD market.

As shown in table 26, inventories of bicycles imported from Taiwan increased annually from \* \* \* units on December 31, 1979 to \* \* \* units on December 31, 1981. \* \* \* accounted for most of the large increase in the inventory level of imported bicycles. \* \* \* sells all of the bicycles it imports from Taiwan through the IBD market.

Table 26.--Bicycles from Taiwan: U.S. importers' inventories, by importers, as of Dec. 31, 1979-81, and Aug. 31, 1981-82,

\* \* \* \* \*

### Market penetration of alleged LTFV imports

Between 1979 and 1981, U.S. consumption of bicycles declined by 17 percent. The share of U.S. consumption supplied by imports increased from 17.2 percent in 1979 to 24.8 percent in 1981. Imports from Taiwan, which are alleged to have been sold at less than fair value, increased their share of U.S. consumption from 9.3 percent in 1979 to 13.3 percent in 1981. Imports from Korea, also alleged to have been sold at less than fair value, declined slightly from 1.6 percent of U.S. bicycle consumption in 1979 to 1.5 percent in 1981. The U.S. market share for both Taiwan and Korea increased during January-August 1982, when compared with the corresponding period of 1981 (table 27).

Table 27.--Bicycles: U.S. consumption and market penetration of imports from Taiwan, Korea, and all other countries, 1979-81, January-August 1981, and January-August 1982

Period	U.S. consumption <sup>1/</sup> 1,000 units	Share of U.S. consumption supplied by--				
		Taiwan	Korea	Total, Taiwan and Korea	All other countries	Total all imports
		Percent				
1979-----	10,852	9.3	1.6	10.9	6.3	17.2
1980-----	9,005	11.9	1.4	13.3	10.6	23.9
1981-----	8,965	13.3	1.5	14.8	10.0	24.8
January-August:						
1981-----	6,381	12.7	1.0	13.7	12.2	25.9
1982-----	4,433	15.5	1.8	17.3	8.5	25.8

<sup>1/</sup> Estimated by the Bicycle Manufacturers Association and the Schwinn Bicycle Co.

Source Compiled from official statistics of the U.S. Department of Commerce except as noted.

### Prices

Price comparisons between U.S. produced bicycles and those imported from Taiwan and Korea are complicated by the many different possible product comparisons, different distribution channels, and off-invoice price adjustments. Bicycles are produced in a variety of sizes and styles, and a given size and style of bicycle can be produced with numerous component and frame combinations. Thus, depending on the specific combination of step-up features, a given size and style of bicycle can vary significantly in price.

Bicycle producers and importers sell to either the mass-merchandiser market or the independent dealer market, which consists principally of bicycle specialty shops. In the mass-merchandiser market, bicycles are sold directly to the retailers, but in the independent dealer market bicycles are sold either directly to retailers or first to distributors, who in turn sell to retailers. Mass merchandisers generally sell large volumes of bicycles with standard frame sizes and offer limited service; whereas, bicycle dealers

typically sell small volumes of bicycles with custom-fitted frame's and offer extensive service. As a result, retail bicycle prices of mass-merchandisers range from approximately \$70 to \$200, and those of dealers range from approximately \$150 to several hundred, and in some cases even thousands, of dollars.

Price incentives variously extended by domestic producers and importers, but typically not reflected in the invoice price, also can affect price comparisons of bicycles. For instance, the invoice price may overstate the purchaser's cost if the supplier offers liberal payment terms (extending beyond the usual net 30 day terms); or if the invoice price includes promotional overbilling that later will be rebated by the supplier. 1/

In addition to the above difficulties, other factors also may complicate price comparisons of bicycles. Purchasers of imported bicycles incur certain costs that are not encountered when purchasing domestic bicycles. Hence, in order to be competitive with domestic producers, importers often offer lower prices, step-up features, or some combination of both, thereby offsetting these extra costs. 2/ Examples of such import-specific costs include (1) use of letters of credit, which generally are payable when the bicycles leave the foreign port, (2) longer leadtimes, (3) extra inventory and handling costs, and (4) less attractive parts supply and service arrangements.

The Commission requested average net f.o.b. selling prices for specific bicycle types from domestic producers and importers. Producers and importers were asked to supply their total sales volume and net selling prices to mass-merchandisers and independent dealers for their opening price point models in each of six representative bicycle categories (identified in app. C). 3/4/

In addition, respondents were requested to distinguish between factory label sales and private label sales.

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1/ Buyers with four large mass-merchandise firms, \* \* \*, indicated in telephone conversations with the staff that off-invoice price adjustments and extra cost factors associated with imports could significantly affect selling price comparisons between domestic and imported bicycles.

2/ Importers may also offset these extra costs by selling a recognized brand name bicycle or, in some instances, by taking advantage of lower delivery costs resulting from being able to land their products at any one of several ports along the east, west, and gulf coasts of the United States.

3/ Huffy indicated in telephone conversations with the staff that the opening price models in these six bicycle categories were representative of the domestic products which competed directly with the bicycles imported from Taiwan and Korea.

4/ Domestic producers and importers sell many types of bicycles and within each type or category several models with varying prices. A firm's opening price point refers to the bicycle model which that firm sells at the beginning of the price spectrum corresponding to a particular bicycle category.

The price data are presented in text tables 28 through 31 and in appendix tables C-2 through C-5. The text tables show ranges of bicycle prices reported by domestic producers and importers, and margins by which the imported product undersold the domestic product (parenthesis indicate import prices were higher than domestic prices). Ranges of prices rather than averages are shown in the text tables, because in several instances respondents reported prices of bicycles of widely different qualities. The appendix tables show the reported prices and quantities from which the price ranges and margins of underselling were calculated.

Although fluctuating, domestic selling prices of bicycles generally increased from January-March 1980 through approximately July-September 1981, then either decreased or held steady through July-September 1982. This pattern of changing bicycle prices is more evident in the mass-merchandise market than in the independent dealer market, where price changes were generally more erratic.

Prices of Taiwan bicycles generally followed the same pattern of domestic bicycle prices, but in some instances their upward trend stopped a quarter earlier than domestic prices.

Prices of Korean bicycles generally increased from January-March 1980 through the first or second quarter of 1982, before holding steady in the third quarter of 1982.

In general, there were wide variations in reported prices and in many instances the price of the imported product exceeded the domestic price. <sup>1/</sup> In the mass-merchandise market, prices of Taiwan bicycles greater than those of domestic bicycles occurred in 44 out of 88 quarters in which comparisons were possible, and prices of Korean bicycles greater than those of domestic bicycles occurred in 37 out of 46 quarters in which comparisons were possible. <sup>2/</sup> Overselling in the mass-merchandise market ranged from 0 to 34.4 percent for the Taiwan bicycles and from 0 to 43.1 percent for the Korean bicycles. Underselling in the mass-merchandise market ranged from 0 to 31.1 percent for the Taiwan bicycles and from 0 to 22.3 percent for the Korean bicycles. These patterns of overselling were not as prevalent in the dealer market, where prices of Taiwan bicycles less than those of domestic bicycles occurred in 57 out of 58 quarters in which comparisons were possible, and prices of the Korean bicycles were less than those of the domestic bicycles in all \* \* \* comparisons. Underselling in the dealer market ranged from 0 to 44.6 percent for the Taiwan bicycles and from 0 to 39.2 percent for the Korean bicycles. \* \* \*. \* \* \* of the \* \* \* instances of underselling by the Korean bicycles, sold in the dealer market involved competition only with Schwinn, who stated in their questionnaire response that they have not lost sales and they have not significantly reduced their prices as a result of competition with bicycles imported from Taiwan or Korea.

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<sup>1/</sup> These margins are shown in parenthesis in tables 28 through 31.

<sup>2/</sup> \* \* \*, an importer of Korean bicycles, submitted documentation at the Conference that showed that the domestic bicycles were underselling the Korean products. In addition, \* \* \* submitted for the record some of its purchase invoices showing that \* \* \* undersold comparable Korean bicycles.

Table 28.--Range of weighted average net selling prices for sales of imports from Taiwan and for sales of domestic products to mass-merchandiser customers, and the average margins by which imports from Taiwan undersold domestic products, by types of labeling, by types of products, and by quarter, January 1980-September 1982

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Table 29.--Range of weighted average net selling prices for sales of imports from Korea and for sales of domestic products to mass-merchandiser customers, and the average margins by which imports from Korea undersold domestic products, by types of labeling, by types of products, and by quarter, January 1980-September 1982

\* \* \* \* \*



Table 30.--Range of weighted average net selling prices for sales of imports, from Taiwan and for sales of domestic products to independent dealer customers, and the average margins by which imports from Taiwan undersold domestic products, by types of labeling, by types of products, and by quarter, January 1980-September 1982

\* \* \* \* \*

Table 31.--Range of weighted average net selling prices for sales of imports, from Korea and for sales of domestic products to independent dealer customers, and the average margins by which imports from Korea undersold domestic products, by types of labeling, by types of products, and by quarter, January 1980-September 1982

\* \* \* \* \*

Lost Sales

Three domestic producers submitted a total of 19 specific allegations of lost sales of bicycles to imports of these products from Taiwan and Korea. 1/ These allegations amounted to alleged lost sales of approximately \* \* \* bicycles from January 1980 to September 1982. This figure represents approximately \* \* \* percent of domestic bicycle shipments of the three firms alleging lost sales during this period.

Schwinn stated in its questionnaire response that it has not lost any sales of bicycles to imports from Taiwan or Korea. \* \* \*.

Imports from Taiwan.--Seventeen allegations of lost sales concerning imports from Taiwan, amounting to \* \* \* bicycles, were reported by domestic producers and investigated by the Commission staff. Purchasers reported buying approximately \* \* \* Taiwan bicycles involving eight allegations. This figure is \* \* \* bicycles less than domestic producers originally cited in these eight allegations. Eight other allegations, amounting to approximately \* \* \* bicycles, were contested by purchasers who stated that they did not buy the alleged Taiwan bicycles. In the remaining allegation, amounting to approximately \* \* \* bicycles, the purchaser would not discuss the allegation on the telephone.

Six purchasers, all mass-merchandisers, accounted for the eight purchases of Taiwan bicycles alleged to represent lost sales. In late 1981 and early 1982, in order to market a higher quality bicycle, \* \* \* purchased \* \* \* of these bicycles. \* \* \* stated that the company had made a policy decision to begin marketing a higher quality bicycle with lug frames and alloy steel components and that domestic bicycle manufacturers could not supply these requirements. When questioned about the prices of competitive welded frame domestic bicycles, \* \* \* maintained that because of the unavailability of comparably equipped domestic bicycles, price comparisons were not valid.

\* \* \* purchased \* \* \* Taiwan bicycles, alleged to be lost sales, at a price from \$30-35 less than the competing domestic product. \* \* \* explained that this purchase, \* \* \*, represented a one-time offer of a quality bicycle at an attractive price. Company representatives stated that because \* \* \* was not seeking price quotes at that time, other sources of supply were not considered.

\* \* \* purchased \* \* \* Taiwan bicycles, alleged to be lost sales, at prices ranging from \$8-10 less than the competing domestic product. \* \* \* explained that many of these bicycles, which were purchased in 1980, proved to be defective, and as a result his company has not purchased any Taiwan bicycles in 1981 and 1982.

\* \* \* purchased \* \* \* Taiwan bicycles, alleged to be lost sales, at prices ranging from 5 percent greater to 10 percent less than the competing domestic product. A company official stated that \* \* \* has been purchasing Taiwan bicycles for about 10 years.

\* \* \* purchased \* \* \* Taiwan bicycles, alleged to be lost sales, at approximately \$5 more than the competing domestic product. \* \* \* indicated that the firm began purchasing Taiwan bicycles in late 1981 because domestic producers do not offer an attractive loss-leader bicycle, and because they are more attractive in appearance than the competing domestic bicycles.

\* \* \* purchased \* \* \* Taiwan bicycles, alleged to be lost sales, at prices from 10-15 percent less than the competitive domestic product. An official at \* \* \* stated that these bicycles, which were purchased in 1982, are the only Taiwan bicycles the firm has ever purchased. \* \* \*.

Imports from Korea.--Domestic producers made two allegations of lost sales concerning imports from Korea involving \* \* \* bicycles. \* \* \* accounted for both of these alleged lost sales in late 1981 and early 1982. \* \* \* presented the same reasoning for these purchases as that given for purchases of bicycles from Taiwan: (1) the firm had decided to market a higher quality bicycle than it had in the past and (2) domestic manufacturers did not offer the lug frames and alloy steel componentry that \* \* \* was seeking.

#### Price suppression/depression

Two domestic producers 1/ reported three specific instances in which they allegedly reduced their prices of bicycles during the period from January 1980-September 1982 because of competition from lower priced imports from Taiwan and Korea. Purchasers contested all three allegations, which totaled approximately \* \* \* bicycles. In each instance, the purchasers stated that they did not consider the Taiwan or Korean bicycles when buying these bicycles from the domestic producers.

Schwinn stated in its questionnaire response that it has not made substantial price reductions in order to meet the competition from bicycles imported from Taiwan or Korea. In 1981, Schwinn accounted for approximately \* \* \* percent of U.S. bicycle production and \* \* \* percent of the bicycles imported from Taiwan.

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1/ \* \* \*.

Appendix A

Commission's Notice of Investigations

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 October 15, 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. William Fry, telephone 202-523-0301, not later than October 12, 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. Fry.

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

By order of the Commission.

Issued: September 28, 1982.

Kenneth R. Mason,  
Secretary.

[FR Doc. 82-27500 Filed 10-5-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-112  
(Preliminary)]

#### Steel Wire Rope From Korea; Preliminary Antidumping Investigation

**AGENCY:** United States International Trade Commission.

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

**EFFECTIVE DATE:** September 28, 1982.

**SUMMARY:** The United States International Trade Commission hereby gives notice of the institution of an investigation under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the

establishment of an industry in the United States is materially retarded, by reason of imports from the Republic of Korea of steel wire rope, currently provided for in items 642.14 and 642.16 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value.

**FOR FURTHER INFORMATION CONTACT:** Mr. Stephen Vastagh (202-523-0283), Office of Investigations, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436.

#### SUPPLEMENTARY INFORMATION:

##### Background

This investigation is being instituted in response to a petition filed September 28, 1982, on behalf of nine U.S. producers of steel wire rope. The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition or by November 12, 1982 (19 CFR 207.17). Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than seven (7) days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Director of Operations, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

##### Written Submission

Any person may submit to the Commission on or before October 22, 1982, a written statement of information pertinent to the subject matter of this investigation (19 CFR 207.15). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8).

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 (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 October 20, 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, Ms. Vera Libeau, telephone 202-523-0368, not later than October 15, 1982, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations 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, 47 FR 6182, February 10, 1982; 47 FR 12792, March 25, 1982; 47 FR 33682, August 4, 1982), and Part 201, Subparts A through E (19 CFR Part 201, 47 FR 6182, February 10, 1982; 47 FR 13791, April 1, 1982; 47 FR 33682, August 4, 1982). Further information concerning the conduct of the conference will be provided by Ms. Libeau.

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

##### Public Inspection

A copy of the nonconfidential version of the petition is available for public inspection in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436.

Issued: October 1, 1982.

Kenneth R. Mason,  
Secretary.

[FR Doc. 82-27495 Filed 10-5-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 731-TA-110 and 731-TA-111 (Preliminary)]

#### Bicycles From the Republic of Korea and Taiwan

**AGENCY:** International Trade Commission.

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

**EFFECTIVE DATE:** September 24, 1982.

**SUMMARY:** The U.S. International Trade Commission hereby gives notice of the institution of investigations Nos. 731-TA-110 and 731-TA-111 (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 the Republic of Korea and Taiwan of bicycles, provided for in items 732.02 through 732.26, inclusive, of the Tariff Schedules of the United States, which are allegedly being sold in the United States at less than fair value (LTFV).

**FOR FURTHER INFORMATION CONTACT:** Mr. Bruce Cates, Office of Investigations, U.S. International Trade Commission; telephone 202/523-0389.

**SUPPLEMENTARY INFORMATION:**

**Background**

These investigations are being instituted following receipt of petitions filed by counsel for AMF Wheel Goods Division, Columbia Manufacturing Company, Huffy Corporation, and Murry Ohio Manufacturing Company, individually and as members of the Bicycle Manufacturers Association, Inc. Nonconfidential copies of the petitions are available for public inspection during official working hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436, telephone (202-523-0448). The Commission must make its determination in these investigations within 45 days after the date of the filing of the petitions, or by November 8, 1982 (19 CFR 207.17). These investigations will be subject to the provisions of part 207 of the Commission's rules of practice and procedure (19 CFR Part 207, 44 FR 76457 and 47 FR 6190), and particularly subpart B thereof.

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission not later than seven (7) days after the publication of this notice in the Federal Register (19 CFR 201.11). Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the notice.

**Service of Documents**

The Secretary will compile a service list from the entries of appearance filed in the investigations. Any party submitting a document in connection with these investigations shall, in addition to complying with § 201.8 of the Commission's rules (19 CFR 201.8), serve a copy of each such document on all other parties to the investigations. Such service shall conform with the requirements set forth in 201.16(b) of the Commission's Rules of Practice and Procedure (19 CFR 201.16(b)).

In addition to the foregoing, each document filed with the Commission in the course of these investigations must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certificate of service will not be accepted by the Secretary.

**Written Submissions**

Any person may submit to the Commission on or before October 20, 1982, a written statement of information pertinent to the subject matter of these investigations (19 CFR 207.15). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8).

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 these investigations for 9:30 a.m., on October 18, 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 investigations, Mr. Jim McClure, telephone 202/523-0439, not later than October 13, 1982, to arrange for their appearance. Parties in support of the imposition of antidumping duties 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 these investigations 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), 47 FR 6182, February 10, 1982 and 47 FR 13791, April 1, 1982. Further information concerning the conduct of the conference will be provided by Mr. McClure.

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

Issued: September 28, 1982.

By order of the Commission.

Kenneth R. Mason,  
Secretary.

(FR Doc. 82-27503 Filed 10-5-82; 8:45 am)

BILLING CODE 7020-02-M

[Investigation No. 337-TA-132]

**Certain Hand-Operated, Gas-Operated Welding, Cutting and Heating Equipment and Component Parts Thereof; Investigation**

**AGENCY:** International Trade Commission.

**ACTION:** Institution of investigation pursuant to 19 U.S.C. 1337.

**SUMMARY:** Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on August 31, 1982, under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337), on behalf of Victor Equipment Company, Airport Road, Post Office Box 1007, Denton, Texas 76201. The complaint alleges unfair methods of competition and unfair acts in the importation of certain hand-operated, gas-operated welding, cutting and heating equipment into the United States, or in its sale, by reason of alleged common law trademark infringement, copying of trade dress, false designation of source and origin, dilution of goodwill and reputation, passing off, and copyright infringement. The complaint further alleges that the effect or tendency of the unfair methods of competition and unfair acts is to destroy or substantially injure an industry, efficiently and economically operated, in the United States.

The complainant requests that the Commission institute an investigation, conduct expedited temporary relief proceedings, and issue a temporary exclusion order prohibiting importation of the articles in question into the United States, except under bond, and temporary cease and desist orders. The complainant also requests that the Commission, after a full investigation, issue a permanent exclusion order and permanent cease and desist orders.

**Authority:** The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930 and in § 210.12 of the Commission's Rules of Practice and Procedure (19 CFR 210.12).

**Scope of investigation:** Having considered the complaint, the U.S. International Trade Commission, on September 29, 1982, ordered that:

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, an investigation be instituted to determine





**Appendix B**  
**Calendar of Witnesses**

CALENDAR OF PUBLIC CONFERENCE

Investigation Nos. 731-TA-110 and 111 (Preliminary)

BICYCLES FROM THE REPUBLIC OF KOREA AND TAIWAN

Those listed below are scheduled to appear as witnesses at the United States International Trade Commission conference to be held in connection with the subject investigations beginning at 9:30 a.m., e.d.t., Monday, October 18, 1982, in the Hearing Room of the USITC Building, 701 E Street, N. W., Washington, D. C.

<u>In support of the imposition of antidumping duties</u>	<u>Alloted time</u> <u>(minutes)</u> 60
---	---

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

AMF Wheel Goods Division  
Columbia Manufacturing Co.  
Huffy Corp.  
Murray Ohio Manufacturing Co.  
Bicycle Manufacturers Assn. of America, Inc.

Mr. John N. Anderson, President and  
Chief Operating Officer, Murray Ohio  
Manufacturing Co.

Mr. Robert Hash, Vice-President/Sales,  
Murray Ohio Manufacturing Co.

Mr. Harry A. Shaw, III, President and Chief  
Executive Officer, Huffy Corp.

Mr. James Lane, Vice-President/Purchasing,  
Huffy Corp.

Mr. Stanley Nehmer, President, Economic  
Consulting Services Inc.

Thomas F. Shannon )  
Lauren R. Howard )  
Paul C. Rosenthal ) --OF COUNSEL  
Michael R. Kershow)

In opposition to the imposition of  
antidumping duties

75

Plaia and Schaumberg--Counsel  
Washington, D. C.  
on behalf of

Taiwan Transportation Vehicle Manufacturing Assn.  
American Assn. of Bicycle Importers, Inc.  
Kent International

Alloted time  
(minutes)  
 75

In opposition to the imposition of  
antidumping duties--continued

Mr. Philip Kamler, Chairman of the Board  
 of Kent International and President of  
 the American Assn. of Bicycle Importers, Inc.

Mr. Antony Lo, Managing Director and Executive  
 Vice-President, Giant Manufacturing Co.

Mr. Frank Liu, Managing Director, Wheel  
 King Corp.

Mr. Lance Graef, ICF, Inc.

Paul Plaia, Jr. )  
 Herbert C. Shelley) --OF COUNSEL

Fried, Frank, Shriver, Harris & Kampelman--Counsel  
 Washington, D. C.  
on behalf of

Giant Manufacturing Co., Ltd.

David E. Birenbaum )  
 Alan Kashdan ) --OF COUNSEL

Keck, Mahin & Cate--Counsel  
 Chicago, Illinois  
on behalf of

Schwinn Bicycle Co.

Mr. John W. Barker, Vice-President/Finance  
 Schwinn Bicycle Co.

Mr. William Austin, Vice-President/Marketing  
 Schwinn Bicycle Co.

Mr. Jay Townley, Vice-President/Bicycle Sales  
 Schwinn Bicycle Co.

Mr. Samuel Rosenblatt, President, SMR, Inc.

John Baer )  
 Brock Landry) --OF COUNSEL

Dow, Lohnes & Albertson--Counsel  
 Washington, D. C.  
on behalf of

Sam Rubin Bicycle Corp.  
 KIA Industrial America Corp.  
 Sunkyoung International, Inc.  
 Sunkyoung Cycles, Ltd.  
 Corex-Tokyo Corp.

Alloted time  
(minutes)  
75

In opposition to the imposition of  
antidumping duties--continued

Mr. Sam Rubin, President, Sam Rubin Bicycle Corp.

Ms. C. Kimberly Kang, Corex-Tokyo Corp.

William Silverman       )  
James M. McElfish, Jr.)--OF COUNSEL

Appendix C  
Statistical Tables

Table C-1--Bicycles: U.S. producer's shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1971-81

Year	: Producers' : : shipments <sup>1/</sup> :	Imports	: Exports	: Apparent : : consumption :	: Ratio (per- : : cent) of : : imports to : : consumption
	-----In units-----				
1971-----	: 6,518,806 :	: 2,339,470 :	: 9,036 :	: 8,849,240 :	: 26.4
1972-----	: 8,750,597 :	: 5,156,068 :	: 9,698 :	: 13,896,967 :	: 37.0
1973-----	: 10,072,356 :	: 5,154,903 :	: 16,977 :	: 15,210,282 :	: 33.8
1974-----	: 10,161,291 :	: 3,979,225 :	: 34,711 :	: 14,105,775 :	: 28.2
1975-----	: 5,606,981 :	: 1,717,885 :	: 30,062 :	: 7,293,784 :	: 23.6
1976-----	: 6,466,122 :	: 1,667,537 :	: 40,662 :	: 8,092,977 :	: 20.6
1977-----	: 7,483,585 :	: 1,967,801 :	: 38,669 :	: 9,412,717 :	: 20.9
1978-----	: 7,492,475 :	: 1,959,876 :	: 73,446 :	: 9,378,925 :	: 20.9
1979-----	: 9,038,156 :	: 1,866,906 :	: 52,035 :	: 10,883,027 :	: 17.2
1980-----	: 6,941,635 :	: 2,048,435 :	: 92,494 :	: 8,897,576 :	: 23.0
1981-----	: 6,831,773 :	: 2,099,643 :	: 90,649 :	: 8,840,767 :	: 23.7

<sup>1/</sup> Estimated by the Bicycle Manufacturers' Association and the Schwinn Bicycle Co.

Source: Compiled by the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce, except as noted.

Table C-2.--Weighted average net selling prices and quantities 1/ for sales of imports from Taiwan and Korea and for sales of domestic products, to mass-merchandiser customers, by country of origin, by types of products, and by quarters, January 1980-September 1982

BICYCLES, FACTORY LABEL

\* \* \* \* \*

Table C-3.--Weighted average net selling prices and quantities 1/ for sales of imports from Taiwan and Korea and for sales of domestic products, to mass-merchandise customers, by country of origin, by types of products, and by quarters, January 1980-September 1982

BICYCLES, PRIVATE LABEL

\* \* \* \* \*



Table C-4.--Weighted average net selling prices and quantities 1/ for sales of imports from Taiwan and Korea and for sales of domestic products, to independent dealer customers, by country of origin, by types of products, and by quarters, January 1980-September 1982

BICYCLES, FACTORY LABEL

\* \* \* \* \*

Table C-5.--Weighted average net selling prices and quantities 1/ for sales of imports from Taiwan and Korea and for sales of domestic products, to independent dealer customers, by country of origin, by types of products, and by quarters, January 1980-September 1982

BICYCLES, PRIVATE LABEL

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