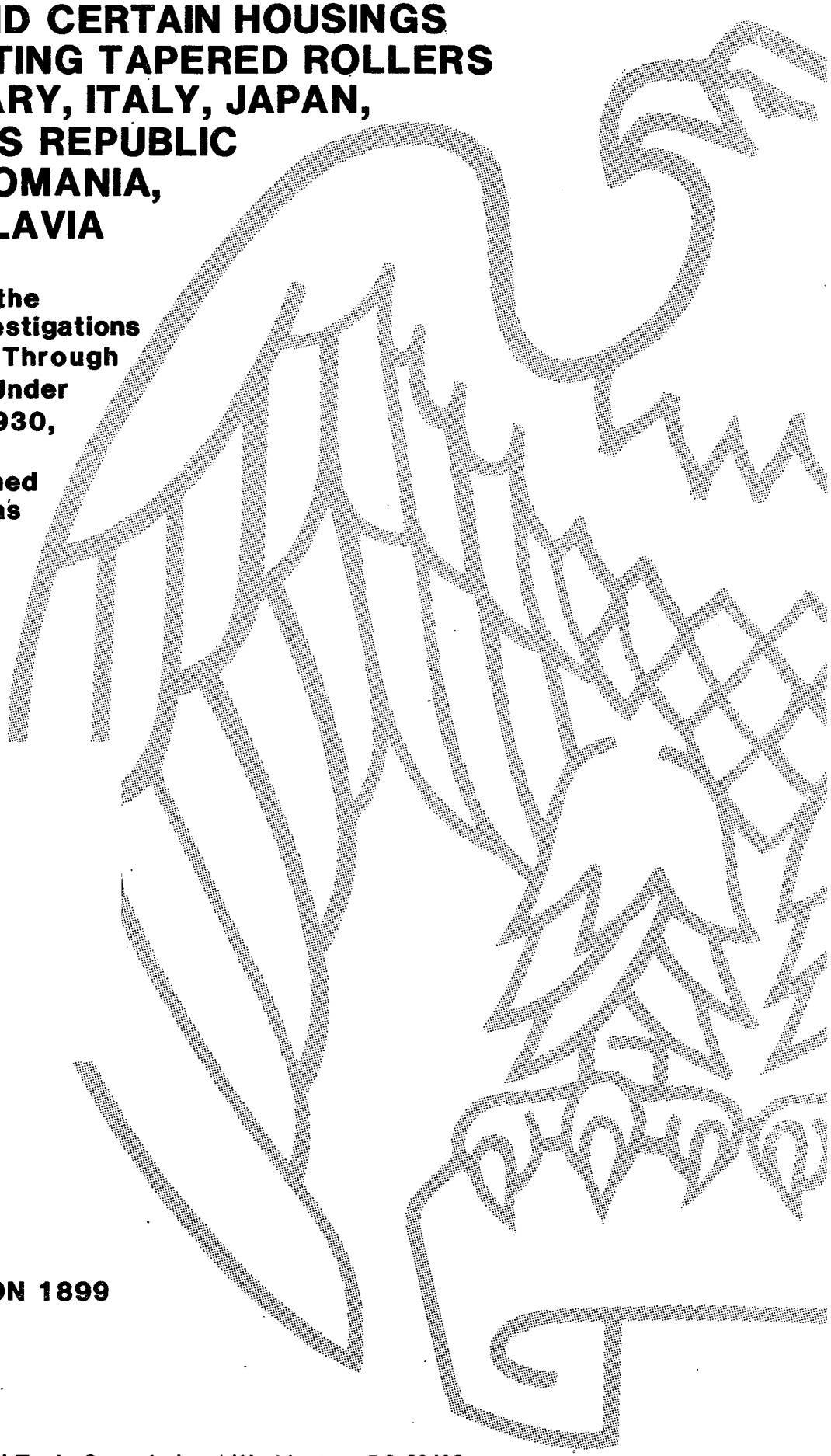
TAPERED ROLLER BEARINGS AND PARTS THEREOF, AND CERTAIN HOUSINGS INCORPORATING TAPERED ROLLERS FROM HUNGARY, ITALY, JAPAN, THE PEOPLE'S REPUBLIC OF CHINA, ROMANIA, AND YUGOSLAVIA

Determinations of the Commission in Investigations Nos. 731-TA-341 Through 346 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations



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Note.--Information that would disclose the confidential operations of individual companies may not be published and has been deleted from this report. Numerical deletions are indicated by (***); the deletion of words, phrases, and complete sentences by (* * *); and the deletion of whole paragraphs or tables by (* * * * * * *).

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 731-TA-341 through 346 (Preliminary)

TAPERED ROLLER BEARINGS AND PARTS THEREOF, AND CERTAIN HOUSINGS INCORPORATING TAPERED ROLLERS FROM HUNGARY, ITALY, JAPAN, THE PEOPLE'S REPUBLIC OF CHINA, ROMANIA, AND YUGOSLAVIA

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. (1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Hungary (inv. No. 731-TA-341), Italy (inv. No. 731-TA-342), Japan (inv. No. 731-TA-343), the People's Republic of China (inv. No. 731-TA-344), Romania (inv. No. 731-TA-345), and Yugoslavia (inv. No. 731-TA-346) of tapered roller bearings and parts thereof, provided for in Tariff Schedules of the United States (TSUS) items 680.30 and 680.39; flange, take-up, cartridge, and hanger units incorporating tapered roller bearings, provided for in TSUS item 681.10; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use, provided for in item 692.32 or elsewhere in the TSUS, all of which are alleged to be sold in the United States at less than fair value (LTFV). Products subject to the outstanding dumping order covering certain tapered roller bearings from Japan (T.D. 76-227, 41 F.R. 34974) are not included within the scope of investigation No. 731-TA-343 (Preliminary).

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

Background

On August 25, 1986, petitions were filed with the Commission and the Department of Commerce by the Timken Company, Canton, OH, alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of the subject merchandise. Accordingly, effective August 25, 1986, the Commission instituted preliminary antidumping investigations Nos. 731-TA-341 through 346 (Preliminary).

Notice of the institution of the Commission's investigations and of a public 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, DC, and by publishing the notice in the Federal Register of September 4, 1986 (51 F.R. 31732). The conference was held in Washington, DC, on September 16, 1986, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of tapered roller bearings and parts thereof, and certain housings incorporating tapered rollers, from Hungary, Italy, Japan, the People's Republic of China, Romania, and Yugoslavia that are allegedly sold at less than fair value (LTFV).

Our determination is based on an assessment of the volume and effects of the cumulated imports from the six countries in question. We find that (1) the indicators of the performance of this industry have deteriorated over the period of investigation; (2) the volume and penetration of imports have increased or remained constant during the period under investigation; and (3) these increasing levels of imports have been accompanied by indications of underselling. 1/ 2/

Domestic industry

In preliminary antidumping investigations under title VII of the Tariff Act of 1930, the Commission must determine whether there is a reasonable indication that an industry in the United States is materially injured, or is

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1/ Chairman Liebeler and Vice Chairman Brunsdale believe that evidence of underselling is not ordinarily probative on the issue of whether imports are a cause of material injury to a domestic industry. See n.39, infra.

2/ Commissioner Eckes and Commissioner Rohr believe that evidence of underselling is ordinarily of significant probative value, and that used properly as the Commission has used it in the past, such comparisons reflect an important aspect of competition in the marketplace.

threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports that are the subject of the investigation. [3/] Section 771(4)(A) of the Act 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." [4/]

1. Like product. "Like product" is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." [5/] The articles that are the subject of these investigations are tapered roller bearings and parts thereof (finished or unfinished); flange, take-up, cartridge, and hanger units incorporating tapered roller bearings; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use. [6/]

Tapered roller bearings are a type of antifriction device--i.e., a machine component that permits free motion between moving and fixed parts by

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3/ 19 U.S.C. § 1673b(a). Material retardation is not an issue in these investigations and will not be discussed further.

4/ 19 U.S.C. § 1677(4)(A).

5/ 19 U.S.C. § 1677(10).

6/ See 51 Fed. Reg. 33285-33287 (Sept. 19, 1986) (the Commerce Department's notices of investigations); 51 Fed. Reg. 31732 (Sept. 4, 1986) (the Commission's notice of these investigations).

holding or guiding the moving parts to minimize friction and wear. 7/ They are designed and sized for specific applications in a variety of products and industries, such as automotive equipment, farm and industrial machinery, construction equipment, conveyors, railroad equipment, and various miscellaneous vehicles. Sizes vary considerably, ranging from one-half inch to over 100 inches in outside diameter. There are four basic components in a tapered roller bearing: the cup, the cone, the cage, and the rollers. The choice of which specific tapered roller bearing or component to use depends on such factors as the load carrying ability of the assembly, the type of loads to be carried, and the desired useful life of the bearing. 8/

In determining the like product, we note that there is no independent commercial market for the unfinished components or parts of tapered roller bearings and that the unfinished components or parts are dedicated for use as finished components of tapered roller bearings. 9/ Once the components or

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7/ Report of the Commission (Report) at A-2.

8/ See generally, id. at A-2 to A-9.

9/ Id. at A-6, A-9. Commissioner Rohr notes that these are only two of the various factors which the Commission looks at to analyze the like product issue, as was noted in the Commission's recent decisions in preliminary investigations involving EPROMS and DRAMS from Japan. See Erasable Programmable Read Only Memories from Japan, Inv. No. 731-TA-288 (Preliminary), USITC Pub. 1778 at 6-7 (Nov. 1985) (Views of the Commission); Dynamic Random Access Memory Semiconductors of 256 Kilobits and Above from Japan, Inv. No. 731-TA-300 (Preliminary), USITC Pub. 1803 at 5-7 (Jan. 1986) (Views of the Commission). As noted in those investigations the Commission stated that its conclusions on the issue were tentative and would be reexamined in the final investigations. Commissioner Rohr continues to believe that the issue of

(Footnote continued on next page)

parts are finished, they are dedicated to a single use as an integrated element of a finished tapered roller bearing. An additional consideration leading to our decision to consider a single like product is the admonition in the legislative history against delineating a like product so narrowly as to prevent consideration of a domestic industry adversely affected by the subject imports. 10/

Thus, for purposes of these preliminary investigations, we determine that there is one like product comprising tapered roller bearings and parts thereof, which include cups, cones, cages, rollers, cone assemblies, cup and cone spacers and miscellaneous parts used in multiple row bearings and self-contained bearings, whether imported as sets or as separate components or parts, and whether finished or unfinished, and certain housings incorporating tapered roller bearings. 11/

(Footnote continued from previous page)
finished and unfinished goods and components and assembled articles requires further briefing.

10/ See S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979). ("The requirement that a product be 'like' the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics and uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under investigation.")

11/ If these investigations proceed to final determinations, the Commission will reexamine the like product issue. In connection with that reexamination, the Commission will seek and analyze additional data bearing on the validity and appropriateness of multiple product delineations such as (but not limited to) those advocated by respondents.

2. Domestic industry and related parties. Section 771(4)(B) of the Act states that, in "appropriate circumstances," the domestic industry may be defined to exclude those producers that are "related to exporters or importers, or are themselves importers of the allegedly . . . dumped merchandise." 12/ Ten domestic companies produced the like product during the period under investigation. 13/ The petitioner argues that five of the producers--American NTN Bearing Manufacturing Corp., Federal Mogul Corp., Koyo Corp. of the U.S.A., NTN-Bower Corp., and SKF Industries, Inc.--should be excluded from the domestic industry as related parties because they are importing and/or have imported articles under investigation.

Application of the related parties provision is discretionary, and depends on the Commission's assessment of the facts in each case. The principal consideration is whether there is a connection or nexus between a domestic producer and the LTFV imports which, if not accounted for, may result in an inaccurate assessment of material injury or threat of such injury to the domestic industry. In the present investigations, the relevant data for each of the alleged related parties are confidential. We note, however, that in 1985 the five companies in question together accounted for less than 15

12/ 19 U.S.C. § 1677(4)(B).

13/ The domestic producers are American NTN Bearing Manufacturing Corp., Brenco, Inc., Federal Mogul Corp., Hyatt Clark Industries, Koyo Corp. of the U.S.A., L&S Bearing Co., NTN-Bower Corp., SKF Industries, Inc., The Timken Co. (the petitioner), and The Torrington Co. Report at A-12 to A-13.

percent of total U.S. shipments by value. [14/] In each case, either the company's imports accounted for a nominal share by value of its U.S. shipments, or [15/] its performance indicators were consistent with the industry as a whole.

Including the five related producers within the domestic industry thus would not significantly distort economic data or fail to provide a reasonably accurate picture of the domestic industry as a whole. We therefore find that the domestic industry in these investigations includes all domestic producers of the like product.

Condition of the domestic industry

In determining the condition of the domestic industry, the Commission considers, among other factors, domestic consumption, U.S. production, capacity, capacity utilization, shipments, inventories, employment, and financial performance. [16/] Apparent domestic consumption of tapered roller bearings increased sharply from 264 million units in 1983 to 330 million units in 1984, and then declined to 281 million units in 1985. In the interim period January-June 1986, it declined further to 124 million units compared with 152 million units in the corresponding period of 1985, or by 19

14/ See Report at A-13, Table 2.

15/ Id. at A-16.

16/ 19 U.S.C. § 1677(7)(C)(iii).

percent. [17] Domestic production of cone assemblies and cups [18] declined about 4 percent each from 1983 through 1985, and further declined by about 3 percent in interim 1986 compared with the corresponding period of 1985. [19]

The capacity of the domestic industry to produce tapered roller bearings declined slightly during the period of investigation, despite the addition of a new producer. [20] For cone assemblies and cups, capacity declined about 2 percent from 1983 through 1985, and about 8 percent in interim 1986 versus interim 1985. [21] Capacity utilization for cone assemblies remained the same in 1983-1985--about 57 percent--but declined to 52 percent in interim 1986, compared with 64 percent in interim 1985, [22] while capacity utilization for cups dropped from 60 percent in 1983 to 56 percent in 1985, and then fell to 50 percent in interim 1986 compared with 62 percent in the corresponding 1985 period. [23]

Domestic shipments of tapered roller bearings declined 3 percent by quantity from 1983 to 1985. However, in the interim 1985-86 comparison they

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17/ Report at A-17, Table 5.

18/ We have utilized the data available for cone assemblies and cups in the analysis of domestic production, capacity, and capacity utilization since the production of a tapered roller bearing set is usually only a minor assembly operation performed on cone assemblies and cups. Id. at A-18.

19/ Id. at A-19.

20/ Id. at A-18.

21/ Id. at A-19.

22/ Id.

23/ Id.

declined by 22 percent. [24/] Although the value of domestic shipments increased 7 percent from 1983 to 1985, there was an 11 percent decline in interim 1986 compared with interim 1985. [25/]

Inventories of tapered roller bearings as a share of shipments increased for sets, cone assemblies, and cups from 1983 to 1985, and increased again in interim 1986 compared with interim 1985. [26/] The number of workers producing tapered roller bearings rose 2 percent from 1983 through 1985, but fell 13 percent in interim 1986. [27/]

Net sales increased 26 percent from 1983 to 1984, and then decreased 12 percent in 1985, and decreased a further 10 percent in the interim 1986-85 comparison. [28/] The ratio of operating income to net sales was a negative 7.3 percent in 1983, increased to a positive 3.4 percent in 1984, and then fell back to a negative 4.5 percent in 1985. During interim 1985, this margin was a positive 1.8 percent; it was a positive 2.1 percent in the corresponding period of 1986. In 1984 one firm reported an operating loss; in 1985 five firms reported operating losses; and in the interim periods of 1985 and 1986 three firms reported operating losses. [29/]

24/ Id. at A-20.

25/ Id. at A-19 to A-20, Table 7.

26/ Id. at A-20, Table 8.

27/ Id. at A-22, Table 9.

28/ Id. at A-24, Table 11.

29/ Id.

Based on the above record, we determine there is a reasonable indication that the domestic tapered roller bearing industry is currently experiencing material injury. 30/ 31/

Cumulation

The Commission is required to cumulatively assess the volume and effect of imports subject to investigation from two or more countries if the imports (1) compete with other imports and with the domestic like products, (2) are subject to investigation, and (3) are marketed within a reasonably coincident period. 32/ 33/ In these investigations, the imports in question are subject to investigation and have been marketed within a reasonably coincident period. The appropriateness of cumulation thus rests on the issue of

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30/ Commissioner Stern does not regard it as analytically useful or appropriate to consider the question of material injury completely separate from the question of causation. See Cellular Mobile Telephones and Subassemblies Thereof from Japan, Inv. No. 731-TA-207 (Final), USITC Pub. 1786 at 18-19 (Dec. 1985) (Additional Views of Chairwoman Stern).

31/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. See Cellular Mobile Telephones and Subassemblies Thereof, Inv. No. 731-TA-207 (Final), USITC Pub. 1786 at 20-21 (Dec. 1985) (Additional Views of Commissioner Eckes).

32/ 19 U.S.C. § 1677(7)(C)(iv); H.R. Rep. No. 725, 98th Cong., 2d Sess. 36-37 (1984).

33/ Chairman Liebeler finds that it is necessary that the investigations occur with respect to the same practice (i.e., dumping). That condition is met here. For a complete discussion of her views on cross-cumulation, see Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, Invs. Nos. 701-TA-225-234 (Preliminary) and 731-TA-213-217, 219, 221-226, and 228-235 (Preliminary), USITC Pub. 1642 at 41-50 (1985) (Views of Vice Chairman Liebeler).

competition. 34/

The respondents oppose cumulation, arguing, inter alia, that differences in quality and/or product mix between imports from Hungary, Romania, the People's Republic of China, and Yugoslavia on the one hand, and those from Japan (and presumably from Italy) on the other, preclude cumulation of the latter with the former. Although some quality differences do appear to exist, we find that they do not preclude cumulation.

The principal quality differences identified by respondents relate to internal geometries and tolerances 35/ and the wear resistance of the

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34/ The Commission denies NTN's request for termination of the investigation as to NTN's imports from Japan having an outside diameter of 4 inches or less, based on NTN's contention that those imports are subject to an outstanding finding of dumping and are the subject of an ongoing judicial review. The statutory framework of title VII vests in Commerce--not the Commission--the responsibility for determining the scope of preliminary antidumping investigations. The Commission's preliminary determinations are required to address the question of whether there is a reasonable indication of injury "by reason of imports of the merchandise that is the subject of the investigation by [Commerce]." 19 U.S.C. § 1673b(a). Moreover, the NTN/Timken dispute concerning this issue arises solely out of previous administrative action by Commerce--i.e., the 1976 finding of dumping and the 1982 revocation of that finding as to NTN. See Report at A-2. It therefore seems particularly appropriate for Commerce to be the administrative forum to resolve the controversy concerning the scope of the current investigations.

35/ There is a certain amount of standardization in both domestic and imported tapered roller bearings. Tapered roller bearing sets, cone assemblies, and cups are specified by part numbers that identify characteristics such as the outside and inside diameters, roller angles, and various interchange dimensions. Report at A-3. The part numbers are based on standardized industry designations--i.e., the Antifriction Bearing Manufacturers' Association system which specifies dimensions in inches and the International Standards Organization which uses metric specifications. Id. Generally, for parts having the same part numbers, the only differences

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bearings. 36/ It does appear that many imports are not suitable for the high precision segment of the market, but in those applications where extremely precise tolerance and longer life of the bearing are not as important, imports are able to compete with domestic production. There is some question whether the roller bearings used in these lesser precision applications are "substandard" as some respondents alleged or whether the standards are simply not as applicable. Clearly, however, the lesser precision bearing market is a substantial portion of the roller bearing market and both domestic and foreign products compete in this market.

Some imports, including the allegedly substandard imports, are marketed as being comparable to or interchangeable with domestic merchandise. Because these imports have established a significant market presence, it reasonably can be inferred that the quality of atleast some allegedly substandard imports is acceptable for the end uses to which they are put. 37/ 38/

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between the products of various manufacturers are the internal geometries and specific tolerances. Id.

36/ Domestic bearings are "case hardened" which affects only the outer surfaces of the bearings and allow the bearing to better absorb the forces to which it is subject, while many of the imports are "through hardened" which results in a more brittle bearing that does not last as long.

37/ Commissioner Rohr notes that the fact that such imports are marketed with substantial product liability insurance coverage might provide further evidence that such imports are of acceptable quality for some applications; if they were not, insurers would refuse to offer such coverage.

38/ The facts and circumstances in the present investigations are
(Footnote continued on next page)

Finally, the domestic and imported tapered roller bearings have similar channels of distribution. In the case of the allegedly substandard imports, there appear to be common channels of distribution.

For the above reasons, the volume and effect of the imports from the subject countries will be cumulatively assessed. However, if these investigations proceed to final determinations, the issue of cumulation will be reconsidered in light of any relevant additional information available at that time.

Reasonable indication of material injury by reason of alleged LTFV imports

We find that the increasing volume and penetration of imports at a time of declining shipments by the domestic industry, together with evidence of fairly consistent underselling by imports, constitutes a reasonable indication

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distinguishable from those in Certain Welded Carbon Steel Pipes and Tubes from the People's Republic of China, Investigation No. 731-TA-292 (Final), in which the Commission declined to cumulatively assess the volume and effect of imports of Chinese pipe with imports of pipe from other countries, citing quality defects in the Chinese pipe. In that case, the Commission found that the imports of Chinese pipe could not be used for their intended purposes, for a number of reasons. For example, Chinese pipe did not conform to industry standards for standard pipe. Furthermore, some Chinese imports were rusted and had to be sold for scrap, while others had to be stripped and regalvanized. There were other deficiencies as well, which were confidential and could not be discussed in the opinion. Some of the damage had been caused by improper manufacturing, while the remainder resulted from shipping. See USITC Pub. 1885, Views of Vice Chairman Brunsdale et al. at 3, 8-11 (Aug. 1986). Similar facts and circumstances were not shown in the present investigations.

that the subject imports are a cause of material injury to the domestic industry. 39/ 40/ 41/

The value of imports rose 31 percent from 1983 through 1985. The market share by value also increased from under 10 percent in 1983 to nearly 12 percent in 1984, and dropped only slightly in 1985. For the interim period January-June 1986, the value of imports represented more than 12 percent of

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39/ Vice Chairman Brunsdale believes that the evidence of underselling in this case is not probative on the question of causation. She notes that there are differences in quality among tapered roller bearings produced by the countries subject to investigation. As a result, prices charged for imported products sometimes consistently exceeded prices charged for similar domestic products, see Report at A-41, while for other products domestic prices were consistently higher. Vice Chairman Brunsdale accordingly believes that the price differences observed in this case are not helpful in analyzing causation.

40/ See n.2, supra.

41/ Vice Chairman Brunsdale and Commissioner Stern believe that the magnitude of the dumping margin is one factor, among others, that may be considered in determining whether LTFV imports are a cause of material injury. Vice Chairman Brunsdale notes that the average margins alleged in this case, ranging from 26 percent to 143 percent, are sufficiently large to support an affirmative determination in this preliminary investigation. For a discussion of her views on the relevance of dumping margins to causation analysis, see Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes from Canada, Inv. No. 731-TA-254 (Final), USITC Pub. 1808 at 13-14 (1986) (Views of Chairwoman Stern, Vice Chairman Liebeler and Commissioner Brunsdale). She notes, however, that large dumping margins are not by themselves sufficient to reach an affirmative decision. See Certain Ethyl Alcohol from Brazil, Inv. No. 701-TA-239 (Final), USITC Pub. 1818 at 15-16 (1986) (Views of the Commission).

the domestic market, representing a sharp increase from the corresponding period of 1985. 42/ 43/

The quantity of imports from the six countries in question increased 3.4 percent from 1983-85. Market penetration by quantity remained constant at more than 20 percent in 1983 and 1984, and dipped only slightly in 1985. During interim period January-June 1986, the quantity of imports was below the interim 1985 level. However, the lower quantity of imports in interim 1986 captured a larger share of the market, reaching a period high of more than 23 percent. 44/

The pricing data obtained by the Commission reflect general price decreases during the period January 1984 to June 1986, and underselling by the imports (except for certain Japanese tapered roller bearing cups) in every quarter in which pricing comparisons with the domestic product were possible. 45/ Commissioners Eckes, Lodwick and Rohr note that information

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42/ Report at A-38.

43/ Commissioner Eckes does not agree that information on import trends in terms of value is useful as an indicator of a causal link between unfair imports and material injury. Such data are inherently distorted and understated and must be relied upon with caution. These figures fail to reflect any duties assessed upon importation, any importers' markup before resale, or warehouse costs paid by importers prior to sale in the U.S. This precludes any meaningful comparison with the value of shipments as reported by U.S. producers. Moreover, market penetrations based on these import values are understated because they do not include any unfairness related to dumping or subsidization.

44/ Id.

45/ Id. at A-38 to A-44.

obtained from purchasers of the imported articles confirms that the imports compete with the domestic product and that imports were purchased because of their lower prices. 46/ 47/ 48/ 49/

46/ Id. at A-45.

47/ Page A-45 of the Report, cited by Commissioners Eckes, Lodwick, and Rohr for the proposition that imports were purchased because of their lower prices, discusses petitioner's lost sales allegations. Vice Chairman Brunsdale believes that the presence or absence of confirmed lost sales is rarely persuasive on the question of a causal link between dumped imports and material injury to the domestic industry. See Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes from Canada, Inv. No. 731-TA-254 (Final), USITC Pub. 1808 at 12, n.28 (1986) (Views of Chairwoman Stern, Vice Chairman Liebeler and Commissioner Brunsdale).

48/ Commissioner Stern notes that exchange rate factors, specifically the rapid appreciation of the yen vis-a-vis the dollar, could be significant in explaining some or all of Japanese pricing patterns. Should these investigations proceed to final investigations, this question will be considered more fully. Other factors which may be important in an analysis of causation are the impact of the business cycle for this industry (or industries) and demand patterns for end products which are primary consumers of the products under investigation.

49/ Commissioner Stern distinguishes her affirmative finding in these preliminary investigations from her negative preliminary finding in Certain Tapered Roller Bearings and Parts Thereof from Japan, the Federal Republic of Germany, and Italy, Invs. Nos. 731-TA-120 and 122 (Preliminary), USITC Pub. 1359 (1983) (Views of Commissioner Stern). The domestic industry in the previous investigation represented only 2 percent of the domestic industry under consideration here. Also, previously, the market segment in that industry was clear cut and there was a reasonable indication that demand factors (e.g., a collapse of the railroad market) were entirely responsible for the condition of the domestic industry. Moreover, imports had had and would continue to have no material effect on the industry.

Conclusion

For the foregoing reasons, we determine that there is a reasonable indication that the domestic industry producing tapered roller bearings and components thereof and certain housings incorporating tapered roller bearings is materially injured by reason of alleged LTFV imports from Hungary, Italy, Japan, the People's Republic of China, Romania, and Yugoslavia.

ADDITIONAL VIEWS OF CHAIRMAN LIEBELER

Inv. Nos. 731-TA-341 through 346 (Preliminary)
Certain Tapered Roller Bearings and Parts Thereof,
and Certain Housings Incorporating Tapered Rollers
From Hungary, Italy, Japan,
the People's Republic of China,
Romania, and Yugoslavia.

I determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of tapered roller bearings and parts thereof that are allegedly being sold at less than fair value (LTFV). I concur in the discussion of the majority with repect to like product, domestic industry, related parties, cumulation, and condition of the industry.

Material Injury by Reason of Imports

In order for a domestic industry to prevail in a preliminary investigation, the Commission must determine that there is a reasonable indication that the dumped or subsidized imports cause or threaten to cause material injury to the domestic industry producing the like product. The Commission must determine whether the domestic industry producing the like product is materially injured or is threatened with material injury, and further

that any injury or threat is by reason of the dumped or subsidized imports. Only if the Commission finds a reasonable indication of both injury and causation, will it make an affirmative determination in the investigation.

Before analyzing the data, however, the first question is whether the statute is clear or whether one must resort to the legislative history in order to interpret the relevant sections of the antidumping law. In general, the accepted rule of statutory construction is that a statute, clear and unambiguous on its face, need not and cannot be interpreted using secondary sources. Only statutes that are of doubtful meaning are subject to such statutory interpretation.[1]

The statutory language used for both parts of the analysis is ambiguous. "Material injury" is defined as "harm which is not inconsequential, immaterial, or unimportant."[2] As for the causation test, "by reason of" lends itself to no easy interpretation, and has been

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[1] Sands, Sutherland Statutory Construction Sec. 45.02 (4th Ed.)

[2] 19 U.S.C. sec. 1977(7)(A)(1980).

the subject of much debate by past and present commissioners. Clearly, well-informed persons may differ as to the interpretation of the causation and material injury sections of title VII. Therefore, the legislative history becomes helpful in interpreting title VII.

The ambiguity arises in part because it is clear that the presence in the United States of additional foreign supply will always make the domestic industry worse off. Any time a foreign producer exports products to the United States, the increase in supply, ceteris paribus, must result in a lower price of the product than would otherwise prevail. If a downward effect on price, accompanied by a Department of Commerce dumping or subsidy finding and a Commission finding that financial indicators were down were all that were required for an affirmative determination, there would be no need to inquire further into causation.

But the legislative history shows that the mere presence of LTFV imports is not sufficient to establish causation. In the legislative history to the Trade Agreements Acts of 1979, Congress stated:

> [T]he ITC will consider information which indicates that harm is caused by factors other

than the less-than-fair-value imports.[3]

The Finance Committee emphasized the need for an exhaustive causation analysis, stating, "the Commission must satisfy itself that, in light of all the information presented, there is a sufficient causal link between the less-than-fair-value imports and the requisite injury."[4]

The Senate Finance Committee acknowledged that the causation analysis would not be easy: "The determination of the ITC with respect to causation, is under current law, and will be, under section 735, complex and difficult, and is matter for the judgment of the ITC."[5] Since the domestic industry is no doubt worse off by the presence of any imports (whether LTFV or fairly traded) and Congress has directed that this is not enough upon which to base an affirmative determination, the Commission must delve further to find what condition Congress has attempted to remedy.

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[3] Report on the Trade Agreements Act of 1979, S. Rep. No. 249, 96th Cong. 1st Sess. 75 (1979).

[4] Id.

[5] Id.

In the legislative history to the 1974 Act, the Senate Finance Committee stated:

> This Act is not a 'protectionist' statute designed to bar or restrict U.S. imports; rather, it is a statute designed to free U.S. imports from unfair price discrimination practices. * * * The Antidumping Act is designed to discourage and prevent foreign suppliers from using unfair price discrimination practices to the detriment of a United States industry.[6]

Thus, the focus of the analysis must be on what constitutes unfair price discrimination and what harm results therefrom:

> [T]he Antidumping Act does not proscribe transactions which involve selling an imported product at a price which is not lower than that needed to make the product competitive in the U.S. market, even though the price of the imported product is lower than its home market price.[7]

This "complex and difficult" judgment by the Commission is aided greatly by the use of financial and economic analysis. One of the most important assumptions of traditional microeconomics is that firms attempt to

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[6] Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

[7] Id.

maximize profits.[8] Congress was obviously familiar with the economist's tools: "[I]mporters as prudent businessmen dealing fairly would be interested in maximizing profits by selling at prices as high as the U.S. market would bear."[9]

An assertion of unfair price discrimination should be accompanied by a factual record that can support such a conclusion. Foreign firms should be presumed to behave rationally. Therefore, if the factual setting in which the unfair imports occur does not support any gain to be had by unfair price discrimination, it is reasonable to conclude that any injury or threat of injury to the domestic industry is not "by reason of" such imports.

In many cases unfair price discrimination by a competitor would be irrational. In general, it is not rational to charge a price below that necessary to sell one's product. In certain circumstances, a firm may try

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8 See, e.g., P. Samuelson & W. Nordhaus, Economics 42-45 (12th ed. 1985); W. Nicholson, Intermediate Microeconomics and Its Application 7 (3d ed. 1983).

9 Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

to capture a sufficient market share to be able to raise its price in the future. To move from a position where the firm has no market power to a position where the firm has such power, the firm may lower its price below that which is necessary to meet competition. It is this condition which Congress must have meant when it charged us "to discourage and prevent foreign suppliers from using unfair price discrimination practices to the detriment of a United States industry."[10]

In Certain Red Raspberries from Canada, I set forth a framework for examining what factual setting would merit an affirmative finding under the law interpreted in light of the cited legislative history.[11]

> The stronger the evidence of the following . . . the more likely that an affirmative determination will be made: (1) large and increasing market share, (2) high dumping margins, (3) homogeneous products, (4) declining prices and (5) barriers to entry to other foreign producers (low elasticity of supply of other imports).[12]

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[10] Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

[11] Inv. No. 731-TA-196 (Final), USITC Pub. 1680, at 11-19 (1985) (Additional Views of Vice Chairman Liebeler).

[12] Id. at 16.

The statute requires the Commission to examine the volume of imports, the effect of imports on prices, and the general impact of imports on domestic producers.[13] The legislative history provides some guidance for applying these criteria. The factors incorporate both the statutory criteria and the guidance provided by the legislative history. Each of these factors is evaluated in turn.

Causation analysis

Examining import penetration data is important because unfair price discrimination has as its goal, and cannot take place in the absence of, market power. Cumulated market penetration of imported tapered roller bearings and parts thereof declined slightly between 1983 and 1985 on an annual basis, but remained in the 20-25 percent range. The data indicate, however, that import penetration is up slightly starting in mid-1985. Market share is moderately high and increasing slightly.[14]

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13 19 U.S.C. 1677(7)(B)-(C) (1980 & cum. supp. 1985).

14 Report at A-38.

The second factor is a high margin of dumping or subsidy. The higher the margin, ceteris paribus, the more likely it is that the product is being sold below the competitive price[15] and the more likely it is that the domestic producers will be adversely affected. In a preliminary investigation, the Commerce Department has not yet calculated any margins. I therefore rely on the margins alleged by petitioner. Petitioner calculated average LTFV margins equal to 131.1 percent for Hungary, 132.7 percent for Italy, 26.2 percent for Japan, 115.9 percent for the People's Republic of China, 143.2 percent for Romania, and 72.9 percent for Yugoslavia.[16] The alleged LTFV margins are high and are not inconsistent with a finding of unfair price discrimination.

The third factor is the homogeneity of the products. The more homogeneous the products, the greater will be the effect of any allegedly unfair practice on domestic producers. Although domestic and imported roller bearings have a similar appearance, are used for specified

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[15] See text accompanying note 7, supra.

[16] Report at A-11.

urposes, have similar channels of distribution, and are, in many cases, used for identical purposes, quality differences appear to distinguish certain imported bearings from their domestic counterparts. The issue of homogeneity should be further investigated in the event of a final determination in this case.

As to the fourth factor, evidence of declining domestic prices, ceteris paribus, might indicate that domestic producers were lowering their prices to maintain market share. For the products investigated, domestic prices have generally decreased from January 1984 to June 1986.[17] Producer prices decreased for six of the eight available price series, and price declines for these six series ranged from 6 percent to 23 percent.[18] The price data are not inconsistent with a finding of unfair price discrimination.

The fifth factor is barriers to entry (foreign supply elasticity). If there are barriers to entry (or low

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17 Report at A-38 to A-42.

18 Id. Detailed price information appears in the Report, and therefore I shall not rehearse it here.

foreign elasticity of supply) it is more likely that a producer can gain market power. The countries subject to this investigation account for the great majority of U.S. imports of tapered roller bearings and parts thereof.[19] This is not inconsistent with a finding of unfair price discrimination.

These factors must be balanced in each case to reach a sound determination. At present, import penetration, the alleged LTFV margins, the absence of significant imports from other countries, and declining domestic prices support an affirmative determination in these preliminary investigations.

Conclusion

Therefore, I conclude that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of tapered roller bearings and parts thereof, and certain housings incorporating tapered rollers, from Hungary, Italy, Japan, the People's Republic of China, Romania, and Yugoslavia that are allegedly sold at less than fair value.

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[19] Report at A-31 and A-32.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On August 25, 1986, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce on behalf of The Timken Co. (Timken), Canton, OH, alleging that imports of tapered roller bearings and parts thereof, finished or unfinished, and certain housings containing tapered rollers from Hungary, Italy, Japan, The People's Republic of China (PRC), Romania, and Yugoslavia are being sold at less than fair value (LTFV) and that an industry in the United States is materially injured and threatened with material injury by reason of such imports. 1/ Tapered roller bearings and parts thereof and certain housings containing tapered roller bearings are imported under Tariff Schedules of the United States (TSUS) items 680.30, 680.39, 681.10, 692.32, and elsewhere as provided for in the TSUS.

Accordingly, effective August 25, 1986, the Commission instituted antidumping investigations Nos. 731-TA-341-346 (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 threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of such imports.

Notice of the institution of the Commission's investigations and of a public 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, DC, and by publishing the notice in the Federal Register of September 4, 1986 (51 F.R. 31732). 2/ The public conference was held in Washington, DC, on September 16, 1986, during which all interested parties were afforded the opportunity to present information for the Commission's consideration. 3/ The applicable statute directs the Commission to make its determinations in these investigations within 45 days after the date of the filing of the petitions, or by October 9, 1986. The Commission's vote was held on October 2, 1986.

Previous Investigations

Tapered roller bearings have been the subject of four other investigations conducted by the Commission. In 1974, upon advice (as amended) from the U.S. Department of the Treasury that tapered roller bearings from Japan were being, or were likely to be sold at LTFV, the Commission conducted an investigation under section 201(a) of the Antidumping Act, 1921 (19 U.S.C. 160(a)). In that investigation, No. AA1921-143, the Commission determined that an industry in the United States was likely to be injured by reason of LTFV imports of tapered roller bearings, including inner race or cone assemblies and outer races or cups, from Japan. 4/ The Treasury Department subsequently published its

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1/ Hyatt Clark Industries also supports the petition.

2/ Copies of the Commission's and Commerce's Federal Register notices are presented in app. A.

3/ A list of witnesses appearing at the conference is presented in app. B.

4/ Tapered Roller Bearings and Certain Components Thereof from Japan, inv. No. AA 1921-143, USITC Publication 714, January 1975.

finding of dumping with regard to these imports (41 F.R. 34974, Aug. 18, 1976), and the Department of Commerce has since clarified the scope of the antidumping order and revoked the order with respect to one Japanese producer. The outstanding dumping order at present applies only to finished tapered roller bearing sets, cone (inner race) assemblies, and cups (outer races) of four inches or less in outside diameter (46 F.R. 40550, Aug. 10, 1981) and excludes such bearings produced by NTN Toyo Bearing Co. Ltd. (NTN Toyo) (47 F.R. 25757, June 15, 1982). 1/

In March 1983, the Commission conducted preliminary investigations Nos. 731-TA-120-122 (Preliminary) under section 733(a) of the Tariff Act of 1930 concerning railway freight car journal roller bearings from Japan, the Federal Republic of Germany, and Italy. 2/ The Commission determined that there was a reasonable indication of material injury to the domestic industry, and on August 30, 1983, Commerce determined that imports from Japan and Italy (but not West Germany) were being sold in the United States at LTFV. Accordingly, the Commission instituted final antidumping investigations under section 735 of the Tariff Act of 1930 on certain tapered roller bearings and parts thereof from Japan and Italy (invs. Nos. 731-TA-120-121 (Final)), but made negative determinations with respect to both investigations. 3/

Finally, following receipt of a request dated March 29, 1985, from the Chairman of the Subcommittee on Trade of the House Committee on Ways and Means, the Commission instituted investigation No. 332-211, a competitive assessment of the U.S. ball and roller bearing industry under section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), and reported to the subcommittee on January 2, 1986. The investigation evaluated the competitive position of the U.S. industry producing antifriction balls and rollers and ball and roller bearings in domestic and world markets. 4/

The Product

Description and uses

Tapered roller bearings are part of the larger product category of antifriction bearings. Antifriction bearings are machine components that permit free motion between moving and fixed parts by holding or guiding the moving parts to minimize friction and wear. In a bearing, a series of rollers or balls are usually mounted in a separation or cage and enclosed between two rings called races. The rolling elements are very important, since they transmit the physical load or force from the moving parts to the stationary

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1/ The revocation of the antidumping order for NTN Toyo was appealed by the petitioner to the U.S. Court of International Trade (CIT), which remanded the case to Commerce for redetermination. A redetermination has not yet been reached. Commerce is scheduled to report back to the CIT by Nov. 17, 1986.

2/ Certain Tapered Roller Bearings and Parts Thereof From Japan, The Federal Republic of Germany, and Italy, Investigations Nos. 731-TA-120-122 (P), USITC Publication 1359, March 1983.

3/ Certain Tapered Roller Bearings and Parts Thereof From Japan and Italy, Investigations Nos. 731-TA-120-121 (F), USITC Publication 1497, Feb. 1984.

4/ Competitive Assessment of the U.S. Ball and Roller Bearing Industry, Investigation 332-211, USITC Publication 1797, Jan. 1986.

support. The two principal types of antifriction bearings are ball bearings and roller bearings, depending on which type of rolling elements are employed. Tapered roller bearings are preferred instead of ball bearings for many applications because they are able to absorb both radial and thrust loads, unlike ball bearings, which typically withstand only radial force. 1/

Tapered roller bearings are designed and sized for specific applications in a variety of products and industries. Sizes vary considerably, from 1/2 inch in outside diameter to over 100 inches in outside diameter. The principal applications for these bearings are in automotive equipment, farm and industrial machinery, construction equipment, conveyors, railroad equipment, and various miscellaneous vehicles. 2/ Tapered roller bearings are also precision machine parts, with acceptable variances in their dimensions often measured in millionths of inches. 3/

There are four basic components in a tapered roller bearing: the cup, the cone, the cage, and the rollers. Figure 1 illustrates an assembled tapered roller bearing, as well as the individual components and nomenclature associated with the products. The cup, also called the outer ring, is the largest part of the assembly, and its inner surface is tapered to conform with the angle of the roller assembly. The narrow edge of the cup is called the front face and the wide edge is called the back face. The cage keeps the rollers equally distributed around the cup and cone. Industry sources indicate that while pressed steel cages dominate the market, nylon (polymer) cages are used in small industrial applications and in some automotive uses. The tapered rollers (rolling elements) fit into openings in the cage. The number of rollers is a function of the size of the cages, which is determined by the end usage of the bearing. The cage, rollers, and cone are joined together to form a cone assembly, which, when joined with a cup, forms a tapered roller bearing set. Sets, cone assemblies, and cups are the three major market products; rollers, parts, and unfinished components are rarely, if ever, sold as a commodity in the U.S. market.

Sets, cone assemblies, and cups are specified by part numbers which are based on standardized industry designations. Generally the part number will indicate such important characteristics as the outside and inside diameter, roller angle, and various interchange dimensions. Bearing industry officials indicate that for the same part numbers, only the internal geometries and tolerances will be different, regardless of manufacturer. 4/ The remaining specifications will be constant, allowing for a degree of standardization in the industry. There are two basic systems of standardization in tapered roller bearings. The Antifriction Bearing Manufacturers Association (AFBMA) system specifies dimensions in inches whereas the International Standards Organization (ISO) system uses metric specifications.

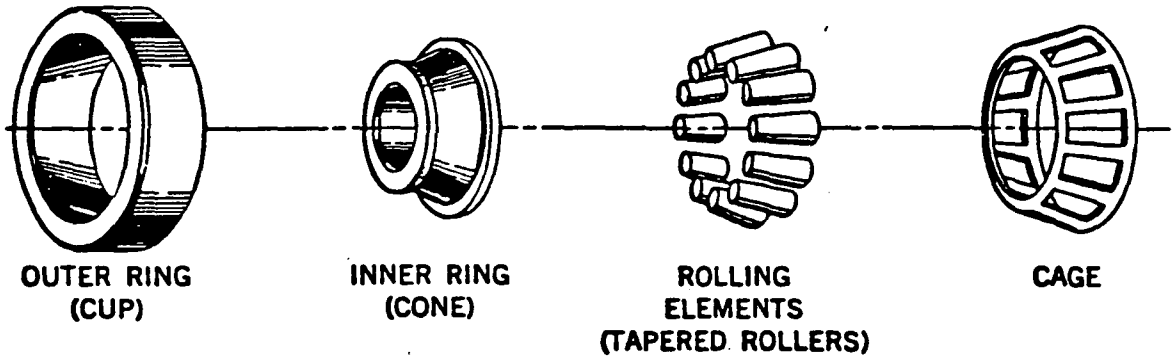
1/ Radial loads are those perpendicular to the axis of rotation whereas thrust loads are normally parallel to the level of rotation. "Bearing, Antifriction," in McGraw-Hill Encyclopedia of Science and Technology, 1977, p. 129.

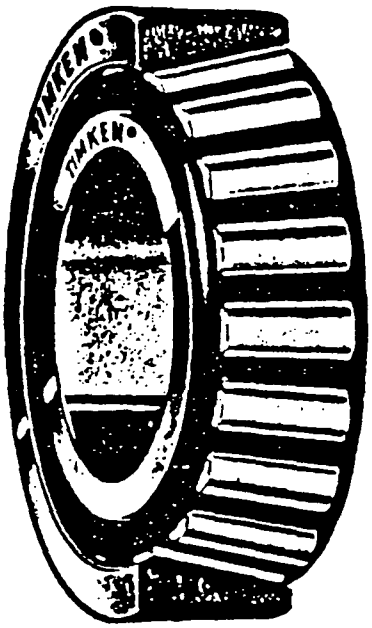
2/ Competitive Assessment of the U.S. Ball and Roller Bearing Industry, Inv. 332-211, USITC Publication 1797, January 1986, p. 11.

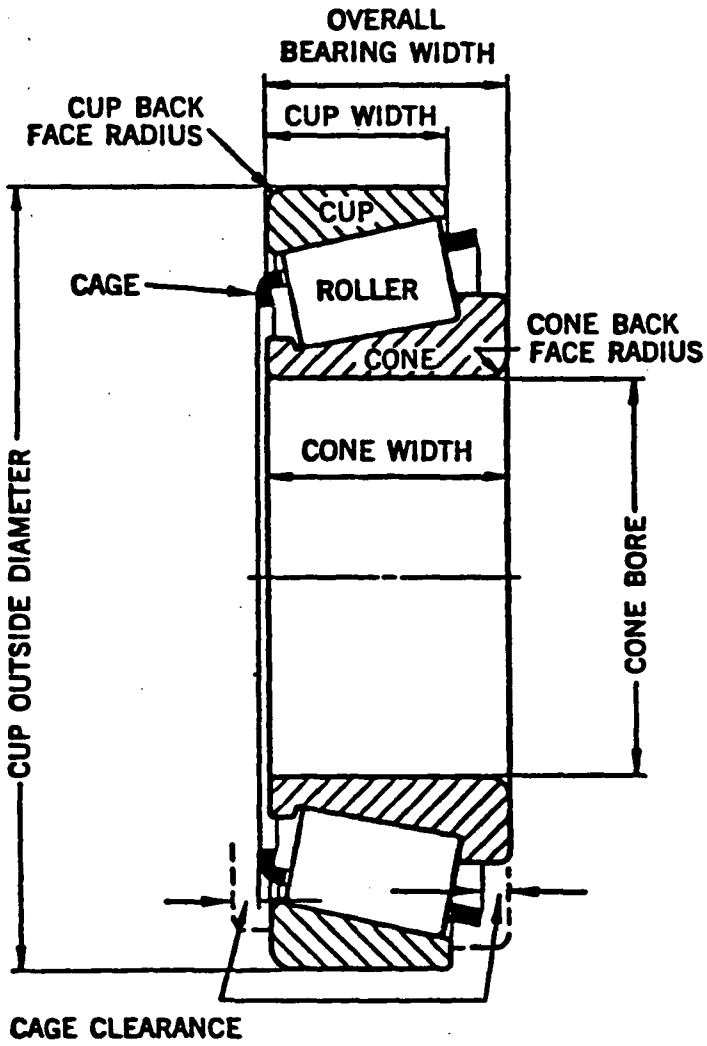
3/ This range, or variance in dimensions, is called "tolerance."

4/ Internal geometries relate to the precise configuration of rollers, cones, and cups, all of which have slightly crowned surfaces to minimize friction by minimizing the points of contact between components. The specific tolerances and internal geometries are proprietary to each manufacturer.

Figure 1.--Tapered roller bearing.







Source: The Timken Company training materials

The choice of which specific tapered roller bearing or component to use relates to such factors as the load carrying ability of the assembly, the type of loads to be carried, and the desired useful life of the bearing. Tapered roller bearings are employed when it is necessary to counteract friction caused by both radial and thrust loads on axles and in various machinery. Life expectancy is based on the results of tests on a large number of identical bearings under comparable conditions. The life expectancy of a tapered roller bearing is expressed as a certain number of hours at a designated number of rotations and load. The figure assumes that 90 percent of all bearings will achieve their life expectancy under the listed conditions.

The price of a tapered roller bearing typically includes all related engineering and servicing functions to integrate the bearing into the final product. This often involves detailed consultations during the design stage. Additionally, bearings come with a warranty of 1 to 2 years for materials and workmanship. In recent years, however, there has been pressure from various end users for warranties exceeding 3 years.

In regard to refurbishing tapered roller bearings, only very large bearings are typically remachined. This operation involves the regrinding of some of the components and the installation of a new cage. It is not cost effective to perform this work on smaller bearings, as the labor and material costs would be only slightly less than the cost of a new product. Bearings used in milling and rolling machines, mining equipment, and railroad journal bearings are the only major bearing types normally refurbished.

Although roller and ball bearings are not interchangeable, the original determination of which type of roller element (i.e., ball or tapered roller) to use is sometimes an engineering choice made at the initial design phase of the product incorporating the bearing. As stated earlier, the choice would depend on the amount and type of load-carrying ability, as well as other factors. Industry sources have indicated that as production of automobiles has trended toward smaller, lighter weight, front-wheel-drive vehicles, there has been some substitution of ball bearings for the tapered roller bearings that had previously been used. 1/ However, in many industrial applications of both radial and thrust loads, there is a much lower degree of interchange between roller and ball bearings.

Self-contained tapered roller bearing packages.--Also called bearing cartridge units and wheel hub units, these unitized bearings are prelubricated, preset, double row tapered roller bearings that have been sealed. 2/ Bearing cartridge units are a relatively new product in the U.S. market (about 10 years), but they have been used extensively in Europe for about 30 years (the European bearings incorporate ball bearings and not tapered roller bearings). Bearing cartridge units, both the ball and tapered roller styles, are used almost exclusively in the United States on the front axle of front-wheel-drive

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1/ "Availability is the key for the 1980's," Purchasing, Feb. 10, 1983, p. 60.
2/ Timken, the major U.S. producer of these bearings, has trademarked them as Unipac and Unipac Plus. Unipac Plus is the flanged version of this type of bearing, and Timken has just recently begun limited production of this item. In addition, American NTN Bearing Manufacturing Corp. (American NTN) began limited production of tapered roller bearing cartridge units * * *.

cars. 1/ These units eliminate the need for adjustment of the close tolerances required with the traditional assembly of separate bearings and components, and are lighter and easier to assemble than the separate bearing components. 2/ (Industry sources indicate the units were developed in response to requirements by the automobile industry for more modular assemblies, in addition to lighter weight components.)

The useful life of this bearing unit is the life of the automobile, and the next generation of the bearing cartridge unit will have flanged inner and outer rings as part of the assembly. This will allow it to take over the functions of other, usually separate, components in the wheel hub system. Cartridge bearing units incorporating tapered rollers are directly substitutable with ball bearing cartridge units for certain part numbers, and in most cases a ball bearing unit or a tapered roller bearing unit may be selected at the initial design stage of the automobile. 3/

Mounted bearing units.--Mounted bearing units covered by this investigation are flange, cartridge, take-up, and hanger assemblies. These assemblies may incorporate ball bearings or tapered roller bearings. None of the tapered roller bearing producers manufacture these units, and Timken was the only U.S. producer that reported making the bearings for such assemblies.

Unfinished tapered roller bearings.--Unfinished bearings are bearing components--cones, cups, and rollers--that have been green machined and heat treated (see section on the manufacturing process). They require final finishing, as described later in this report, to complete them into tapered roller bearings. Unfinished tapered roller bearings are not sold commercially in the United States, and with regard to these investigations, they are imported only by U.S. producers and only from Japan.

Manufacturing process 4/

There are four major steps in the production of tapered roller bearings: green machining, heat treating, finishing, and assembly and inspection. Special bearing grade alloy steel in the form of 12- to 15-foot seamless tubing is the raw material utilized in the production of most cups and cones, whereas alloy wire, in the form of coils, is the base material for roller manufacture. 5/ There is a generally accepted minimum industry standard for the steel utilized in tapered roller bearing production, however, the raw material used by most bearing manufacturers exceeds this standard in quality.

1/ There is also a limited application for these units for engine fan hubs.
2/ Because these units are preset, Timken has stated that * * *.
3/ Interview with officials of The Timken Co., Sept. 11 and 12, 1986.
4/ Although there are major similarities in the production process between firms, especially with regard to heat treating and final finishing, one U.S. producer reported that a popular alternative to the green machining process is "hot forming" using steel bar or wire, from which slugs are cut, pierced, and stamped in a rapid succession of dies. The reported advantages to this process are cheaper raw materials and a faster hourly rate of production.
5/ U.S. industry sources report that raw materials account for *** percent of the cost of a bearing.

Green machining is an industry term that relates to the machining operations performed on the raw materials prior to heat treatment for cups, cones, and rollers. For cups and cones, the steel tubing is machined on single or multiple screw machines. When the desired contour and shape is reached, the cup or cone is sheared off the end of the tube. The green machining of the cone, however, involves more steps because of the increased complexity of the design and function of this component. The cones and cups are then inspected and electronically gauged to ensure adherence to the prescribed specifications.

The next operation involves the removal of the "burr," the sharp edge of the cups and cones, by a chambering machine. The country of origin, part number, and company are then stamped on the product for identification. The green machining of rollers begins with coil wire drawn into a cold header machine where the rollers are sheared in rapid succession and are "headed" or butted in a die to form the desired shape.

The bearing components are then heat treated in a two-stage process to ensure durability, hardness, and shock resistance. The first step in this process, carburization, heats the green machined components in a carbon rich atmosphere to impregnate carbon into the surface of the product. After quenching (emersion in an oil bath) the high-carbon case becomes very hard, while the lower carbon core remains comparatively soft. The high carbon content of the outer layer ensures that the rolling contact surfaces will be hard and wear resistant, and the "softer" core enables the bearing to absorb shocks more easily. Although the vast majority of tapered roller bearings produced in the United States are "case hardened," there are some bearings that are "through hardened"; that is, these bearings have not been carburized, but simply heat treated.

After carburization, the components are placed in a hardening furnace and heated to a high temperature for an extended period of time. This stage of heat treatment permanently fixes the carbon in the bearing component. To complete this process, the cups and cones are "plugged" in a stamping die to reshape them (the heating process distorts their size) and quenched in an oil bath. On average, the heat treatment process takes *** hours to complete.

The third phase of production, finishing, consists mainly of a series of grinding and honing operations to ensure the components are sized to the required precise tolerances and polished to ensure the smoothest possible rolling surface. Cup and cone grinding are done in various steps as shown in the following tabulation:

Grinding steps	Cup	Cone
1st.....	face grind	face or cone grind
2nd.....	outside diameter grind	race or outside diameter grind
3rd.....	inside diameter	bore or inside diameter grind
4th.....	--	rib face grind

Honing involves the polishing of the inside diameter of the cup and the outside diameter of the cone. A honing machine utilizing a very fine grade of sandpaper performs these operations. Cup honing is especially important as

the inner surface of the cup comes in contact with the rollers and must be as smooth as possible to reduce friction. Throughout this process, the components are visually inspected for flaws, and gauged to ensure dimensional compliance.

Rollers are finished somewhat differently than cups and cones. The basic steps are rough grind of the roller body, grinding of the roller end, a finishing grind of the roller body, and roller honing. Rollers initially pass through a number of grinding machines which remove steel from the outside diameter before it reaches the specified size. During end grinding, steel is removed from the large end of the roller, leaving a slightly convex shape. Final grinding and honing then takes place and the rollers are inspected, gauged, and packaged in their sequential order of production to minimize the variance of a complement of rollers in a cone assembly.

Cages are produced from cold-rolled strip steel. The steel is fed into a "cut and carry press" which performs the blanking, bottom, perforation and winging operations that produces a finished cage. The cut and carry press has multiple stations within it, and an internal conveyor which moves the material along through the various processes. Blanking involves forming the strip steel into a dish shape, while bottoming involves the punching out of the bottom of the cage. The cage is then perforated with holes around its diameter. A winging operation removes any sharp corners on the perforations, and spreads the large end of the cage for roller installation. Cages are then annealed to relieve any stresses. Annealing involves heating the cages to a specific temperature for a specified time and then cooling the cage to increase its hardness. This is followed by shot blasting to remove scale on the cage and to improve the finish.

In the assembly stage, cages are mounted on an assembly nest and the rollers are placed in the openings or pockets of the cage. The cone is then inserted into the middle of the cage and put in a "close in" press that slightly presses or "crimps" the assembly together to keep the components intact. The cups and cone assemblies are then demagnetized, inspected, and slushed with a protective anti-rust solution and packaged for shipment.

Bearing production involves a high degree of mechanization, due in large part to the very tight tolerances required in the products. The use of computer-aided manufacturing, microprocessor, laser gauging equipment, and highly automated material handling equipment are often employed in the production of tapered roller bearings. Employees perform very little of the actual production; they are primarily machine operators and quality control inspectors. Each worker is responsible for the product coming out of his or her station, and consequently, there is a high percentage of gauging and inspection. All components are tested several times throughout the production process, and cone assemblies and cups are subject to 100 percent inspection.

Mounted bearing units.--No U.S. producer of tapered roller bearings reported manufacturing these type of assemblies, and Timken was the only producer which reported manufacturing tapered roller bearings for mounted bearings. These bearings * * *.

Bearing cartridge units.--Timken is the largest U.S. producer of these bearings, and they are manufactured on * * *. * * *. * * *. * * *. * * *.

Unfinished tapered roller bearing components.--Unfinished tapered roller bearing components, specifically rollers, cups, and cones, are ground, polished, and assembled into finished tapered roller bearings in the manner described earlier. Two U.S. producers, American NTN and Koyo Corp. of U.S.A. (Koyo Corp.), import unfinished bearing parts and complete them into final bearing products. Koyo Corp. manufactures finished bearings from imported unfinished cups and cones and finished cages. The company manufactures its own rollers from imported steel coil. American NTN manufactures finished bearings from * * *. * * *.

With regard to the degree of transformation that unfinished components must experience to become tapered roller bearings, Koyo Corp. calculated that more than *** percent of the transfer value of its finished goods is added in the finishing process. 1/ In addition, in its clarification of products subject to the outstanding dumping order of tapered roller bearings from Japan, the Department of Commerce determined that unfinished tapered roller bearing components from Japan have more than one-half of their value added in the U.S. finishing process (46 F.R. 40550, Aug. 10, 1981). Figure 2 illustrates the finishing process of Koyo Corp. in its U.S. facility.

Figure 2.--Finishing operations on tapered roller bearings.

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U.S. tariff treatment

Tapered roller bearings and parts are classified under a number of Tariff Schedules of the United States Annotated (TSUSA) items depending on their condition at the time of importation. Tapered roller bearing cup and cone assemblies imported as a set are provided for in TSUSA item 680.3932, whereas cups and cone assemblies imported separately are classified in items 680.3934 and 680.3938, respectively. 2/ Antifriction rollers are provided for under TSUSA item 680.3040 and other tapered roller bearing parts are included in item 680.3940. Unfinished components for tapered roller bearings would be imported under items 680.3934, 680.3940, or 680.3040. Mounted bearing units incorporating all types of bearings are reported under item 681.1010, but tapered roller bearings imported separately for these units would be reported under the relevant above-mentioned TSUSA items.

Bearing cartridge units are classified in TSUSA tapered roller bearing category 680.3932 or the basket automotive parts provision 692.3295, depending on their configuration. These units, when incorporating ball bearings, have been the subject of numerous classification rulings by the U.S. Customs

1/ Koyo Corp. * * *.

2/ One importer reported that his firm imports only cups and cone assemblies, but Customs classifies these imports as sets if they contain the same complementary part numbers.

Service. The Customs Service ruled that "a double row, angular contact ball bearing whose outer race has been expanded, flanged, and drilled in order to take over part of the wheel hub" and a similar bearing whose inner race was splined allowing it "to replace completely the conventional driven-wheel hub" and become a structural element of the suspension system both demonstrate functions that are in excess of those normally associated with ball or roller bearings and..."are classified under the provision for other parts of motor vehicles in item 692.32." 1/ Customs officials indicate that if the primary function of a bearing cartridge unit exceeds the reduction of friction, the article is not classified as a tapered roller bearing. 2/

The current column 1 (most-favored-nation) rate of duty for assembled tapered roller bearings is 7.3 percent ad valorem. 3/ The comparable column 1 duty rate for parts of these bearings ranges from 5.2 percent ad valorem to 7.3 percent ad valorem as shown in table 1. Concessions negotiated during the Toyko Round of the Multilateral Trade Negotiations provided for gradual duty reductions on imports under these tariff items. As a result, these rates will be reduced to 6.5 percent ad valorem for tapered roller bearings and to 4.9 percent ad valorem for rollers on January 1, 1987. Imports of tapered roller bearings from all of the countries subject to this investigation are dutiable at the column 1 rate of duty. 4/

Nature and Extent of Alleged Sales At LTFV

The petition provided quantitative data with respect to the alleged LTFV sales for all countries subject to investigation. The margins were calculated for a number of tapered roller bearing products, and Spanish prices were used as surrogates for prices from Hungary, the PRC, Romania, and Yugoslavia. Italian prices were based on adjusted list prices of RIV-SKF Italy, and Japanese prices were for tapered roller bearings not subject to the outstanding dumping order. 5/ The average estimated dumping margins and the highest estimated

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1/ Sec. 177.1 (a)(1) of the Customs Regulations [19 CFR 177.1 (a)(1)].
2/ Discussion with Karl J. Riedl, National Import Specialist, U.S. Customs Service, Commercial Operations Division, Sept. 15, 1986.
3/ The rates of duty in the col. 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(d) of the TSUS. The People's Republic of China, Hungary, Romania, and Yuqoslavia are the only Communist countries eligible for MFN treatment. However, MFN rates would not apply if preferential treatment is sought and granted to products of developing countries under the Generalized System of Preferences (GSP) or the Caribbean Basin Economic Recovery Act (CBERA) or to products of Isreal or of least developed developing countries (LDDC's) as provided under the Special rates of duty column in the TSUS.
4/ As mentioned previously in this report, an outstanding dumping order is in effect on 0-4 inch tapered roller bearings from Japan. The U.S. Department of Commerce conducted an administrative review in March 1984; the firms and the respective margins determined are presented in app.C.
5/ The basis for calculation varied for each country; more specific details are provided in the petition, pp. 18-79.

margins reported in the petition are presented in the following tabulation for each country:

	Hungary	Italy	Japan	PRC	Romania	Yugoslavia
Arithmetic average.....	131.1	132.7	26.2	115.9	143.2	72.9
Highest margin.....	382.7	167.2	78.4	401.4	393.6	201.6

Table 1.--Tapered roller bearings, parts thereof, and certain housings incorporating tapered rollers: U.S. rates of duty, by TSUSA items

(In percent ad valorem)

Item No.	Description	Col. 1 rate of duty 1986	Col. 1 rate of duty 1987	Col. 2 rate of duty
	Antifriction balls and rollers:			
680.3040	Rollers.....	5.2	4.9	45.0
	Ball or roller bearings including such bearings with integral shafts, and parts thereof:			
	Other:			
	Other:			
	Tapered roller bearings and parts:			
680.3932	Cup and cone assemblies imported as a set.....	7.3	6.5	67.0
680.3934	Cups imported separately.....	7.3	6.5	67.0
680.3938	Cone assemblies imported separately.....	7.3	6.5	67.0
680.3940	Other parts.....	7.3	6.5	67.0
	Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulley and shaft couplings; pillow blocks; flange, take-up, cartridge, and hanger units; torque converters; chain sprockets; clutches and universal joints; all of the foregoing (except parts of agricultural or horticultural machinery and implements provided for in item 666.00 and parts of motor vehicles and bicycles) and parts thereof.			
	Flange, take-up, cartridge, and hanger units, and parts thereof:			
	Ball or roller bearing type:			
681.1010	Complete units.....	6.2	5.7	45
	Chassis, bodies (including cabs), and parts of the foregoing motor vehicles:			
	Other:			
	Other:			
692.3295	Other.....	3.2	3.1	25.0

The U.S. Market

U.S. producers

Timken, the largest U.S. producer of tapered roller bearings, invented the modern tapered roller bearing, which was patented in 1898. Since then, Timken has grown into a multinational corporation with 10 U.S. plants and operations in 7 countries. Timken is the only fully integrated U.S. tapered roller bearing producer, supplying steel tubing and wire for its bearing production from its steel facilities. Other than steel, Timken manufactures predominantly tapered roller bearings.

There are currently nine producers of tapered roller bearings in the United States, with one firm starting production in 1985. However, Federal Mogul Corp. (Federal Mogul) sold its tapered roller bearing facilities and part of its research and development complex to NTN Toyo in a joint venture in 1985. Federal Mogul consequently ceased tapered roller bearing production in 1985, and the new joint venture company, NTN-Bower, began production in 1986. This company is *** percent owned by NTN Toyo and *** percent owned by Federal Mogul; Federal Mogul is * * *. The list of U.S. producers and their share of 1985 shipments (by value) is presented in table 2.

With the exception of Koyo Corp. and American NTN, all of the U.S. producers have "ground up" production facilities; that is, they manufacture tapered roller bearings from steel mill products. Koyo Corp. and American NTN import bearing components and finish/assemble them into completed bearings (sets, cups, and cone assemblies). However, as indicated earlier, the finishing and assembly operations are not insignificant to the production process--it is at this stage that bearing components are machined into highly precision articles and at which there is significant value added to the components. American NTN and Koyo Corp. both have U.S. affiliates that are their sales organizations; these affiliates * * *.

Of the U.S. producers, Timken is the only "full line" producer of tapered roller bearings. The other producers have primarily focused on particular segments of the tapered roller bearing market, and several also produce other types of bearings. For example, Brenco makes railroad journal bearings, Torrington makes bearings for the metal rolling mill industry, Federal Mogul and NTN-Bower manufacture(d) only bearings greater than 4 inches in outside diameter, and most of the remaining producers have concentrated on the automotive industry. Hyatt Clark Industries (Hyatt Clark) sells most of its tapered roller bearings to General Motors, but has filed for protection under chapter 11. 1/

U.S. importers

There are more than 100 importers of tapered roller bearings from the subject countries, but most of these are importers of tapered roller bearings

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1/ Prior to 1981, Hyatt Clark Industries was New Departure Hyatt, a wholly owned subsidiary of General Motors Corp.

Table 2.--Tapered roller bearings: U.S. producers and their share of 1985 shipments, by value

Company	Location 1/	Establishments 2/	Comments	Share of 1985 shipments percent
American NTN Bearing Manufacturing Corp.	Des Plaines, IL	***	* * *	***
Brenco, Inc.	Petersburg, VA	***		***
Federal Mogul Corp.	Southfield, MI	***	* * *	***
Hyatt Clark Industries	Clark, NJ	***	* * *	***
Koyo Corp. of USA	Westlake, OH	***	* * *	***
L&S Bearing Co.	Oklahoma City, OK	***		***
NTN-Bower Corp.	Franklin, MI	***	* * *	***
SKF Industries, Inc.	King of Prussia, PA	***	* * *	***
The Timken Co.	Canton, OH	***		***
The Torrington Co.	Torrington, CT	***		*** 100

1/ Corporate headquarters.
2/ Tapered roller bearing production facilities only.

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

from Japan. Nearly all of the importers of tapered roller bearings from the East European countries and Italy are bearing distributors, with the exception of * * *. However, in spite of the large number of importers, only a few account for the vast majority of imports from the subject countries. Table 3 presents the major U.S. importers of tapered roller bearings and their share of 1985 imports, by value.

Table 3.--Tapered roller bearings: Major U.S. importers and their share of 1985 imports, by value

Importer	Country	Share of imports from country	Importer's share of total imports 1/
		percent	
*	*	*	*	*	*	*

1/ From countries subject to investigation.

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

The U.S. Market

The American market for tapered roller bearings has historically been the automotive market, since automobiles typically use a number of tapered roller bearings, especially on the axles and in transmissions. However, the size of the automotive market has been declining. Current data suggest the share of the tapered roller bearing market accounted for by the automobile and auto-related industries could be as low as 25 percent (table 4). The automotive industry is still the single largest consumer of tapered roller bearings, while the next largest market appears to be industrial equipment other than machine tools and material handling equipment. The market for tapered roller bearings in the United States is overwhelmingly inch based in spite of the trend toward metric standards in many industries--nearly 99 percent of consumption is of inch-sized tapered roller bearings. Current data also suggest that consumption of 4 inch and under bearings could be as low as 60 percent of consumption (by value), with 17 percent of consumption accounted for by bearings greater than 6 inches.

The decrease in the relative significance of the automotive market may be attributed to the increased popularity of front-wheel-drive cars as well as the demand by the automakers for more lightweight auto components. These two factors have contributed to bearing product shifting by the auto producers to ball bearings and needle bearings. 1/ In its section 332 report on the competitive assessment of the U.S. ball and roller bearing industry, the Commission's report stated: 2/

> Tapered roller bearings and parts were the only major type of bearing to experience a decline during 1980-84, decreasing by 4 percent to $879.5 million in 1984. This decrease was caused largely by a decision by the automotive industry to change its product mix in favor of lighter cars and trucks that utilize more ball bearings and less tapered roller bearings. It was also largely influenced by an increase in imports of tapered roller bearings, cups, and cones.

1/ Competitive Assessment of the U.S. Ball and Roller Bearing Industry, Investigation 332-211, USITC Publication 1797, January 1986, p. 11. See also conference transcript, p. 62.
2/ Ibid., p. xi.

Table 4.--Tapered roller bearings: Shares (by value) of U.S. producers' shipments, imports, and apparent consumption by types of markets, types of bearings, and channels of distribution, 1985

(In percent)

Item	U.S. producers' shipments	Imports 1/	Apparent consumption 2/
Shipments to:			
Automotive	25.4	20.2	24.0
Heavy truck and trailer	15.9	2.8	12.3
Machine tools	0.2	0.0	0.1
Construction and material handling	5.0	1.6	4.0
Other industrial equipment	17.4	4.0	13.7
Railroad/railway	6.1	0.4	4.6
All other industries	30.1	71.0	41.2
Total	100.0	100.0	100.0
OEMs	76.2	79.5	76.6
Distributors/aftermarket	23.8	20.5	23.4
Total	100.0	100.0	100.0
Shipments of:			
0-4 inch O.D	55.6	74.8	58.2
Over 4 inch to 6 inch O.D	25.0	22.1	24.6
Over 6 inch O.D	19.4	3.1	17.2
Total	100.0	100.0	100.0
Inch-sized	99.4	93.2	98.6
Metric-sized	0.6	6.8	1.4
Total	100.0	100.0	100.0

1/ As reported by importers accounting for 75 percent of imports from countries subject to investigation and 57 percent of total 1985 U.S. imports of tapered roller bearings.
2/ These figures do not account for imports from countries not subject to investigation.

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

In fact, industry sources indicate that General Motors now uses its own specially designed ball bearing cartridge units for both the front and rear axles of its new cars, and Ford is the only domestic producer using any tapered roller bearings on its front-wheel-drive automobiles, and only for * * *. The shift to ball bearings has occurred simultaneously with a major increase in new production of front-wheel-drive cars; counsel for the Japanese respondent Koyo Seiko Ltd. and its U.S. subsidiaries provided data which indicated that front-wheel-drive production increased from 30 percent in 1980 to 50 percent in 1983, and is estimated to be 70 percent in 1986. 1/

1/ Respondents' postconference brief, p. 27.

Finally, there appears to be two tiers and two levels of price competition in the market for tapered roller bearings--the "entry level" market for conveyor rollers, material handling rollers, light duty utility trailers, etc., and the "higher end" market of high precision bearings for the automotive industry and "heavy" industrial applications. 1/

U.S. consumption

There is very little seasonality with regard to U.S. consumption of tapered roller bearings, primarily because the broad industrial base of the market allows for independent industry consumption trends to offset each other. There appears to be about a 4- to 6-year business cycle in the tapered roller bearing industry; consumption declined during 1981 and 1982 because of the recession; increased in 1983 and 1984 when consumption peaked, and has declined since 1985. Industry officials indicate that this is a fairly typical cycle, but with the downturns not usually as severe as was seen in 1981 and 1982. 2/

Apparent U.S. consumption of tapered roller bearings reached $892 million in 1984, the peak year of consumption in terms of both quantity and value. The trend in consumption for the period subject to investigation is the same for both volume and value: consumption increased sharply from 1983 to 1984 and declined from 1984 to 1985, but with 1985 consumption levels higher than 1983. Consumption of tapered roller bearings during the first six months of 1986 was markedly lower than for the same period of 1985. Apparent U.S. consumption of tapered roller bearings increased 6 percent by volume from 1983 to 1985 (14 percent by value), and consumption for January-June 1986 was 19 percent (11 percent by value) lower than during January-June 1985 (table 5).

Channels of distribution

About 75 percent of all tapered roller bearings are sold to original equipment manufacturers (OEM's), with the remainder going to the aftermarket (table 4). Whereas most tapered roller bearings sold to OEM's are cone assemblies or sets, the aftermarket for these bearings is primarily individually packaged sets. Most of the importers of products subject to these investigations are bearing distributors; however, they also sell primarily to OEM's, and it is likely that some distributors of U.S.-produced tapered roller bearings also sell to small OEM's. Timken's sales to distributors are made only to authorized Timken dealers.

Related-party issues

Counsel for the petitioner has argued that Federal Mogul, NTN-Bower, American NTN, Koyo Corp., and SKF should be excluded from the domestic industry as related parties in accordance with section 771(4)(B) of the Tariff Act of 1930 (19 U.S.C. 1677(A)(B)). Federal Mogul * * *; NTN-Bower * * *. Both American NTN and Koyo Corp. * * *. * * *. SKF * * *.

1/ Conference transcript, pp. 58, 67, and 68, and questionnaire responses of the U.S. International Trade Commission.
2/ Conference transcript, pp. 54 and 55.

Table 5.--Tapered roller bearings: Apparent U.S. consumption, 1983-85, January-June 1985, and January-June 1986

Item	1983	1984	1985	January-June-- 1985	1986
	Quantity (1,000 units)				
Sets	13,586	21,624	19,841	9,987	9,169
Cone assemblies	125,663	152,590	128,320	69,265	57,118
Cups	125,239	155,923	132,347	72,629	57,257
All other bearing parts and components	1/	1/	1/	1/	1/
Total	264,488	330,137	280,508	151,881	123,544
	Value (1,000 dollars)				
Sets	128,791	171,808	150,067	77,940	73,981
Cone assemblies	360,116	459,000	400,293	219,492	185,039
Cups	178,986	228,893	208,146	111,621	106,519
Subtotal	667,893	859,701	758,506	409,053	365,539
All other bearing parts and components	28,408	31,832	35,000	17,767	14,777
Total	696,301	891,533	793,506	426,820	380,316

1/ Data for these products are not reported in comparable units of quantity.

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

Consideration of Alleged Material Injury 1/

Capacity, production, and capacity utilization

Capacity.--The capacity of the tapered roller bearing industry to produce such bearings has declined slightly over the period under investigation, in spite of the addition of a new producer in 1985. The key products with which to evaluate capacity, production, and capacity utilization, as presented in table 6, are cone assemblies and cups. The producers' ability to produce sets should be treated with some caution, since set production is usually only a minor assembly operation performed on cone assemblies and cups. In addition, the data in table 6 is double counted to the extent that the cups and cones used in sets are also reported as separate components.

The U.S. producers' capacity to produce cone assemblies and cups declined by less than 2 percent from 1983 to 1985, with a decline of about 8 percent in January-June 1986 compared with January-June 1985. Changes in capacity were rather dynamic throughout the period--nearly all producers added new capacity or retired outmoded, excess machinery. Productive capacity expanded in 1985 with * * *; however, this addition was not enough to offset the contraction of capacity by many other U.S. producers, especially * * *. The transfer of Federal Mogul's two plants to NTN-Bower * * *.

* * * * * * *

Production.--The production of cone assemblies and cups declined about 4 percent each from 1983 to 1985, although it increased substantially from 1983 to 1984. Production of cone assemblies and cups was down about 3 percent each in January-June 1986 when compared with January-June 1985. Production of tapered roller bearing cartridge units * * * from 1983 to 1985, although production was * * * in the first half of 1986 over the same period of 1985. Timken's production of tapered roller bearings for mounted bearing units was * * * from 1983 to 1985, and was * * * during January-June 1986 compared with January-June 1985. (* * *.)

Capacity utilization.--Capacity utilization for cone assemblies was the same in 1985 as in 1983, about 57 percent. Utilization in January-June 1986 was down substantially over the same period of 1985, by nearly 13 percentage points. Capacity utilization for cups dropped slightly from 1983 to 1985 and more substantially between the 1985 and 1986 partial year periods. The decline in capacity utilization for cups and cone assemblies is largely attributable to the lower 1986 production levels by * * *, which * * *. However, the other producers also show a slight downward trend for the first half of 1986. Capacity utilization of bearing cartridge units * * * about *** percentage points from 1983 to 1985, but * * * *** percentage points during the partial year periods. The generally low utilization rates for the industry are explained by both actual idled equipment as well as the high productive capacity of the machinery and equipment.

1/ In this discussion of alleged material injury, the data are based on complete questionnaire responses for all U.S. tapered roller bearing producers except * * *. The reporting companies accounted for 97.5 percent of the value of U.S. producers' shipments in 1985. Unfinished components are not discussed; these parts are all processed into finished articles by the U.S. producers.

Table 6.--Tapered roller bearings: U.S. producers' capacity, production, and capacity utilization, 1983-85, January-June 1985, and January-June 1986

Item	1983	1984	1985	January-June-- 1985	January-June-- 1986
Capacity 1/:					
Sets.....1,000 units..	61,420	61,400	62,617	31,131	32,129
Cone assemblies.....do....	193,082	189,443	190,367	95,374	87,940
Cups.....do....	201,337	195,775	200,915	100,938	92,301
Cartridge units.....do....	***	***	***	***	***
Mounted bearings.....do....	2/	2/	2/	2/	2/
Rollers.....1,000 pounds..	110,339	109,630	113,659	55,160	53,208
Parts.....do....	2/	2/	2/	2/	2/
Production:					
Sets.....1,000 units..	12,134	13,525	11,848	5,816	5,403
Cone assemblies.....do....	110,690	134,077	108,998	61,347	45,330
Cups.....do....	120,803	140,933	113,356	62,484	46,403
Cartridge units.....do....	***	***	***	***	***
Mounted bearings....do....	***	***	***	***	***
Rollers.....1,000 pounds..	41,918	65,824	53,028	28,149	22,383
Parts.....do....	***	***	***	***	***
Capacity utilization:					
Sets.....percent..	19.8	22.0	18.9	18.7	16.8
Cone assemblies.....do....	57.3	70.8	57.3	64.3	51.5
Cups.....do....	60.0	72.0	56.4	61.9	50.3
Cartridge units.....do....	***	***	***	***	***
Mounted bearings....do....	3/	3/	3/	3/	3/
Rollers.....do....	38.0	60.0	46.7	51.0	42.1
Parts.....do....	3/	3/	3/	3/	3/

1/ Nearly all producers reported capacity based on 3 shifts per day, 50 weeks per year.
2/ Capacity data was not available. Questionnaire data for capacity to produce parts was unreliable.
3/ Utilization cannot be calculated for these items.

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

U.S producers' shipments

The quantity of U.S. producers' shipments of tapered roller bearing sets, cone assemblies, and cups declined 3 percent from 1983 to 1985 (the value of these shipments, however, increased 7 percent) (table 7). Shipments for January-June 1986 were well below (22 percent) the volume of shipments in January-June 1985, and the value of these shipments was down 11 percent. The volume of tapered roller bearing cartridge units * * * *** percent from 1983 to 1985, but was * * * *** percent during the first half of 1986 compared with the same period of 1985. Shipments of bearings for mounted assemblies were * * * *** percent from 1983 to 1985, but down slightly in 1986.

Table 7.--Tapered roller bearings: U.S. producer's shipments, 1983-85, January-June 1985, and January-June 1986

Item	1983	1984	1985	January-June-- 1985	1986
Quantity:					
Sets.....1,000 units..	9,815	10,006	8,750	4,390	3,410
Cone assemblies.....do....	88,197	100,537	86,253	46,358	36,201
Cups.....do....	92,474	102,212	89,673	47,873	36,944
Subtotal.....do....	190,486	212,755	184,676	98,621	76,555
Cartridge units.....do....	***	***	***	***	***
Mounted bearings....do....	***	***	***	***	***
Rollers.....1,000 pounds..	***	***	***	***	***
Parts.....do....	***	***	***	***	***
Value:					
Sets.....1,000 dollars..	111,520	138,117	119,773	62,392	58,425
Cone assemblies.....do....	316,929	388,497	333,467	182,741	153,577
Cups.....do....	155,986	188,991	171,019	90,472	88,057
Subtotal.....do....	584,435	715,605	624,259	335,875	300,059
Cartridge units.....do....	***	***	***	***	***
Mounted bearings....do....	***	***	***	***	***
Rollers.....do....	***	***	***	***	***
Parts.....do....	***	***	***	***	***
Total 1/.....do....	611,738	744,552	655,072	350,594	312,759

1/ The total shown includes * * *.

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

Shipments of tapered rollers and tapered roller bearing parts were reported by three U.S. producers; the volume of these shipments remained relatively stable throughout the period under investigation but with parts reflecting the general overall trend in shipments (increases between 1983 and 1984; declines from 1984 to 1985 and between January-June 1985 and 1986). The total value of all shipments increased 7 percent from 1983 to 1985.

U.S. producers' inventories

U.S. producers' yearend inventories of tapered roller bearing sets, cone assemblies, and cups increased absolutely from 1983 to 1985, by about *** percent (table 8). These inventories were down about *** percent between June 30, 1985, and June 30, 1986. As a share of shipments, inventories of tapered roller bearings remained relatively stable, registering only slight increases or decreases over the period subject to investigation. However the ratio of inventories to shipments for tapered roller bearing cartridge units * * * *** percentage points from 1983 to 1985, and was * * * percentage points at June 30, 1986 compared with June 30, 1985. In addition, the ratio for inventories of bearings for mounted assemblies * * * *** percentage points when January-June 1985 is compared with January-June 1986.

Table 8.--Tapered roller bearings: U.S. producers' end-of-period inventories, 1983-85, June 30, 1985, and June 30, 1986

Item	1983	1984	1985	June 30-- 1985	June 30-- 1986
Quantity of inventories:					
*	*	*	*	*	*	*
Inventories as a share of shipments (percent) 1/:					
*	*	*	*	*	*	*

1/ Inventories as a share of shipments for the January-June periods have been annualized.

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

U.S. employment and wages

The number of production and related workers employed in the manufacture of tapered roller bearings increased just over 2 percent from 1983 to 1985, from 7,506 to 7,694 workers (table 9). However, the number of workers employed was 13 percent lower during the first half of 1986 compared with the first half of 1985. This decline is primarily explained by the disruption of production at Hyatt Clark during January and February 1986. Average wages declined by a few cents per hour from 1983 to 1985, but were up slightly during the partial-year periods of 1985 and 1986. Average wages were $12.83 per hour during January-June 1986, and total average compensation was $16.93. Employee earnings in the industry are based both on hourly rates and piece rates.

Tapered roller bearing workers are unionized by establishment and not necessarily by firm. Timken's Canton and Columbus, OH, plants are represented by the United Steel Workers, as are SKF's employees. * * *. Hyatt Clark, an employee owned company, and one of Federal Mogul's plants are represented by the United Auto Workers. Koyo Corp., Brenco, and American NTN are not unionized; workers at L&S Bearing and NTN-Bower (one plant) are represented by aerospace and machinist locals.

Financial experience of the U.S. producers

Seven U.S. producers, accounting for 97 percent of U.S. producers' tapered roller bearing shipments in 1985, supplied usable income-and-loss data for both their establishment and tapered roller bearing operations. These data are discussed separately below.

Table 9.--Average number of production and related workers engaged in the manufacture of tapered roller bearings, hours worked by such workers, wages paid, and total compensation, 1983-85, January-June 1985, and January-June 1986

Period	Number of workers	Hours worked	Wages paid	Total compensation
		Thousands	Per hour	
1983	7,506	14,509	$12.88	$16.48
1984	9,149	18,678	12.19	15.38
1985	7,694	15,163	12.79	16.69
January-June--				
1985	8,029	7,886	12.76	16.74
1986	6,968	7,211	12.83	16.93

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

Overall establishment operations.--Aggregate net sales increased 26.6 percent from $735.2 million in 1983 to $930.8 million in 1984. (table 10). In 1985 net sales decreased 11.5 percent to $824.2 million. Sales for the interim period ended June 30, 1986, were $399.9 million, a decrease of 10.5 percent from sales of $446.8 million in the interim period ended June 30, 1985. An operating loss of $52.2 million or 7.1 percent of sales, was sustained in 1983. The companies earned an operating income of $39.4 million, or 4.2 percent of sales, in 1984. An operating loss of $21.3 million, or 2.6 percent of sales occurred in 1985. Operating income was $13.3 million, or 3.0 percent of sales, and $9.3 million, or 2.3 percent of sales, in the interim periods of 1985 and 1986, respectively. One firm reported an operating loss in 1984 and interim 1985. Four firms reported operating losses in 1985. One firm reported an operating loss in 1984 and interim 1985. Two firms reported operating losses in interim 1986.

Operations on tapered roller bearings.--Aggregate net sales increased 26.1 percent from $683.2 million in 1983 to $861.7 million in 1984 (table 11). In 1985 net sales decreased 12.0 percent to $758.2 million. Sales for the interim period ended June 30, 1986, were $365.4 million, a decrease of 10.1 percent from sales of $406.7 million in the interim period ended June 30, 1985. An operating loss of $49.7 million, or 7.3 percent of sales, was sustained in 1983. The companies earned an operating income of $29.5 million, or 3.4 percent of sales, in 1984. An operating loss of $34.1 million, or 4.5 percent of sales occurred in 1985. Operating income was $7.3 million, or 1.8 percent of sales and $7.5 million, or 2.1 percent of sales, in the interim periods of 1985 and 1986, respectively. Two firms reported an operating loss in 1983. Five firms reported operating losses in 1985 and three firms reported such losses for both interim periods. One firm reported an operating loss in 1984.

Table 10.--Income-and-loss experience of 7 U.S. producers on the overall operations of their establishments within which tapered roller bearings and parts are produced, accounting years 1983-85 and interim periods ended June 30, 1985, and June 30, 1986 1/

Item	1983	1984	1985	Interim period ended June 30-- 1985	1986
Net sales.....1,000 dollars..	735,208	930,844	824,182	446,816	399,940
Cost of goods sold.....do....	652,464	739,809	697,814	358,552	323,004
Gross profit.....do....	82,744	191,035	126,368	88,264	76,936
General, selling, and administrative expenses 1,000 dollars..	134,920	151,600	147,642	74,987	67,615
Operating income or (loss) 1,000 dollars..	(52,176)	39,435	(21,274)	13,277	9,321
Depreciation and amortization 1,000 dollars..	52,368	51,031	49,533	24,606	25,727
Ratio to net sales of--					
Cost of goods sold percent..	88.7	79.5	84.7	80.2	80.8
Gross profit.....do....	11.3	20.5	15.3	19.8	19.2
General, selling, and administrative expenses percent..	18.4	16.3	17.9	16.8	16.9
Operating income or (loss) percent..	(7.1)	4.2	(2.6)	3.0	2.3
Number of firms reporting operating losses.....	3	1	4	1	2

1/ Six producers provided data for the 1983-85 period. * * *. Four producers provided data for the two interim periods.

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

Operations of The Timken Co.--The income-and-loss experience of the Timken Company on its operations producing tapered roller bearings and parts is presented in table 12. The company provided the same data for overall establishment operations. Net sales * * *. In 1985 sales * * *. Sales for the interim period ended June 30, 1986, were * * *. The company * * *. * * *. A comparison of Timken's operating results with the other producers is presented is table 13.

Operations on bearing cartridge units and bearings for mounted assemblies.

* * * * * * *

Table 11.--Income-and-loss experience of 7 U.S. producers on their operations producing tapered roller bearings and parts, accounting years 1983-85 and interim periods ended June 30, 1985, and June 30, 1986 1/

Item	1983	1984	1985	Interim period ended June 30-- 1985	1986
Net sales.....1,000 dollars..	683,181	861,706	758,188	406,690	365,425
Cost of goods sold.....do....	602,919	686,974	650,814	328,096	294,322
Gross profit.....do....	80,262	174,732	107,374	78,594	71,103
General, selling, and administrative expenses 1,000 dollars..	130,000	145,197	141,464	71,317	63,615
Operating income or (loss) 1,000 dollars..	(49,738)	29,535	(34,090)	7,277	7,488
Depreciation and amortization 1,000 dollars..	50,442	48,984	47,680	23,000	23,478
Ratio to net sales of--					
Cost of goods sold percent..	88.3	79.7	85.8	80.7	80.5
Gross profit.....do....	11.7	20.3	14.2	19.3	19.5
General, selling, and administrative expenses percent..	19.0	16.9	18.7	17.5	17.4
Operating income or (loss) percent..	(7.3)	3.4	(4.5)	1.8	2.1
Number of firms reporting operating losses.....	2	1	5	3	3

1/ Six producers provided data for the 1983-85 period. * * *. Four producers provided data for the two interim periods.

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

Investment in productive facilities.--Six U.S. producers supplied data concerning their investment in productive facilities employed in the production of tapered roller bearings. These data are shown in the following tabulation (in thousands of dollars):

Period	Original cost Timken	Original cost Other companies	Original cost Total	Book value Timken	Book value Other companies	Book value Total
1983.....	***	***	679,987	***	***	316,772
1984.....	***	***	698,289	***	***	302,743
1985.....	***	***	705,197	***	***	283,982
As of June 30--						
1985.....	***	***	704,070	***	***	311,244
1986.....	***	***	704,043	***	***	288,238

Table 12.--Income-and-loss experience of The Timken Co. on its operations producing tapered roller bearings and parts, accounting years 1983-85 and interim periods ended June 30, 1985, and June 30, 1986

Item	1983	1984	1985	Interim period ended June 30-- 1985	1986
Net sales.....1,000 dollars..	***	***	***	***	***
Cost of goods sold.....do....	***	***	***	***	***
Gross profit.....do....	***	***	***	***	***
General, selling, and administrative expenses 1,000 dollars..	***	***	***	***	***
Operating income or (loss) 1,000 dollars..	***	***	***	***	***
Depreciation and amortization 1,000 dollars..	***	***	***	***	***
Ratio to net sales of--					
Cost of goods sold percent..	***	***	***	***	***
Gross profit.....do....	***	***	***	***	***
General, selling, and administrative expenses percent..	***	***	***	***	***
Operating income or (loss) percent..	***	***	***	***	***

1/ * * *.

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

Capital expenditures.--Seven U.S. producers supplied information on their capital expenditures for facilities used in the production of tapered roller bearings. Capital expenditures decreased from $24.7 million in 1983 to $24.6 million in 1984 and $21.9 million in 1985. For the interim period ended June 30, 1986, capital expenditures were $7.0 million, compared with $11.5 million for the June 30, 1985 interim period. These data are shown in the following tabulation (in thousands of dollars):

Period	Timken	Other companies	Total
1983.....	***	***	24,699
1984.....	***	***	24,588
1985.....	***	***	21,873
January-June--			
1985.....	***	***	11,505
1986.....	***	***	6,999

Table 13.--Income-and-loss experience of 7 U.S. producers on their operations producing tapered roller bearings, by specified producer, accounting years 1983-85, and interim periods ended June 30, 1985, and June 30, 1986

Item	1983	1984	1985	Interim period ended June 30--1985	Interim period ended June 30--1986
	Value (1,000 dollars)				
Net sales:					
Timken	***	***	***	***	***
Other producers	***	***	***	***	***
Total	***	***	***	***	***
Gross profit or (loss):					
Timken	***	***	***	***	***
Other producers	***	***	***	***	***
Total	***	***	***	***	***
Operating income or (loss):					
Timken	***	***	***	***	***
Other producers	***	***	***	***	***
Total	***	***	***	***	***
	Percent of net sales				
Gross profit or (loss)					
Timken	***	***	***	***	***
Other producers	***	***	***	***	***
Weighted average	***	***	***	***	***
Operating income or (loss):					
Timken	***	***	***	***	***
Other producers	***	***	***	***	***
Weighted average	***	***	***	***	***

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

Research and development expenses.--Seven producers reported research and development expenses. These expenses were $23.1 million in 1983, $25.8 million in 1984, and $26.7 million in 1985. Research and development expenses were $12.9 million and $11.7 million for the 1985 and 1986 interim periods, respectively. These data are shown in the following tabulation (in thousands of dollars):

Period	Timken	Other companies	Total
1983	***	***	23,134
1984	***	***	25,801
1985	***	***	26,716
January-June--			
1985	***	***	12,855
1986	***	***	11,735

Capital and investment.--The Commission requested U.S. producers to describe any actual or potential negative effects of imports of tapered roller bearings and parts from the specified countries on their firm's growth, investment, and ability to raise capital. Parts of their responses are shown below:

*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*

Consideration of Alleged Threat of Material Injury

In its examination of the question of threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase of the subject imports, the rate of increase in U.S. market penetration by such imports, the rate of increase of imports held in inventory in the United States, the capacity of producers in the exporting country to generate exports (including the existence of underutilized capacity and the availability of export markets other than the United States), and the price depressing or suppressing effect of the subject imports on domestic prices.

Discussions of the rates of increase in imports from the subject countries of tapered roller bearings, parts thereof, and certain housings containing tapered roller bearings and their U.S. market penetration are presented in the section of the report entitled "Consideration of the Causal Relationship Between the Alleged LTFV Imports and the Alleged Material Injury." Available information on prices of the imported products is also presented in the section of the report on causation. Information on inventories of the subject imports in the United States and the ability of the foreign producers to generate exports is presented in the following sections.

U.S. importers' inventories

Many importers had difficulty providing data on their inventories of tapered roller bearings from the subject countries, primarily because their inventories are not distinguished by country of origin. Since most importers are either distributors or bearing producers, their inventories involve products from multiple sources.

Total inventories of tapered roller bearing sets, cone assemblies, and cups, as reported by importers accounting for 82 percent of all imports from countries subject to investigation, increased 18 percent from 1983 to 1985 (table 14). Total inventories declined during January-June 1986 when compared with January-June 1985, by 7 percent.

However, this trend in inventories is primarily established by the magnitude of Japanese tapered roller bearing inventories. Inventories of imports

Table 14.--Tapered roller bearings: U.S. importers' inventories, 1983-85, January-June 1985, and January-June 1986 1/

(In 1,000 units)

Item	1983	1984	1985	January-June-- 1985	January-June-- 1986
Sets:					
Hungary	***	***	***	***	***
Italy	***	***	***	***	***
Japan 2/	***	***	***	***	***
PRC	***	***	***	***	***
Romania	***	***	***	***	***
Yugoslavia	***	***	***	***	***
Cone Assemblies:					
Hungary	***	***	***	***	***
Italy	***	***	***	***	***
Japan 2/	***	***	***	***	***
PRC	***	***	***	***	***
Romania	***	***	***	***	***
Yugoslavia	***	***	***	***	***
Cups:					
Hungary	***	***	***	***	***
Italy	***	***	***	***	***
Japan 2/	***	***	***	***	***
PRC	***	***	***	***	***
Romania	***	***	***	***	***
Yugoslavia	***	***	***	***	***
Total:					
Hungary	***	***	***	***	***
Italy	***	***	***	***	***
Japan 2/	***	***	***	***	***
PRC	***	***	***	***	***
Romania	***	***	***	***	***
Yugoslavia	***	***	***	***	***

1/ As reported by importers accounting for 100 percent of Hungarian imports; 2 percent of Italian imports; 85 percent of Japanese imports; 100 percent of Chinese imports; 76 percent of Romanian imports; 100 percent of Yugoslavian imports; and about 82 percent of total imports from countries subject to investigation.

2/ Inventories from Japan are only of those products subject to investigation.

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

from Hungary, the PRC, and Romania declined during 1983-85, by *** percent, *** percent, and *** percent, respectively. Import inventories for Italian tapered roller bearings were stable from 1983 to 1985, and Yugoslav import inventories increased *** percent.

Ability of foreign producers to generate exports

Two foreign producers--the Yugoslav producer Unis Ro Promet and the Japanese producer Koyo Seiko Ltd.--provided data concerning their production, inventories, and shipments. These data are presented in the tabulation below.

Item	1983	1984	1985	January-June-- 1985	1986
Unis Ro Promet:					
* *	*	*	*	*	*
Koyo Seiko Ltd.:					
* *	*	*	*	*	*

Source: Compiled from data submitted by counsel for the respondents.

Threat of injury from imports of Japanese bearing cartridge units

* * * * * * *

* * * * * * *

* * * * * * *

U.S. shipments of tapered roller bearing cartridge units and imports of these units are presented in the tabulation below (in thousands of units):

	1983	1984	1985	January-June 1985	January-June 1986
U.S. shipments	***	***	***	***	***
Imports	***	***	***	***	***
U.S. producers' share of total (percent)	***	***	***	***	***

Consideration of the Causal Relationship Between the Alleged LTFV Imports and the Alleged Material Injury

U.S. imports

Not all countries exported all of the tapered roller bearing products subject to investigation. There were no imports of mounted tapered roller bearings reported by any of the importers who responded to the Commission's

questionnaire. 1/ Tapered rollers were imported in nominal quantities from Japan only, and all imports of unfinished and finished components were also imported only from Japan. 2/ These imports of rollers and other parts from Japan were imported only by U.S. producers. In addition, imports of cartridge bearing units came only from Japan. 3/

The overall trend in imports of tapered roller bearings from the subject countries, as well as total imports of these products, generally followed the same pattern as U.S. consumption. Imports increased markedly from 1983 to 1984 as the automotive and industrial sectors of the economy recovered from the recession, then declined from 1984 to 1985, with the 1985 volume of imports generally higher than 1983 levels. For the interim period January-June 1986, the volume of imports was generally the same as or well below imports during the same period of 1985. One of the countries subject to investigation, the PRC, had net declines in the quantity of its exports of tapered roller bearings to the United States during 1983 to 1985.

Hungary.--Tapered roller bearing sets, cups, and cone assemblies were imported into the United States from Hungary. There were no imports of tapered rollers, bearing cartridge units or mounted bearings, and very small amounts of tapered roller bearing parts were reported as imports in 1983 and 1984, but none were imported in 1985 or 1986. With regard to the volume of sets, cups, and cone assemblies, the number of units increased 20 percent from 1983 to 1985 (9 percent by value), and increased 60 percent (77 percent by value) in January-June 1986 when compared with the corresponding period of 1985 (tables 15 and 16).

Italy.--The trend in imports of tapered roller bearings from Italy has been away from cup and cone assemblies toward complete sets. In fact, there were no imports of cups or cone assemblies in 1985. In addition, there were no imports of mounted bearings or bearing cartridge units from Italy, and although the Department of Commerce reported imports of antifriction rollers and tapered roller bearing parts from from Italy during 1983 to 1985, none of the importers of Italian tapered roller bearings responding to the Commission's questionnaire imported tapered rollers or components for bearings.

The number of sets, cone assemblies, and cups imported increased from 48,000 units in 1983 to 983,000 units in 1985 (these imports increased 153 percent by value). Imports dropped 38 percent in January-June 1986 compared to the corresponding period of 1985, despite a 47-percent increase in value for these partial-year periods. Imports of parts increased 62-fold from 1983 to 1985, from 1,000 pounds to 63,000 pounds. However, the volume of imports of parts was down 68 percent in January-June 1986 when compared to January-June 1985.

1/ The firms identified by the Customs Net Import File as importers of mounted bearing units and parts of mounted bearing units reported that these were ball bearing, and not tapered roller bearing, assemblies.

2/ The TSUSA provision for tapered rollers also includes non-tapered rollers.

3/ Data on imports of bearing cartridge units are presented in the section of this report on "Threat of injury from imports of Japanese bearing cartridge units."

Table 15.--Tapered roller bearings and parts thereof: Total U.S. imports, by quantity, 1983-85, January-June 1985, and January-June 1986

Item	1983	1984	1985	January-June-- 1985	1986
TRB sets:					
Hungary.....1,000 units..	-	40	58	46	201
Italy.....do....	42	146	983	483	298
Japan.....do....	2,193	6,956	7,369	4,147	3,433
PRC.....do....	317	1,546	457	145	163
Romania.....do....	209	31	379	34	85
Yugoslavia.....do....	72	187	-	-	-
Subtotal.....do....	2,833	8,906	9,246	4,855	4,180
All other countries.....	938	2,712	1,845	742	1,579
Total.....do....	3,771	11,618	11,091	5,597	5,759
TRB cups:					
Hungary.....1,000 units..	1,123	1,369	1,298	574	919
Italy.....do....	2	130	-	-	-
Japan.....do....	27,088	44,060	31,015	17,816	16,179
PRC.....do....	327	-	22	22	-
Romania.....do....	3,516	2,414	4,490	2,328	832
Yugoslavia.....do....	488	1,682	1,110	730	627
Subtotal.....do....	32,544	49,655	37,935	21,470	18,557
All other countries.....	1,298	4,049	4,739	3,286	1,765
Total.....do....	33,842	53,704	42,674	24,756	20,322
TRB cone assemblies:					
Hungary.....1,000 units..	1,093	1,246	1,310	626	875
Italy.....do....	4	132	-	-	1
Japan.....do....	31,410	44,325	33,254	18,234	17,665
PRC.....do....	392	-	-	-	-
Romania.....do....	3,623	2,254	3,966	1,904	809
Yugoslavia.....do....	360	1,608	1,121	741	623
Subtotal.....do....	36,882	49,565	39,651	21,505	19,973
All other countries.....	584	2,488	2,416	1,402	944
Total.....do....	37,466	52,053	42,067	22,907	20,917
Total:					
Hungary.....1,000 units..	2,217	2,655	2,666	1,246	1,996
Italy.....do....	48	408	983	483	299
Japan.....do....	60,691	95,340	71,638	40,197	37,277
PRC.....do....	1,036	1,546	479	167	163
Romania.....do....	7,349	4,698	8,835	4,266	1,726
Yugoslavia.....do....	921	3,477	2,231	1,471	1,250
Subtotal.....do....	72,262	108,124	86,832	47,830	42,711
All other countries.....	2,818	9,251	9,000	5,430	4,285
Total.....do....	75,079	117,375	95,832	53,260	46,997
TRB parts:					
Hungary....1,000 pounds..	1/	1/	-	-	-
Italy.....do....	1	35	63	28	9
Japan.....do....	188	330	578	302	284
PRC.....do....	24	219	149	127	4
Romania.....do....	-	1	54	32	-
Yugoslavia.....do....	-	-	-	-	-
Subtotal.....do....	213	585	844	489	297
All other countries.....	130	375	952	779	787
Total.....do....	343	960	1,796	1,268	1,084

1/Less than 500 pounds.

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

Table 16.--Tapered roller bearings and parts thereof: Total U.S. imports, by value, 1983-85, January-June 1985, and January-June 1986

(C.i.f. value, in thousands of dollars)

Item	1983	1984	1985	January-June-- 1985	January-June-- 1986
TRB sets:					
Hungary	-	174	233	126	194
Italy	303	506	832	447	654
Japan	9,219	20,923	20,198	11,113	8,510
PRC	381	1,143	562	222	154
Romania	227	33	367	39	85
Yugoslavia	84	239	-	-	-
Subtotal	10,214	23,018	22,192	11,947	9,597
All other countries	7,057	10,673	8,102	3,601	5,959
Total	17,271	33,691	30,294	15,548	15,556
TRB cups:					
Hungary	495	505	393	167	610
Italy	12	115	-	-	-
Japan	17,630	32,346	27,889	16,227	14,920
PRC	108	-	6	6	-
Romania	1,152	1,143	1,982	1,219	318
Yugoslavia	249	592	352	240	198
Subtotal	19,646	34,701	30,622	17,859	16,046
All other countries	3,354	5,201	6,505	3,290	2,416
Total	23,000	39,902	37,127	21,149	18,462
TRB cone assemblies:					
Hungary	1,150	1,031	1,159	520	638
Italy	14	65	-	-	2
Japan	36,318	62,029	54,792	30,577	27,800
PRC	328	-	-	-	-
Romania	2,913	1,717	4,493	1,954	641
Yugoslavia	381	1,397	892	599	480
Subtotal	41,104	66,239	61,336	33,650	29,561
All other countries	2,083	4,264	5,490	3,101	1,901
Total	43,187	70,503	66,826	36,751	31,462
Subtotal:					
Hungary	1,645	1,710	1,785	813	1,442
Italy	329	686	832	447	656
Japan	63,167	115,298	102,879	57,917	51,230
PRC	817	1,143	568	228	154
Romania	4,292	2,893	6,842	3,212	1,044
Yugoslavia	714	2,228	1,244	839	678
Subtotal	70,964	123,958	114,150	63,456	55,204
All other countries	12,494	20,138	20,097	9,992	10,276
Total	83,458	144,096	134,247	73,448	65,480
TRB parts:					
Hungary	1	1	-	-	-
Italy	10	186	202	102	35
Japan	508	1,057	1,806	1,072	798
PRC	85	468	318	290	21
Romania	-	11	204	137	-
Yugoslavia	-	-	-	-	-
Subtotal	604	1,723	2,530	1,601	854
All other countries	501	1,162	1,657	1,177	1,223
Total	1,105	2,885	4,187	2,778	2,077
Total TRB imports:					
Hungary	1,646	1,711	1,785	813	1,442
Italy	339	872	1,034	549	691
Japan	63,675	116,355	104,685	58,989	52,028
PRC	902	1,611	886	518	175
Romania	4,292	2,904	7,046	3,349	1,044
Yugoslavia	714	2,228	1,244	839	678
Subtotal	71,568	125,681	116,680	65,057	56,058
All other countries	12,995	21,300	21,754	11,169	11,499
Total	84,563	146,981	138,434	76,226	67,557

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

Japan.--Tables 15 and 16 report total U.S. imports from Japan of tapered roller bearings; however, not all of these imports are subject to these investigations. Imports from Japan which are subject to investigation are: all exports of tapered roller bearings from the Japanese producer NTN Toyo Co. Ltd. to the United States; imports of tapered roller bearing sets, cone assemblies, and cups greater than 4 inches in outside diameter; imports of tapered rollers and all other bearing parts; and unfinished tapered roller bearing components. 1/

The Commission has received questionnaire responses from * * *. Together these firms accounted for 89 percent of total 1985 U.S. imports of Japanese tapered roller bearings. 2/ Based on these questionnaire responses, data on imports subject to investigation are presented in table 17.

As can be seen from table 17, the total quantity of tapered roller bearing sets, cone assemblies, cups, and unfinished parts declined *** percent from 1983 to 1985, and the volume of these imports during January-June 1986 was *** percent lower than in the same period of 1985. The value of these imports increased *** percent from 1983 to 1985, and was *** percent higher during January-June 1986 than January-June 1985. The total value of all Japanese imports reported by these importers rose *** percent from 1983 to 1985, and increased *** percent in January-June 1986 compared with the corresponding period of 1985.

With regard to size, imports of tapered roller bearings 0 to 4 inches in outside diameter from NTN Toyo have been declining in both volume and value. From 1983 to 1985, the quantity of these imports declined *** percent and their value decreased *** percent. The volume of 0 to 4-inch bearing imports was slightly lower in January-June 1986 when compared with January-June 1985, but the value of these imports rose slightly. Imports of tapered roller bearings greater than 4 inches in outside diameter have been steadily increasing. These imports increased *** percent in volume and *** percent in value from 1983 to 1985, and imports during January-June 1986 were higher *** percent in volume and *** percent in value than in the corresponding period of 1985.

PRC.--After 1983, imports of tapered roller bearings from China have also primarily been complete sets. In 1984, 1985, and January-June 1986, there were no imports of cone assemblies from China, and either no or relatively few imports of cups. There were no imports of mounted tapered roller bearings, cartridge bearing units, or tapered rollers from China, although there were imports of parts reported.

The net change in imports of tapered roller bearings from China has been one of decline: from 1983 to 1985 the volume of imports declined 54 percent (30 percent by value). The volume of imports in January-June 1986 was virtually the same as in January-June 1985. Imports of bearing parts increased substantially from 1983 to 1985, from 24,000 pounds to 149,000 pounds. 3/ Imports in January-June 1986 were 97 percent lower than in the same period of 1985.

1/ See Commerce's notice of institution in app. A.

2/ * * *.

3/ The Commission received questionnaire responses from importers accounting for 100 percent of U.S. imports of Chinese tapered roller bearings, and none of them reported importing parts for bearings.

Table 17.--Tapered roller bearings and parts thereof: U.S. imports from Japan subject to investigation, 1983-85, January-June 1985, and January-June 1986 1/

Item	1983	1984	1985	January-June-- 1985	1986
	Quantity (1,000 units)				
Sets	***	***	***	***	***
Cone assemblies	***	***	***	***	***
Cups	***	***	***	***	***
Subtotal	***	***	***	***	***
Unfinished parts--					
Cones	***	***	***	***	***
Cups	***	***	***	***	***
Total	***	***	***	***	***
0-4 inches in O.D. from NTN: 2/					
Sets	***	***	***	***	***
Cone assemblies	***	***	***	***	***
Cups	***	***	***	***	***
Total	***	***	***	***	***
Over 4 inches O.D.: 2/					
Sets	***	***	***	***	***
Cone assemblies	***	***	***	***	***
Cups	***	***	***	***	***
Total	***	***	***	***	***
	C.i.f. value (1,000 dollars)				
Sets	***	***	***	***	***
Cone assemblies	***	***	***	***	***
Cups	***	***	***	***	***
Subtotal	***	***	***	***	***
Unfinished parts--					
Cones	***	***	***	***	***
Cups	***	***	***	***	***
Total	***	***	***	***	***
0-4 inches in O.D. from NTN: 2/					
Sets	***	***	***	***	***
Cone assemblies	***	***	***	***	***
Cups	***	***	***	***	***
Total	***	***	***	***	***
Over 4 inches O.D.: 2/					
Sets	***	***	***	***	***
Cone assemblies	***	***	***	***	***
Cups	***	***	***	***	***
Total	***	***	***	***	***

1/ As reported by importers accounting for 89 percent of total 1985 U.S. imports of tapered roller bearings from Japan.
2/ Finished bearings and cups only.

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

Romania.--There were no imports of mounted tapered roller bearings, tapered rollers, or bearing cartridge units. Imports from Romania of tapered roller bearings increased 20 percent by volume (59 percent in value) from 1983 to 1985, but imports in January-June 1986 were well below (60 percent by volume) the volume of imports in January-June 1985. Imports of tapered roller bearing parts increased from almost none in 1983 and 1984 to 54,000 pounds in 1985; there were no imports of bearing parts as of June 30, 1986.

Yugoslavia.--Imports from Yugoslavia of tapered roller bearings are almost exclusively cup and cone assemblies. There were no imports in 1985 or January-June 1986 of sets, and there have not been any imports of tapered rollers, parts, mounted bearings, or cartridge bearing units. The volume of imports of Yugoslavian tapered roller bearings increased 142 percent from 1983 to 1985 (74 percent by value), and imports in January-June 1986 were well below (15 percent) the volume of imports in January-June 1985 (19 percent by value).

Market penetration

The penetration ratios of the volume of set, cone assembly, and cup imports to consumption increased for imports from all countries subject to investigation except for the PRC (table 18). The share of Chinese imports of tapered roller bearings to apparent U.S. consumption declined from 0.4 percent in 1983 to 0.2 percent in 1985. Imports from Hungary, Italy, Japan, Romania, and Yugoslavia all increased their market penetration, by 0.2 percentage points, 0.4 percentage points, 2.6 percentage points, 0.3 percentage points, and 0.5 percentage points, respectively. Imports from all other countries increased their share of the U.S. market from 0.7 to 3.2 percent, and the U.S. producers' share declined from 72.0 percent to 65.8 percent during 1983-85.

In terms of the total value of U.S. consumption and market share ratios, the U.S. producers' share declined from 87.9 percent to 82.6 percent from 1983 to 1985. The largest increase in the value share of the U.S. market of imports subject to investigation was from imports of Japanese tapered roller bearings, which increased from 9.1 percent to 13.2 percent. Increases in imports from all other countries accounted for a 0.8 percent gain in market share for these countries.

Cumulative effects of imports under investigation

The Trade and Tariff Act of 1984, at section 612(a)(2)(A), amends title VII of the Tariff Act of 1930 by adding a new subsection that establishes--

> Cumulation--for the purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States Market.

The Conference Report accompanying the Act notes that--

> The provision requires cumulation of imports from various countries that each account individually for a small percentage of

Table 18.--Tapered roller bearings and parts thereof: Apparent U.S. consumption and market penetration of imports, 1983-85, January-June 1985, and January-June 1986

Item	Apparent Consumption					Market Share				
				January-June--					January-June--	
	1983	1984	1985	1985	1986	1983	1984	1985	1985	1986
						Percent				
TRB sets (1,000 units):										
U.S. producers	9,815	10,006	8,750	4,390	3,410	72.2	46.3	44.1	44.0	37.2
Hungary	-	40	58	46	201	0.0	0.2	0.3	0.5	2.2
Italy	42	146	983	483	298	0.3	0.7	5.0	4.8	3.3
Japan	2,193	6,956	7,369	4,147	3,433	16.1	32.2	37.1	41.5	37.4
PRC	317	1,546	457	145	163	2.3	7.1	2.3	1.5	1.8
Romania	209	31	379	34	85	1.5	0.1	1.9	0.3	0.9
Yugoslavia	72	187	-	-	-	0.5	0.9	0.0	0.0	0.0
All other countries	938	2,712	1,845	742	1,579	6.9	12.5	9.3	7.4	17.2
Total	13,586	21,624	19,841	9,987	9,169	100.0	100.0	100.0	100.0	100.0
TRB cone assemblies (1,000 units):										
U.S. producers	88,197	100,537	86,253	46,358	36,201	70.2	65.9	67.2	66.9	63.4
Hungary	1,093	1,246	1,310	626	875	0.9	0.8	1.0	0.9	1.5
Italy	4	132	-	-	1	0.0	0.1	0.0	0.0	0.0
Japan	31,410	44,325	33,254	18,234	17,665	25.0	29.0	25.9	26.3	30.9
PRC	392	-	-	-	-	0.3	0.0	0.0	0.0	0.0
Romania	3,623	2,254	3,966	1,904	809	2.9	1.5	3.1	2.7	1.4
Yugoslavia	360	1,608	1,121	741	623	0.3	1.1	0.9	1.1	1.1
All other countries	584	2,488	2,416	1,402	944	0.5	1.6	1.9	2.0	1.7
Total	125,663	152,590	128,320	69,265	57,118	100.0	100.0	100.0	100.0	100.0
TRB cups (1,000 units):										
U.S. producers	92,474	102,212	89,673	47,873	36,944	73.8	65.6	67.8	65.9	64.5
Hungary	1,123	1,369	1,298	574	919	0.9	0.9	1.0	0.8	1.6
Italy	1,521	123	-	-	-	0.0	0.1	0.0	0.0	0.0
Japan	27,088	44,060	31,015	17,816	16,179	21.6	28.3	23.4	24.5	28.3
PRC	327	-	22	22	-	0.3	0.0	0.0	0.0	0.0
Romania	3,516	2,414	4,490	2,328	832	2.8	1.5	3.4	3.2	1.5
Yugoslavia	488	1,682	1,110	730	627	0.4	1.1	0.8	1.0	1.1
All other countries	221	4,056	4,739	3,286	1,765	0.2	2.6	3.6	4.5	3.1
Total	125,239	155,923	132,347	72,629	57,257	100.0	100.0	100.0	100.0	100.0
Total (1,000 units):										
U.S. producers	190,486	212,755	184,676	98,621	76,555	72.0	64.4	65.8	64.9	62.0
Hungary	2,216	2,655	2,666	1,246	1,995	0.8	0.8	1.0	0.8	1.6
Italy	1,567	401	983	483	299	0.0	0.1	0.4	0.3	0.2
Japan	60,691	95,341	71,638	40,197	37,277	22.9	28.9	25.5	26.5	30.2
PRC	1,036	1,546	479	167	163	0.4	0.5	0.2	0.1	0.1
Romania	7,348	4,699	8,835	4,266	1,726	2.8	1.4	3.1	2.8	1.4
Yugoslavia	920	3,477	2,231	1,471	1,250	0.3	1.1	0.8	1.0	1.0
All other countries	1,743	9,256	9,000	5,430	4,288	0.7	2.8	3.2	3.6	3.5
Total	264,488	330,137	280,508	151,881	123,544	100.0	100.0	100.0	100.0	100.0
Total consumption ($1,000):										
U.S. producers	606,557	737,321	648,769	348,980	309,946	87.9	83.5	82.6	82.1	82.2
Hungary	1,646	1,711	1,785	813	1,442	0.2	0.2	0.2	0.2	0.4
Italy	339	872	1,034	549	691	0.0	0.1	0.1	0.1	0.2
Japan	63,675	116,355	104,685	58,989	52,028	9.1	13.1	13.2	13.8	13.7
PRC	902	1,611	886	518	175	0.1	0.2	0.1	0.1	0.0
Romania	4,292	2,904	7,046	3,349	1,044	0.6	0.3	0.9	0.8	0.3
Yugoslavia	714	2,228	1,244	839	678	0.1	0.2	0.2	0.2	0.2
All other countries	12,995	21,300	21,754	11,169	11,499	1.9	2.4	2.7	2.6	3.0
Total	696,301	891,533	793,506	426,820	380,316	100.0	100.0	100.0	100.0	100.0

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

> total market penetration but when combined may cause material injury. The conferees do intend, however, that the marketing of imports of accumulated [sic] be reasonably coincident. Of course, imports of like products from countries not subject to investigation would not be included in the cumulation. 1/

The evidence suggests that imports of tapered roller bearings from all countries subject to investigation are all marketed throughout the United States and have been sold at reasonably coincident periods of time. However, the argument has been made by counsel for importers of the Yugoslavian, Romanian, Hungarian, and Chinese bearings that these bearings are of an inferior quality to the U.S. and Japanese tapered roller bearings. In their response to the Commission's questionnaire, several importers commented on the quality of the East European and Chinese bearings:

*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*

In addition, the Commission's section 332 report on the bearing industry stated that "U.S. industry representatives indicate that these bearings [ball and roller bearings from Romania] are poor in quality, have a shorter life span rate as well as poor engineering and design assistance." 2/

However, the petitioners argue that the allegedly inferior bearings are marketed by the importers as equal to Timken bearings, bear the same part numbers, and will last the published life expectancy for a particular bearing. 3/

The cumulative effects of imports subject to investigation are presented in the following tabulation with regard to import levels and market share:

1/ H.R. Report No. 98-1156, 98th Cong., 2d sess., reprinted in 131 Congressional Record 11531, 11578, Oct. 5, 1984.
2/ Competitive Assessment of the U.S. Ball and Roller Bearing Industry, Investigation 332-211, USITC Publication 1797, January 1986, p. 98.
3/ Conference transcript, pp. 57, 59, and 60.

Item	1983	1984	1985	January-June 1985	January-June 1986
Quantity of imports:					
Hungary..... 1,000 units..	2,216	2,655	2,666	1,246	1,995
Italy.....do.....	48	408	983	483	299
PRC.....do.....	1,036	1,546	479	167	163
Romania.....do.....	7,348	4,699	8,835	4,266	1,726
Yugoslavia.....do.....	920	3,477	2,231	1,471	1,250
Subtotal.....do.....	11,568	12,785	15,194	7,633	5,433
Market share..percent..	4.4	3.9	5.4	5.0	4.4
Japan 1/.... 1,000 units..	***	***	***	***	***
Total.....do.....	***	***	***	***	***
Market share..percent..	***	***	***	***	***
Value of imports:					
Hungary.....1,000 dollars..	1,646	1,711	1,785	813	1,442
Italy.....do.....	339	872	1,034	549	691
PRC.....do.....	902	1,611	886	518	175
Romania.....do.....	4,292	2,904	7,046	3,349	1,044
Yugoslavia.....do.....	714	2,228	1,244	839	678
Subtotal.....do.....	7,893	9,326	11,995	6,068	4,030
Market share..percent..	1.1	1.0	1.5	1.4	1.1
Japan 1/....1,000 dollars..	***	***	***	***	***
Total.....	***	***	***	***	***
Market share..percent..	***	***	***	***	***

1/ Imports from Japan subject to investigation only.

As can be seen from the preceding tabulation, imports subject to investigation increased *** percent by volume from 1983 to 1985 and *** percent in value. The market shares of these imports as a ratio to U.S. consumption declined *** percentage points (by quantity) and increased *** percentage points (by value).

Prices

Tapered roller bearings are sold f.o.b. U.S. point of shipment. The tapered roller bearings are priced on a per unit basis using established standardized part numbers. Importers and U.S. producers offer similar warranties, i.e., replacement of failed bearings up to one year from the date of purchase. Both U.S. producers and importers offer similar standard credit terms, which differ depending on the type of customer, either OEM or distributor. Both importers and U.S. producers also offer special promotions to distributors--commonly prepaid freight on large orders, although inland freight costs are usually not a significant portion of the delivered price, generally less than 2 percent. Similarly, importers and U.S. producers generally offer similar technical assistance in bearing application and analyzing failed bearings to determine the cause of failure.

The primary differences between imports from the subject countries and the product offered by domestic producers are quality and product line. Importers of tapered roller bearings from China, Hungary, Romania, and Yugoslavia contend that their product is markedly inferior to that of the domestic producers. Therefore, these importers claim that the price in the marketplace is far less that of the domestic product. These importers further claim that because of its inferior quality, their product does not compete directly with the domestic product. Most importers also offer a far smaller range of products than the domestic producers. Because purchasers prefer full-line suppliers, offering a small product line limits the demand for imports and may contribute toward lowering the price that imported tapered roller bearings command in the U.S. market.

The Commission requested U.S. producers and importers to provide quarterly price data on their largest sales of four product specifications to both OEMs and distributors. The first two product specifications fall in the under four inches in outside diameter category and are, therefore, subject to this investigation for imports from NTN Toyo. The four product specifications are as follows:

PRODUCT 1--LM 11949/10 sets (TS single-row, straight 0.750-inch bore cone and TS single-row cup, 1.7810 inches in outside diameter.

PRODUCT 2--25580 cone assemblies (TS single-row, straight 1.750 inch bore).

PRODUCT 3--HM 212010 cups (TS single-row cup, 4.8125 inches in outside diameter).

PRODUCT 4-HM 212049 cone assemblies (TS single-row, straight 2.625 inch bore).

Four U.S. producers accounting for 84 percent of U.S. shipments in 1985 provided price data. Two importers accounting for *** percent of tapered roller bearing imports from Japan in 1985 reported import price data. The two importers providing price data on imports from Romania accounted for *** percent of imports from Romania in 1985. One importer accounting for *** percent of 1985 imports of tapered roller bearings from Hungary reported price data. The sole importer providing price data on imports from Italy accounted for *** percent of imports from Italy in 1985. Price data reported by the importer of Italian tapered roller bearings was * * *. No price data were reported for imports from the PRC or Yugoslavia.

Price trends--Quarterly prices reported by U.S. producers and importers generally decreased over the period January 1984 to June 1986 (tables 19 through 22). Producer prices decreased for six of the eight available price series. Price declines for these 6 series ranged from 6 percent to 23 percent. Producer prices for the remaining 2 series increased by 5 percent and 6 percent. Price increases were for sales to OEM's but were not confined to any general product category or type of sale.

Import price trends were only discernable in price series for imports from Hungary, Japan, and Romania. The only complete Hungarian import price

Table 19.--Tapered roller bearings: Weighted-average prices for sales of LM11949/10 sets (1.781-inch outside diameter), 1/ to OEM's and distributors, as reported by U.S. producers and importers, by quarters, January 1984-June 1986

(Per unit)

Country	1984 Jan.-Mar.	1984 Apr.-June	1984 July-Sept.	1984 Oct.-Dec.	1985 Jan.-Mar.	1985 Apr.-June	1985 July-Sept.	1985 Oct.-Dec.	1986 Jan.-Mar.	1986 Apr.-June
Sales to OEM's										
United States..	$1.82	$1.82	$2.00	$1.72	$1.72	$1.44	$1.40	$1.40	$1.13	$1.40
Hungary.....	***	***	***	***	***	***	***	***	***	***
Italy.....	***	***	***	***	***	***	***	***	***	***
Romania.....	***	***	***	***	***	***	***	***	***	***
Sales to distributors										
United States..	2.44	2.44	2.44	2.44	2.21	2.21	2.21	2.21	2.21	2.21
Hungary.....	***	***	***	***	***	***	***	***	***	***
Romania.....	***	***	***	***	***	***	***	***	***	***

1/ LM11949/10 is a TRB set consisting of a TS single-row, straight 0.750-inch bore cone and a TS single-row cup, 1.781-inch outside diameter.

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

Table 20.--Tapered roller bearings: Weighted-average prices for sales of 25580 cone assemblies, 1/ to OEM's and distributors, as reported by U.S. producers and importers, by quarters, January 1984-June 1986

(Per unit)

Country	1984 Jan.-Mar.	1984 Apr.-June	1984 July-Sept.	1984 Oct.-Dec.	1985 Jan.-Mar.	1985 Apr.-June	1985 July-Sept.	1985 Oct.-Dec.	1986 Jan.-Mar.	1986 Apr.-June
Sales to OEMs										
United States..	$2.82	$2.81	$2.81	$2.81	$2.68	$2.67	$2.84	$2.26	$2.43	$2.32
Hungary.....	***	***	***	***	***	***	***	***	***	***
Romania.....	***	***	***	***	***	***	***	***	***	***
Sales to distributors										
United States..	$3.76	3.76	3.76	3.77	3.76	3.76	3.76	3.77	3.76	3.96
Hungary.....	***	***	***	***	***	***	***	***	***	***
Romania.....	***	***	***	***	***	***	***	***	***	***

1/ 25580 is a cone assembly, TS single-row, straight 1.750-inch bore; the matching cup is under 4 inches in outside diameter.

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

Table 21.--Tapered roller bearings: Weighted-average prices for sales of HM212010 cups (4.8125-inch outside diameter), 1/ to OEM's and distributors, as reported by U.S. producers and importers, by quarters, January 1984-June 1986

(Per unit)

Country	1984 Jan.-Mar.	1984 Apr.-June	1984 July-Sept.	1984 Oct.-Dec.	1985 Jan.-Mar.	1985 Apr.-June	1985 July-Sept.	1985 Oct.-Dec.	1986 Jan.-Mar.	1986 Apr.-June
	Sales to OEMs									
United States..	$4.54	$4.58	$4.59	$4.86	$4.85	$4.86	$4.82	$4.83	$4.76	$4.83
Japan.....	***	***	***	***	***	***	***	***	***	***
	Sales to distributors									
United States..	6.06	6.09	6.06	5.85	6.32	6.44	6.43	6.44	5.45	5.73
Japan.....	***	***	***	***	***	***	***	***	***	***

1/ HM212010 is a TS single-row cup, 4.8125 inches in outside diameter.

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

Table 22.--Tapered roller bearings: Weighted-average prices for sales of HM212049 cone assemblies 1/ to OEM's and distributors, as reported by U.S. producers and importers, in dollars per bearing, by quarters, January 1984-June 1986

(Per unit)

Country	1984 Jan.-Mar.	1984 Apr.-June	1984 July-Sept.	1984 Oct.-Dec.	1985 Jan.-Mar.	1985 Apr.-June	1985 July-Sept.	1985 Oct.-Dec.	1986 Jan.-Mar.	1986 Apr.-June
	Sales to OEMs									
United States..	$6.47	$6.53	$6.53	$6.57	$6.47	$6.07	$6.07	$6.07	$5.99	$5.88
Hungary.....	***	***	***	***	***	***	***	***	***	***
Japan.....	***	***	***	***	***	***	***	***	***	***
Romania.....	***	***	***	***	***	***	***	***	***	***
	Sales to distributors									
United States..	7.96	8.00	7.96	7.49	7.63	8.13	7.58	7.67	7.05	6.97
Hungary.....	***	***	***	***	***	***	***	***	***	***
Japan.....	***	***	***	***	***	***	***	***	***	***
Romania.....	***	***	***	***	***	***	***	***	***	***

1/ HM212049 is TS single-row cone assembly, straight 2.625-inch bore; the matching cup is over 4 inches in outside diameter.

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

series decreased by *** percent. All 4 series of prices reported by importers of Japanese tapered roller bearings fell by between 0.4 percent and 21 percent. Three of the four series of prices for Romanian tapered roller bearings decreased by between *** percent and *** percent, while the remaining series increased by *** percent.

The general decline in prices between 1984 and 1986 is at least partly due to the decrease in demand for tapered roller bearings in the U.S. industrial and automotive sectors. 1/ Decreased U.S. production of industrial products such as farm machinery and oil and gas drilling equipment between 1984 and 1986 resulted in direct decreases in demand for tapered roller bearings and reduced market prices. In the automotive sector, lighter passenger cars have allowed automobile producers to substitute some ball bearings for tapered roller bearings, resulting in a decrease in demand for tapered roller bearings and further downward pressure on prices. 2/

Relative prices--With the exception of Japanese HM212010 cups, prices reported for the imported tapered roller bearings were all lower than prices reported for the U.S. product (tables 23 through 26). Prices for the product imported from Hungary and Romania may be lower than those of the U.S. product because of inferior quality and limited product lines, as discussed at the beginning of this price section.

The 33 price comparisons of imported Hungarian tapered roller bearings and the U.S. product all show the imported product being sold at lower prices in the United States than the domestic product. The prices of Hungarian tapered roller bearings were between 2 percent and 59 percent lower than the reported U.S. product price. The single price comparison for imported Italian tapered roller bearings showed the imported product selling at 32 percent less than the U.S. product. The 48 price comparisons between the Romanian product and the U.S. product all show Romanian tapered roller bearings being sold at prices lower than those of the U.S. product. The prices of Romanian tapered roller bearings were between 1 and 69 percent lower than the U.S. product.

The weighted-average prices for imported Japanese TRB cups were mostly higher than that of the U.S. product. Eighteen of the 20 price comparisons between the Japanese TRB cups and the U.S. product showed the imported product selling at prices between 0.3 percent to 42 percent higher than those of the U.S. product. In contrast, prices reported for imported Japanese tapered roller bearing cone assemblies were all lower than the reported U.S. product price. These 20 price comparisons showed the imported product selling at prices between 6 percent to 47 percent lower than the U.S. product.

Lost sales

The Commission received 19 lost sales allegations from 2 U.S. producers, involving 17 firms to which they had allegedly lost sales to imports of tapered

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1/ Transcript of the staff conference, pp. 55, 61, and 65.

2/ The petitioner contends that low-priced imports were a primary cause of the price decline over this period. Respondents contend that imports did not cause the price decline, but rather that aggressive pricing by the petitioner attempting to increase market share caused the price decline.

Table 23.--Tapered roller bearings: Average margins (per unit) by which imports of LM11949 cups (1.7810-inch outside diameter) undersold or (oversold) the U.S.-produced product; by countries of origin, types of customer, and quarters, January 1984-June 1986

Period	Hungary				Italy		Romania			
	Sales to OEMs		Sales to distributors		Sales to OEMs		Sales to OEMS		Sales to distributors	
	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent
	*	*	*	*	*	*	*			

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

Table 24.--Tapered roller bearings: Average margins (per unit) by which imports of "25580" cone assemblies undersold or (oversold) the U.S.-produced product; by countries of origin, types of customer, and quarters, January 1984-June 1986

Period	Hungary				Romania			
	Sales to OEMs		Sales to distributors		Sales to OEMs		Sales to distributors	
	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent
	*	*	*	*	*	*	*	

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

Table 25.--Tapered roller bearings: Average margins (per unit) by which imports of HM212010 cups (4.8125-inch outside diameter) undersold or (oversold) the U.S.-produced product; by countries of origin, types of customer, and quarters, January 1984-June 1986

Period	Japan			
	Sales to OEMS		Sales to distributors	
	Margin	Percent	Margin	Percent
*	*	*	*	*	*	*

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

Table 26.--Tapered roller bearings: Average margins (per unit) by which imports of HM212049 cones assemblies undersold or (oversold) the U.S.-produced product; by countries of origin, types of customer, and quarters, January 1984-June 1986

Period	Hungary				Japan				Romania			
	Sales to OEMs		Sales to distributors		Sales to OEMs		Sales to distributors		Sales to OEMS		Sales to distributors	
	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent
			*	*	*	*	*	*	*			

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

roller bearings from Japan, Romania, China, Hungary, or a combination of these countries. No lost sales allegations were received involving imports of tapered roller bearings from Yugoslavia or Italy. The total allegations amounted to $28 million and covered the period January 1984 to June 1986. The majority of the allegations involved tapered roller bearings from Japan. The allegations are discussed below according to country of origin cited.

Lost sales involving Japan.--Two U.S. producers submitted 12 allegations involving only Japan, and 3 allegations involving Japan and one or more of the other subject countries. The allegations amounted to $***. The Commission contacted 8 firms involved in 10 of the allegations totaling $11 million. The contacted firms * * *. The firms * * *.

Lost sales involving Romania.--One U.S. producer submitted one allegation involving only Romania, and three allegations involving Romania and one or more of the other subject countries. The allegations amounted to $***. The Commission contacted three firms involved in three of the allegations totaling $***. One of the firms * * *. Another of the firms contacted by the staff reported * * *. * * *. The remaining firm reported that * * *.

Lost sales involving China.--One U.S. producer submitted one allegation involving only China, and one allegation involving China and Romania. The allegations amounted to $***. The Commission contacted one of the firms involved in a lost sales allegation amounting to $*** because of imports of tapered roller bearings from Romania and China. The firm * * *.

Lost sales involving Hungary.--One U.S. producer submitted two allegations involving Hungary and one or more of the other subject countries. The allegations amounted to $***. The Commission contacted one of the firms involved in a lost sales allegation amounting to $***because of imports of tapered roller bearings from Japan, Romania, and Hungary. The firm reported that * * *.

Lost revenues

The Commission received three specific lost revenue allegations from two U.S. producers involving three firms to which they had allegedly lost revenues because of competition from imports of Japanese and Romanian tapered roller bearings. The allegations amounted to $*** during 1985 and 1986. No specific lost revenue allegations were received involving imports from Hungary, Italy, China, or Yugoslavia. The petitioner additionally alleged general price depression and lost revenues because of subject imports. The Commission contacted two of the three firms involved in specific allegations amounting to $***. Both of the firms reported that * * *. One of the firms noted the fairly recent appearance of competition by Romanian and Hungarian tapered roller bearings, which the firm reported to be * * *.

Exchange rates

Exchange rate indices of the Japanese yen, the Italian lira, and the Yugoslav dinar indicate that during January 1983-June 1986 the quarterly nominal value of the Japanese yen advanced sharply by 38.6 percent against the U.S. dollar whereas the respective values of the currencies of Italy and Yugoslavia

depreciated 9.1 percent and 80.7 percent, respectively, relative to the dollar. Quarterly exchange rate and producer price data pertaining to the countries supplying the products covered in these investigations are presented in table 27.

Because the level of inflation in Japan was similar to that in the United States over the 14-quarter period, changes in the real value of the yen were not significantly different from changes in the nominal value. In contrast, higher levels of inflation in Italy and Yugoslavia over the same period offset the impact of depreciating exchange rates resulting in the appreciations of those currencies in real terms by 11.2 percent and 1.5 percent relative to the dollar. This compares with respective apparent depreciations of 9.1 percent and 80.7 percent suggested by the nominal devaluation.

Reliable data for China, Hungary, and Romania is not available. Therefore, accurate measures of the real value of those currencies as discussed in this section cannot be calculated.

Table 27.--Exchange rates: 1/ Nominal-exchange-rate equivalents of selected currencies in U.S. dollars, real-exchange-rate equivalents, and producer price indicators in specified countries, 2/ indexed by quarters, January 1983-June 1986

(January-March 1983=100.0)

Period	United States	Italy			Japan			Yugoslavia		
	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price index
		Dollars/lira			Dollars/yen			Dollars/dinar		
1983:										
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	100.3	94.7	96.0	99.0	99.2	98.0	107.4	84.8	90.8	101.6
July-Sept..	101.3	88.9	91.3	99.2	97.2	95.2	120.2	70.5	83.7	104.0
Oct.-Dec...	101.8	86.1	90.9	98.6	100.6	97.5	139.9	58.8	80.8	107.4
1984:										
Jan.-Mar...	102.9	84.2	90.7	98.7	102.1	97.9	159.6	55.9	86.8	110.8
Apr.-June..	103.6	83.5	91.4	98.6	102.7	97.8	163.5	52.3	82.6	113.3
July-Sept..	103.3	77.8	86.4	99.4	96.8	93.2	193.6	43.9	82.3	114.7
Oct.-Dec...	103.0	74.0	84.0	99.1	95.8	92.2	221.2	36.4	78.2	116.9
1985:										
Jan.-Mar...	102.9	69.2	80.9	99.5	91.5	88.5	248.3	30.1	72.6	120.1
Apr.-June..	103.0	73.4	87.5	98.8	94.0	90.2	287.7	26.3	73.6	122.7
July-Sept..	102.2	73.8	88.6	97.7	98.8	94.4	324.6	24.7	78.5	122.7
Oct.-Dec...	102.9	79.9	96.2	95.5	113.8	105.7	373.4	23.5	85.4	123.8
1986:										
Jan.-Mar...	101.3	87.6	106.4	93.2	125.5	115.4	472.4	22.0	102.7	123.2
Apr.-June..	99.4	90.9 4/	111.2 5/	89.7	138.6 5/	125.0 4/	522.7	19.3 4/	101.5	121.5

1/ Exchange rates expressed in U.S. dollars per unit of foreign currency.
2/ Producer price indicators--intended to measure final product prices--are based on average quarterly indexes presented in line 63 of International Financial Statistics.
3/ The real value of a currency is the nominal value adjusted for the difference between inflation rates as measured here by the Producer Price Index in the United States and the respective foreign country. Producer prices in the United States increased 1.3 percent during the period January 1983-March 1986 and then fell 1.9 percent during April-June 1986. In contrast, producer prices in Japan decreased 10.3 percent between January 1983 and June 1986. Producer prices in Italy increased 21.5 percent during January 1983-June 1986 compared with a 422.7-percent increase in Yugoslav prices for the same period.
4/ Derived from Italian and Yugoslav producer price data for April only.
5/ Derived from Japanese producer price data for April and May only.

Source: International Monetary Fund, International Financial Statistics, August 1986.

APPENDIX A

FEDERAL REGISTER NOTICES OF THE COMMISSION AND COMMERCE

[Investigations Nos. 731-TA-341 through 346 (Preliminary)]

Tapered Roller Bearing and Parts Thereof, and Certain Housings Incorporating Tapered Rollers From Hungary, Italy, Japan, The People's Republic of China, Romania, and Yugoslavia

AGENCY: United States International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-341 through 346 (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 Hungary (inv. No. 731-TA-341), Italy (inv. No. 731-TA-342), Japan (inv. No. 731-TA-343), the People's Republic of China (inv. No. 731-TA-344), Romania (inv. No. 731-TA-345), and Yugoslavia (inv. No 731-TA-346) of tapered roller bearings and parts thereof, provided for in Tariff Schedules of the United States (TSUS) items 680.30 and 680.39; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, provided for in TSUS item 681.10; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use, provided for in item 692.32 or elsewhere in the TSUS, all of which are alleged to be sold in the United States at less than fair value. Products subject to the outstanding dumping order covering certain tapered roller bearings from Japan (T.D. 76-227, 41 FR. 34974) are not included within the scope of investigation No. 731-TA-343 (Preliminary). As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by October 9, 1986.

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).

EFFECTIVE DATE: August 25, 1986.

FOR FURTHER INFORMATION CONTACT: Maria Papadakis (202-523-0439), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to a petition filed on August 25, 1986 by the Timken Company, Canton, Ohio.

Participation in the Investigations

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

Service List

Pursuant to § 201.11(d) of the Commission's rules (19 CFR § 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on September 16, 1986 at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Maria Papadakis (202-523-0439) not later than September 12, 1986, 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.

Written Submissions

Any person may sumit to the Commission on or before September 19, 1986, a written statement of information pertinent to the subject of the investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope

and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of section 201.6 of the Commission's rules (19 CFR 201.6).

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: August 27, 1986.

Kenneth R. Mason,

Secretary.

[FR Doc. 86-19948 Filed 9-3-86; 8:45 am]

BILLING CODE 7020-02-M

[A-570-601]

Tapered Roller Bearings, Rollers and Parts Thereof, Finished or Unfinished, From the People's Republic of China; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition field in proper form with the U.S. Department of Commerce, we are initiating an antidumping duty investigation to determine whether tapered roller bearings, rollers and other parts from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. if this investigation proceeds normally, the ITC will make its preliminary determination on or before Ocober 9, 1986, and we will make ours on or before February 2, 1987.

EFFECTIVE DATE: September 19, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp (202 377-1769) Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petition

On August 25, 1986, we receive a petition in proper form filed by the Timkin Company, a domestic manufacturer of tapered roller bearings and parts. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

United States price was based on various reports of Chinese customers in 1985 and 1986. U.S. market prices were converted from a delivered basis to f.o.b. by deducting for ocean freight, insurance and duty, based on U.S. Department of Commerce, Bureau of Census import statistics for tapered

roller bearing cups, cones and cup & cone assemblies imported as sets.

Petitioner, alleging that the PRC is a state-controlled-economy country, derived foreign market value from information on the home market prices for tapered roller bearings in Spain, a non-state-controlled-economy country (surrogate country) in accordance with the provisions of 19 CFR 353.36(a)(8).

Petitoner selected Spain as a surrogate because Spanish home market prices are the best information available to the petitioner in estimating home market prices for the PRC. According to the petitioner, none of the surrogate countries for the PRC which are preferred by the agency have significant manufacturing operations for tapered roller bearings. The Spanish home market prices are based on an average of list prices offered by SKF Spain and Ferdsa, two Spanish producers of roller bearings. Based on these figures, petitioner alleges dumping margins ranging from 3.0 percent to 401.4 percent.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigations and further, whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on tapered roller bearings from the PRC and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether tapered roller bearings from the PRC are being, or are likely to be, sold in the United States at less than fair value. In the course of our investigation, we will determine whether the economy of the PRC is state-controlled to an extent that sales of such or similar merchandise in the home market or to third country markets do not permit determination of foreign market value. If the PRC is determined to be a state-controlled economy, we will then choose a non-state-controlled economy surrogate country for purposes of determining foreign market value. If our investigation proceeds normally, we will make our preliminary determination by February 2, 1987.

Scope of Investigation

The products covered by this investigation are tapered roller bearings and parts thereof, currently classified in *Tariff Schedules of the United States (TSUS)* items 680.30 and 680.39; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, currently classified in TSUS item 681.10; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use, currently classified in item 692.32 or elsewhere in the TSUS.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by October 9, 1986, whether there is a reasonable indication that imports of tapered roller bearings and parts thereof from the PRC are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

September 15, 1986.

[FR Doc. 86-21291 Filed 9-18-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-437-601]

Tapered Roller Bearings, and Parts Thereof, Finished or Unfinished, From Hungary; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating an antidumping duty investigation to determine whether tapered roller bearings, rollers and other parts from Hungary are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before October 9, 1986, and we will make ours on or before February 2, 1987.

EFFECTIVE DATE: September 19, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp (202 377-1769) Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petition

On August 25, 1986, we received a petition in proper form filed by the Timken Company, a domestic manufacturer of tapered roller bearings and parts. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Hungary are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

United States price was based on quotations for Hungarian bearings offered to Timken customers in 1985 and 1986. Deductions were made for ocean freight, insurance, and duty, based on U.S. Department of Commerce, Bureau of Census, import statistics for tapered roller bearing cups, cones and cup & cone assemblies imported as sets.

Petitioner, alleging that Hungary is a state-controlled-economy country, derived foreign market value from information on the home market prices for tapered roller bearings in Spain, in accordance with the provisions of 19 CFR 353.36(a)(8).

Petitioner selected Spain as a surrogate country because Spanish home market prices are the best information available to the petitioner in estimating home markets prices for Hungary. Petitioner asserts that Austria, Brazil, the Federal Republic of Germany, Finland, France, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, U.K., and Yugoslavia are also possible surrogate countries for Hungary for the purposes of this investigation.

The Spanish home market prices are based on an average of list prices offered by SKF Spain and Ferdsa, two Spanish producers of roller bearings. Based on these figures, petitioner alleges

dumping margins ranging from 1.6 percent of 382.7 percent.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a peititon is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and further, whether it contains information reasonably available to the petitioner suppporting the allegations.

We examined the petition on tapered roller bearings from Hungary and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether tapered roller bearings from Hungary are being, or are likely to be, sold in the United States at less than fair value.

In the course of our investigation, we will determine whether the economy of Hungary is state-controlled to an extent that sales of such or similar merchandise in the home market or to third country markets do not permit determination of foreign market value. If Hungary is determined to be a state-controlled economy, we will then choose a non-state-controlled economy surrogate country for purposes of determining foreign market value. If our investigation proceeds normally, we will make our preliminary determination by February 2, 1987.

Scope of Investigation

The products covered by this investigation are tapered roller bearings and parts thereof, currently classified in *Tariff Schedules of the United States* (TSUS) items 680.30 and 680.39; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, currently classified in TSUS item 681.10; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use, currently classified in item 692.32 or elsewhere in the TSUS.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by October 9, 1986, whether there is a reasonable indication that imports of tapered roller bearings and parts thereof from Hungary are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

September 15, 1986.

[FR Doc. 86-21292 Filed 9-18-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-475-603]

Tapered Roller Bearings, and Parts Thereof, Finished or Unfinished From Italy; Initiation of Antidumping Duty Investigations

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether tapered roller bearings, and parts thereof, finished or unfinished (tapered roller bearings) from Italy are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before October 9, 1986, and we will make ours on or before February 2, 1987.

EFFECTIVE DATE: September 19, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On August 25, 1986, we received a petition in proper form filed by the Timken Company. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Italy are being, or are likely to be sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based United States prices, f.o.b. on reports of Italian manufacturer's price offers to petitioner's customers in 1985 and 1986. U.S. market prices were converted from a delivered price to f.o.b. price by deducting ocean freight, insurance and duty based on U.S. Department of Commerce, Bureau of Census import statistics for tapered roller bearings.

Petitioner based foreign market value on an Italian manufacturer's list price for the first three quarters of 1986. List price was adjusted to reflect sales to original equipment manufacturers. Home market prices were also adjusted for differences in merchandise.

Based on the comparison of the above estimated values, the petitioner alleges dumping margins ranging from 100 percent to 167 percent.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on tapered roller bearings and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Italy is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than February 2, 1987.

Scope of Investigation

The products covered by this investigation are tapered roller bearings and parts thereof, currently provided for in *Tariff Schedules of the United States (TSUS)* items 680.30 and 630.39; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, provided for in TSUS item 681.10; and tapered roller housing (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not

for automotive use, provided for in item 692.32 or elsewhere in the TSUS.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by October 9, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Italy is causing material injury, or threatens material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

September 15, 1986.

[FR Doc. 86-21293 Filed 9-18-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-588-604]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether tapered roller bearings and parts thereof, finished or unfinished, (tapered roller bearings) from Japan are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before October 9, 1986, and we will make ours on or before February 3, 1987.

EFFECTIVE DATE: September 19, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On August 25, 1986, we received a petition in proper form filed by the Timken Company. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Japan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

This petition also covers all tapered roller bearings and parts thereof (finished or unfinished) manufactured by NTN Toyo Bearing Co. Ltd. (NTN) and imported by NTN Bearing Corporation of America.

Petitioner based foreign market value on the constructed values of the products under investigation because it alleges home market at prices below the cost of production. Petitioner based home market price on its own cost of production modified for differences in labor and general, selling administrative expenses in Japan.

Petitioner based United States price on prices quoted to U.S. customers reduced to account for c.i.f. costs, customs duty and the reselling expenses in the United States.

Based on the above comparison, petitioner alleges dumping margins for January through July of 1986 ranging from 5.1 percent to 96.1 percent *ad valorem*.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on tapered roller bearings and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Japan is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than February 3, 1987.

Scope of Investigation

The products covered by this investigation are tapered roller bearings and parts thereof, currently provided for in the *Tariff Schedules of the United States* (TSUS) items 680.30 and 680.39; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, provided for in TSUS item 681.10; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use, provided for in item 692.32 or elsewhere in the TSUS. Products subject to the outstanding dumping finding covering certain tapered roller bearings from Japan (T.D. 76-227, 41 FR 34974) are not included within the scope of this investigation. This investigation includes all tapered roller bearings and parts thereof, as described above, that are manufactured by NTN.

If during the course of this investigation the Department rescinds its revocation with respect to NTN and that rescission is affirmed by final judicial order, this antidumping investigation would be terminated with regard to any bearings manufactured by NTN that would be covered by the outstanding dumping finding.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by October 9, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Japan are causing material injury, or threaten material injury, to a United States industry. If its

determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary, for Import Administration.

September 15, 1986.

[FR Doc. 86-21294 Filed 9-18-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-485-602]

Tapered Roller Bearings, and Parts Thereof, Finished or Unfinished, From the Socialist Republic of Romania; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether tapered roller bearings, rollers and other parts from the Socialist Republic of Romania are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before October 9, 1986, and we will make ours on or before February 2, 1987.

EFFECTIVE DATE: September 19, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp (202-377-1769) Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petition

On August 25, 1986, we received a petition in proper form filed by the Timken Company, a domestic manufacturer of tapered roller bearings and parts. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Romania are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

United States price was based on various reports of Romanian prices offered to Timken customers in 1985 and 1986. U.S. market prices were converted from a delivered basis to f.o.b. by deducting for ocean freight, insurance and duty, based on U.S. Department of Commerce, Bureau of Census import statistics for tapered roller bearing cups, cones and cup & cone assemblies imported as sets.

Petitioner, alleging that Romania is a state-controlled-economy country, derived foreign market value from information on the home market prices for tapered roller bearings in Spain, a non-state-controlled-economy country (surrogate country), in accordance with the provisions of 19 CFR 353.36(a)(8).

Petitioner selected Spain as a surrogate country due to the fact that the agency in the past has used Spanish cost of production to determine foreign market value of goods exported to the United States from Romania, and also due to the availability of Spanish home market prices. However, the petitioner asserts that Austria, Brazil, Federal Republic of Germany, France, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, U.K., and Yugoslavia are possible surrogate countries for Romania for the purposes of this investigation.

The Spanish home market prices are based on an average of SKF Spain's prices and those of Ferdsa in Spain to OEM accounts in Spain. Based on these figures, petitioner alleges dumping margins ranging from 6.6 percent to 393.6 percent.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and, further, whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on tapered roller bearings from Romania and have found that it meets the requirement of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether tapered roller bearings from Romania are being, or are likely to be, sold in the United States at less than fair value.

In the course of our investigation, we will determine whether the economy of Romania is state-controlled to an extent that sales of such or similar merchandise in the home market or to third country markets do not permit determination of foreign market value. If Romania is determined to be a state-controlled economy, we will then choose a non-state-controlled economy surrogate country for purposes of determining foreign market value. If our investigation proceeds normally, we will make our preliminary determination by February 2, 1987.

Scope of Investigation

The products covered by this investigation are tapered roller bearings and parts thereof, currently classified in *Tariff Schedules of the United States (TSUS)* items 680.30 and 680.39; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, currently classified TSUS item 681.10; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use, and currently classified for in item 692.32 or elsewhere in the TSUS.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by October 9, 1986, whether there is a reasonable indication that imports of tapered roller bearings and parts thereof from Romania are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

September 15, 1986.

[FR Doc. 86-21295 Filed 9-18-86; 8:45am]

BILLING CODE 3510-DS-M

[A-479-601]

Tapered Roller Bearings, and Parts Thereof, Finished or Unfinished, From Yugoslavia; Initiation on Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether tapered roller bearings and other parts thereof, finished or unfinished (tapered roller bearings), from Yugoslavia are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before October 9, 1986, and we will make ours on or before February 2, 1987.

EFFECTIVE DATE: September 19, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On August 25, 1986, we received a petition in proper form filed by the Timken Company. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Yugoslavia are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based United States prices, f.o.b. on reports of Yugoslavian price offers to petitioner's customers for the first quarters of 1985 and 1986. Prices were converted from a delivered price to f.o.b. by deducting from the selling price ocean freight, insurance and duty based on U.S. Department of Commerce, Bureau of Census import statistics for tapered roller bearings.

Petitioner presented U.S. price data for specific products under investigation, for which it did not have home market data. Therefore, petitioner determined the difference in prices for the wide variety of Yugoslavian products under investigation and the same products sold in Spain by two Spanish manufacturers (one of which is related to the Yugoslavian producer). Petitioner then adjusted Spanish OEM prices for specific products on which it had U.S. pricing data by the ratio price difference found in the two markets to represent Yugoslavian home market prices.

Based on comparison of the above estimated values, margins range from 9 percent to 201.6 percent.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on tapered roller bearings and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accorance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Yugoslavia is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than February 2, 1987.

Scope of Investigation

The products covered by this investigation are tapered roller bearings and parts thereof, currently provided for in the *Tariff Schedules of the United States (TSUS)* items 680.39; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, provided for in the TSUS item 681.10; and tapered roller housing (except pillow blocks) incorporating tapered rollers with or without spindles, whether or not for automotive use, provided in item 692.32 or elsewhere in the TSUS.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by October 9, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Yugoslavia are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

September 15, 1986.

[FR Doc. 86-21296 Filed 9-18-86; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE PUBLIC CONFERENCE

CALENDAR OF PUBLIC CONFERENCE
September 16, 1986; 9:30 a.m.

Investigations Nos. 731-TA-341 through 346 (Preliminary)

TAPERED ROLLER BEARINGS AND PARTS THEREOF, AND CERTAIN HOUSINGS INCORPORATING TAPERED ROLLERS FROM HUNGARY, ITALY, JAPAN, THE PEOPLE'S REPUBLIC OF CHINA, ROMANIA, AND YUGOSLAVIA

Those listed below appeared as witnesses at the United States International Trade Commission's conference on the subject investigations. Sessions were held in the Commission's Hearing Room, at 701 E Street, NW, Washington, DC.

In support of the imposition of antidumping duties

Stewart and Stewart--Counsel
Washington, DC
on behalf of--

The Timken Co.

Richard M. Chapis, Director, Legal Services
John F. Hill, Director, Marketing-Bearings
Richard C. Johns, Manager, Market Research-Bearings

Eugene L. Stewart--OF COUNSEL

In opposition to the imposition of antidumping duties

Tanaka, Ritger & Middleton--Counsel
Washington, DC
on behalf of--

Koyo Seiko Co., Ltd.
American Koyo Corp.

Larry Marsalek, Manager, General Affairs
American Koyo Corp.

H. William Tanaka--OF COUNSEL

CALENDAR OF PUBLIC CONFERENCE--Continued

In opposition to the imposition
of antidumping duties--Continued

Donohue and Donohue--Counsel
New York, NY
on behalf of--

NSK Corp., Bearing Division
Nippon Seiko KK

John P. Donohue--OF COUNSEL

Barnes, Richardson & Colburn--Counsel
Chicago, IL
on behalf of--

NTN Toyo Bearing Co., Ltd.
American NTN Manufacturing Corp.
NTN Bearing Corp. of America

James Lundquist)--OF COUNSEL
Robert E. Burke)

Cohen, Shapiro, Polisher, Shiekman and Cohen--Counsel
Philadelphia, PA
on behalf of--

UCF America, Inc.

Judah I. Labovitz)--OF COUNSEL
Richard M. Squire)

Rode & Qualey--Counsel
New York, NY
on behalf of--

Peer Bearing Co.

Patrick Gill--OF COUNSEL

Baker & McKenzie--Counsel
Chicago, IL
on behalf of--

Unis Ro Promet

Bruce E. Clubb)--OF COUNSEL
W. Garth Janes)

APPENDIX C

DUMPING MARGINS CURRENTLY IN EFFECT FOR THE OUTSTANDING DUMPING ORDER ON TAPERED ROLLER BEARINGS FROM JAPAN

The Department of Commerce has determined the following dumping margins for Japanese exporters of tapered roller bearings to the United States (49 F.R. 20355, May 14. 1984).

Firm	Margin
Auto Dynamics Int'l of Japan	18.07
Caterpillar Mitsubishi Ltd.	18.07
Central Automotive	16.92-18.07
Daido Enterprising Co.	2.70
Deer Island Industries Ltd.	9.80
Fuji Heavy Industries, Ltd.	0.00
Hajime Industries Ltd.	13.70
Honda Motor Co. Ltd.	0.00
Isuzu/C. Itoh	0.00
Kanematsu-Gosho, Ltd.	18.07
Kawasaki Heavy Industries, Ltd.	0.00
Kobe Steel Co.	18.07
Komatsu, Ltd.	18.07
Kubota, Ltd.	18.07
Maekawa Bearing Mfg. Co., Ltd./ Daido Enterprising Co. Ltd.	0.88
Maekawa Bearing Mfg. Co. Ltd./ Taisei Sangyo Co. Ltd.	0.03
Maekawa Bearing Co. Ltd.	18.07
Maekawa Bearing Co. Ltd./Schneider Engineering Ltd.	18.07
Marubeni Corp.	18.07
MC International Corp.	18.07
Mitsubishi Motor Corp.	0.04-16.92
Nachi Fujikoshi Corp.	18.07
Naniwa Kogyo Co. Ltd.	16.07
Nichimen Co.	18.07
Niigata Converter Co. Ltd.	0.00
Nissan Motor Co. Ltd.	0.00
Nissho-Iwai Co., Ltd.	16.92
Suga Machine Tool, Ltd.	18.07
Sumitomo Corp.	0.00
Sumitomo Yale Co. Ltd.	18.07
Suzuki Motor Co., Ltd.	0.00
Taiyo Shokai Co., Ltd.	18.07
Toyo Kogyo Co., Ltd.	0.00
Toyo Kogyo/C. Itoh	0.00
Toyosha Co. Ltd.	0.00
Toyota Motor Sales Co., Ltd.	0.04-18.07
United Trading Co., Ltd.	9.80
Yamaha Motor Co., Ltd.	0.00
American Motors Canada	0.00
Federal Mogul Canada, Ltd.	0.00
Flanders Enterprises Ltd.	18.07
John Deere Welland Works	18.07
Nachi Canada, Ltd.	18.07
Superior Bearing Industrial Supplies, Ltd.	18.07

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INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

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