

**THERMOSTATICALLY CONTROLLED  
APPLIANCE PLUGS AND PROBE  
THERMOSTATS THEREFOR  
FROM CANADA, HONG KONG,  
JAPAN, MALAYSIA, AND  
TAIWAN**

Determinations of the  
Commission in Investigations  
Nos. 701-TA-290-292  
(Preliminary) Under the  
Tariff Act of 1930, Together  
With the Information  
Obtained in the  
Investigations

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Determinations of the  
Commission in Investigations  
Nos. 731-TA-400-404  
(Preliminary) Under the  
Tariff Act of 1930, Together  
With the Information  
Obtained in the  
Investigations

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# CONTENTS

	<u>Page</u>
Determinations-----	1
Views of the Commission-----	3
Information obtained in the investigations:	
Introduction-----	A-1
Nature and extent of alleged subsidies and sales at LTFV-----	A-1
The product:	
Description and uses-----	A-2
U.S. tariff treatment-----	A-3
U.S. market and channels of distribution-----	A-4
U.S. producers-----	A-4
Consideration of alleged material injury-----	A-5
U.S. production, capacity, and capacity utilization-----	A-5
U.S. producers' intracompany consumption, domestic shipments, and exports-----	A-7
Triplex's inventories-----	A-8
Employment-----	A-9
Financial experience of U.S. producers-----	A-10
Overall operations-----	A-10
Operations on thermostatically controlled appliance plugs and probe thermostats-----	A-13
Investment in property, plant, and equipment-----	A-15
Capital expenditures and research and development expenses---	A-15
Capital and investment-----	A-15
Actual negative effects-----	A-15
Potential negative effects-----	A-16
Consideration of alleged threat of material injury-----	A-16
Consideration of the causal relationship between the allegedly subsidized and LTFV imports and the alleged material injury:	
Imports-----	A-17
Apparent U.S. consumption and market penetration-----	A-19
Prices-----	A-21
Price trends-----	A-23
Price comparisons-----	A-24
Lost sales-----	A-27
Exchange rates-----	A-28
Appendix A. Commerce's and Commission's <u>Federal Register</u> notices-----	A-31
Appendix B. List of witnesses at the Commission's conference-----	A-45

## Tables

1. Thermostatically controlled appliance plugs: U.S. production, average practical capacity, and capacity utilization, by firms, 1985-87, January-March 1987, and January-March 1988----- A-6
2. Thermostatically controlled appliance plugs: U.S. producers' intracompany consumption, domestic shipments, and exports, by firms, 1985-87, January-March 1987, and January-March 1988----- A-8
3. Average number of production and related workers producing thermostatically controlled appliance plugs and probe thermostats at Triplex's plant, hours worked by such workers and output per hour worked, 1985-87, January-March 1987, and January-March 1988-- A-9

## CONTENTS--Continued

## Tables--Continued

	<u>Page</u>
4. Total compensation and average hourly compensation paid to production and related workers producing thermostatically controlled appliance plugs and probe thermostats in Triplex's plant, and unit labor cost of such production, 1985-87, January-March 1987, and January-March 1988-----	A-10
5. Income-and-loss data of Triplex on its total company operations, fiscal years ended January 31, 1986-88, January-March 1987, and January-March 1988-----	A-11
6. Balance sheet of Triplex, as of January 31, 1986, 1987, and 1988----	A-12
7. Income-and-loss data of Triplex on its thermostatically controlled appliance plug and probe thermostat operations, fiscal years ended January 31, 1986-88, January-March 1987, and January-March 1988-----	A-14
8. Thermostatically controlled appliance plugs: Advance Thermo Control's capacity, production, and exports, 1985-87, January-March 1987, and January-March 1988-----	A-17
9. Thermostatically controlled appliance plugs: U.S. imports, by sources, 1985-87, January-March 1987, and January-March 1988-----	A-18
10. Thermostatically controlled appliance plugs: Apparent U.S. consumption and ratio of imports to consumption, 1985-87, January-March 1987, and January-March 1988-----	A-20
11. Thermostatically controlled appliance plugs: Apparent U.S. open-market consumption and ratio of imports to consumption, 1985-87, January-March 1987, and January-March 1988-----	A-21
12. Thermostatically controlled appliance plugs without decal: U.S. producers' prices, imported weighted-average prices, and margins of underselling/overselling, by quarters, January 1985-March 1988	A-24
13. Thermostatically controlled appliance plugs with decal: U.S. producers' prices, imported weighted-average prices, and margins of underselling/overselling, by quarters, January 1985-March 1988	A-25
14. Internal probe thermostats: U.S. producers' prices, imported weighted-average prices, and margins of underselling, by quarters, January 1985-March 1988-----	A-26
15. Thermostatically controlled appliance plugs without decal: *** purchases from Triplex compared with *** purchases of imports from Canada, by quarters, January 1985 to March 1988-----	A-27
16. Nominal/exchange-rate equivalents of selected currencies in U.S. dollars, real/exchange-rate equivalents, and producer price indicators by specified countries, indexed by quarters, January 1985-March 1988-----	A-29

Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC

Investigations Nos. 701-TA-290-292 and 731-TA-400-404 (Preliminary)

THERMOSTATICALLY CONTROLLED APPLIANCE PLUGS AND PROBE THERMOSTATS THEREFOR  
FROM CANADA, HONG KONG, JAPAN, MALAYSIA, AND TAIWAN

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Canada, Malaysia, and Taiwan of thermostatically controlled appliance plugs and probe thermostats therefor, 2/ provided for in item 711.78 of the Tariff Schedules of the United States, that are alleged to be subsidized by the Governments of Canada, Malaysia, and Taiwan. The Commission also determines, pursuant to section 733(a) of the Act (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 Canada, Hong Kong, Japan, Malaysia, and Taiwan of thermostatically controlled appliance plugs and probe thermostats therefor which are alleged to be sold in the United States at less than fair value (LTFV).

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

2/ For purposes of the investigations, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically, a common wall receptical) with a small cooking appliance of 2,000 watts or less (typically, a griddle, deepfryer, fry pan, multi-cooker, and/or wok) and regulate the flow of electricity, and thus the temperature, therein; consisting of: (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set. The term probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically, small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control.

Background

On April 15, 1988, petitions were filed with the Commission and the Department of Commerce by Triplex Inter Control (USA), Inc., St. Albans, VT, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of thermostatically controlled appliance plugs and probe thermostats therefor from Canada, Malaysia, and Taiwan and by reason of LTFV imports from Canada, Hong Kong, Japan, Malaysia, and Taiwan. Accordingly, effective April 15, 1988, the Commission instituted preliminary countervailing duty investigations Nos. 701-TA-290-292 (Preliminary) and preliminary antidumping investigations Nos. 731-TA-400-404 (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 April 26, 1988 (53 F.R. 14861). The conference was held in Washington, DC, on May 6, 1988, and all persons who requested the opportunity were permitted to appear in person or by counsel.

## VIEWS OF THE COMMISSION

Based on the information gathered in these preliminary investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of allegedly subsidized thermostatically controlled appliance plugs and probe thermostats therefor from Canada, Malaysia, and Taiwan, and allegedly less-than-fair-value (LTFV) imports of these products from Canada, Hong Kong, Japan, Malaysia, and Taiwan.

Like product and the domestic industry

To make our determination, we must first identify the relevant domestic industry. Section 771(4)(A) of the Tariff Act of 1930 defines the relevant domestic 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." <sup>1/</sup> "Like product," in turn, is defined as "[a] product that is like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation." <sup>2/</sup>

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<sup>1/</sup> 19 U.S.C. § 1677(4)(A).

<sup>2/</sup> 19 U.S.C. § 1677(10).

The articles subject to these investigations are thermostatically controlled appliance plugs and probe thermostats therefor. <sup>3/</sup>

Thermostatically controlled appliance plugs are used to connect small "table top" cooking appliances, such as electric griddles, deep fryers, fry pans, multicookers, and woks, to an electrical outlet. They enable the user to regulate the flow of electricity, and thus the temperature produced, in such cooking appliances. <sup>4/</sup> A probe thermostat, which performs the actual thermostatic control function within a thermostatically controlled appliance plug, consists of a stainless-steel tube that connects directly to the heating apparatus of the appliance, and other electrically-activated subcomponents. <sup>5/</sup>

To determine what constitutes the like product in a title VII investigation, the Commission generally examines such factors as: (1) physical

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- <sup>3/</sup> The complete definition of the articles subject to investigation, as determined by the Department of Commerce, is set forth in Appendix A of the Commission's investigative staff report in these investigations (hereinafter, "Staff Report"), Appendix A.
- <sup>4/</sup> Staff Report at A-2. Larger cooking appliances generally do not use thermostatically controlled appliance plugs, as the temperature controlling mechanism is built into the appliance. Id.
- <sup>5/</sup> Id. at A-2-A-3. The other major components of a fully assembled thermostatically controlled appliance plug are the housing for the probe thermostat, consisting of two halves of a shell typically constructed of hard plastic; a temperature control knob or dial calibrated with various temperature settings; and a built-in cord set. Id.



characteristics and uses, (2) interchangeability, (3) channels of distribution, (4) customer and/or producer perceptions of the articles, and (5) the use of common manufacturing facilities and production employees. <sup>6/</sup>

The Commission has looked for clear dividing lines among products in terms of their characteristics and uses and has found minor variations between products insufficient to justify finding separate like products. <sup>7/</sup> Also, in considering the question whether "semifinished" or "component" articles are "like" the finished product, the Commission has considered such factors as: (1) the necessity for further processing, (2) the costs of such processing and the value added thereby, (3) whether the article at an earlier stage of production embodies or imparts to the finished article an essential characteristic or function, (4) whether there are independent markets for the finished and unfinished articles, and (5) the degree of interchangeability of

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<sup>6/</sup> See, e.g., 3.5" Microdisks and Media Therefor from Japan, Inv. No. 731-TA-389 (Preliminary), USITC Pub. 2076 (April 1988); Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Preliminary), USITC Pub. 2043 (December 1987); Certain Forged Steel Crankshafts from the Federal Republic of Germany and the United Kingdom, Invs. Nos. 731-TA-351 and 353 (Final), USITC Pub. 2014 (September 1987).

<sup>7/</sup> See Operators for Jalousie and Awning Windows from El Salvador, Invs. Nos. 701-TA-272 (Final) and 731-TA-319 (Final), USITC Pub. 1934 (January 1987). As noted in the legislative history to the Trade Agreements Act of 1979, the like product requirement 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 products are not like each other." S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

articles at the different stages of production. <sup>8/</sup> No single factor is determinative, and the Commission may consider other factors that it deems relevant based on the facts of a given investigation.

The evidence before us in this case indicates there are no significant applications for thermostatically controlled appliance plugs and probe thermostats other than with small cooking appliances. Further, there are no products that may be substituted for these articles and still provide the capacity to regulate the temperature of such appliances. <sup>9/</sup> Both imported and domestically produced assembled plugs and internal probe thermostats are sold almost exclusively to small appliance manufacturers, and therefore are distributed in the same channels of distribution. Manufacturers of small cooking appliances that purchase appliance plugs may have varying requirements with respect to cord length, the size and configuration of the plug, the minimum/maximum temperature calibrations, the angle of temperature settings, and other factors. <sup>10/</sup> However, all plugs and probe thermostats perform the same function, and all manufacturers of the product appear to have the ability to produce a thermostatically controlled appliance plug for any appliance. <sup>11/</sup>

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<sup>8/</sup> Certain Forged Steel Crankshafts from the Federal Republic of Germany and the United Kingdom, Invs. Nos. 731-TA-351 and 353 (Final), USITC Pub. 2014 (September 1987); Cellular Mobile Telephones and Subassemblies Thereof from Japan, Inv. No. 731-TA-207 (Final), USITC Pub. 1786 (December 1985)

<sup>9/</sup> Staff Report at A-3.

<sup>10/</sup> Id.

<sup>11/</sup> Id.

In addition, although thermostatically controlled appliance plugs and probe thermostats have different physical characteristics, the probe is the principal component of a fully assembled appliance plug (accounting for roughly 50 percent of value of the finished plug), <sup>12/</sup> and imparts to the finished product the key characteristic that distinguishes it from other appliance plugs -- i.e., its ability to regulate the temperature of a cooking appliance over a given range. For these reasons, and because no party has urged a different like product definition, we determine that thermostatically controlled appliance plugs and probe thermostats therefor are a single like product. We further determine there is a single domestic industry consisting of all U.S. producers of finished plugs and/or probe thermostats.

#### Related parties

Under section 771(4)(B), if a domestic producer is related to exporters or importers of the product under investigation, or is itself an importer of that product, the Commission may exclude that producer from the domestic industry "in appropriate circumstances." <sup>13/</sup> Application of this provision is within the Commission's discretion based on the facts presented in each case. <sup>14/</sup>

Among the factors the Commission considers in determining whether appropriate circumstances exist for the exclusion of related parties are:

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<sup>12/</sup> Conf. Tr. at 38.

<sup>13/</sup> 19 U.S.C. § 1677(4)(B).

<sup>14/</sup> Empire Plow Co. v. United States, 11 CIT \_\_\_, 675 F. Supp. 1348, 1352 (1987).

(1) the position of the related party vis-a-vis the rest of the industry;

(2) the reasons why the U.S. producer has chosen to import the product subject to investigation, i.e., whether the firm imports in order to benefit from the unfair trade practice or to enable it to continue production and compete in the domestic market;

(3) the percentage of domestic production attributable to the related producers, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry. 15/

If the exclusion of related producers would necessarily exclude or distort economic data of considerable significance to or determinative of an accurate picture of the domestic industry as a whole, exclusion of the related producer would not be appropriate. 16/

Petitioner, Triplex Inter Control (USA) Inc., has urged that the West Bend Co. and Toastmaster, Inc., two domestic producers of thermostatically controlled appliance plugs, be excluded from the domestic industry as related parties because these companies import either fully assembled appliance plugs or internal probe thermostats. 17/ The Commission lacks the information

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15/ See, e.g., Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Preliminary), USITC Pub. 2043 at 9 (December 1987); Cellular Mobile Telephones and Subassemblies Thereof from Japan, Inv. No. 731-TA-207, USITC Pub. 1786 at 10 (December 1985); Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 at 11 (January 1986).

16/ See Certain All-Terrain Vehicles From Japan, Inv. No. 731-TA-388 (Preliminary) USITC Pub. 2071 (March 1988); Certain Table Wine from France and Italy, Invs. Nos. 701-TA-210 and 211 and 731-TA-167 and 168 (Preliminary), USITC Pub. 1502 at 10-12 (March 1984); Certain Forged Undercarriage Components from Italy, Inv. No. 701-TA-201 (Final) USITC Pub. 1465 at 5-6 (December 1983); Frozen Concentrated Orange Juice from Brazil, Inv. No. 751-TA-10, USITC Pub. 1623 (December 1984); Rock Salt from Canada, Inv. No. 731-TA-239 (Preliminary), USITC Pub. 1658 at 10-11 (March 1985).

17/ Countervailing Duty Petition at 4; Conf. Tr. at 36.

it needs to determine if it would be appropriate to exclude either of them from the domestic industry. <sup>18/</sup> We will seek further information on this issue should this matter return for a final investigation. For purposes of these preliminary investigations we note that inclusion of the limited data received from West Bend does not significantly alter the condition of the domestic industry. With respect to Toastmaster, Inc., the Commission has been unable to obtain any useful data from Toastmaster in these preliminary investigations. Thus, as a practical matter, for purposes of our analysis of the condition of the domestic industry, Toastmaster, Inc., is already "excluded" from the industry.

Although we will reexamine the related parties issue on the basis of more complete data in any final investigations, we note that, regardless of whether West Bend and Toastmaster are included or excluded from the domestic industry in these preliminary investigations, there is a reasonable indication of material injury to the domestic industry. Accordingly, we have determined, for purposes of these preliminary investigations, not to exclude The West Bend Co. and Toastmaster, Inc. from the domestic industry under the "related parties" provision. <sup>19/</sup>

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<sup>18/</sup> See Staff Report at A-5-A-6.

<sup>19/</sup> With regard to the failure of Toastmaster, Inc. and other firms to provide data for these preliminary investigations in response to Commission questionnaires, we note that the statute provides that whenever "a party or any other person refuses or is unable to produce information requested in a timely manner and in the form required," the Commission may use the "best information otherwise available." 19 U.S.C. § 1677e(b). In addition, when faced with a firm's failure to

(Footnote continued on next page)

### Condition of the domestic industry

In determining the condition of the domestic industry, the Commission considers, among other factors, domestic production, capacity, capacity utilization, domestic consumption, shipments, inventories, employment, and financial performance. <sup>20/</sup> No single factor is determinative. In each investigation the Commission must consider the particular nature of the relevant industry in making its determination.

The data in these preliminary investigations bearing on the condition of the domestic industry are incomplete. Three domestic producers, National Presto Industries, Inc., The West Bend Co., and Triplex, reported reliable data relating to certain factors the Commission must consider in its analysis of material injury. <sup>21/</sup> That information is not complete, however, and the Commission obtained no information on the operations of Toastmaster, Inc., nor was it able to obtain information relating to those domestic firms that ceased production prior to or during the period of investigation. Nevertheless, on the basis of the information that is available, we determine that there is

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(Footnote continued from previous page)

cooperate with the Commission's efforts to obtain data relevant to its statutory investigations under Title VII, the Commission may compel the production of documentary evidence by administrative subpoena, see 19 U.S.C. § 1333 and *USITC v. E. & J. Gallo Winery*, 637 F. Supp. 1262 (D.D.C. 1985), or may draw the reasonable inference that the evidence being sought is unfavorable to the party withholding such evidence. See *International Union (UAW) v. N.L.R.B.*, 459 F.2d 1329 (D.C. Cir. 1972); *Weighing Machinery and Scales from Japan*, Inv. No. 701-TA-7 (Final), USITC Pub. 1063 (May 1980).

<sup>20/</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>21/</sup> Much of the data obtained is confidential and proprietary, and therefore can be discussed here only in general terms.

a reasonable indication that the domestic industry is materially injured. <sup>22/</sup>

We note that petitioner is the sole remaining "open market" producer of thermostatically controlled appliance plugs and probe thermostats therefor in the United States. <sup>23/</sup> During the period of investigation, at least two other open market producers of the like product -- American Thermostat Corporation and Leviton Manufacturing Co, Inc. -- ceased production of that product. <sup>24/</sup> Thereafter, some of their major customers began purchasing thermostatically controlled appliance plugs and probe thermostats from importers. <sup>25/</sup> Another domestic producer, Sunbeam Appliance Co., stopped producing both electric fry pans and appliance plugs for those fry pans in 1986. <sup>26/</sup>

Firms responding to the Commission's producer questionnaires

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<sup>22/</sup> Chairman Liebeler and Commissioner Cass believe that the description of the domestic industry is accurate and relevant to our decision on the existence of a reasonable indication of injury by reason of subsidized or LTFV imports. They do not, however, believe a separate conclusion respecting the condition of the domestic industry is required. For reasons set forth below, they determine that there is a reasonable indication that the domestic industry has been materially injured by reason of the subject imports.

<sup>23/</sup> Staff Report at A-7; Conf. Tr. at 8. "Domestic shipments" in the "open market" refers to sales of thermostatically controlled appliance plugs and/or probe thermostats by one company to another in arms length commercial transactions. See, e.g., Staff Report at A-5-A-6. Domestic production for "captive" or "intracompany" consumption refers to the production of these products for use by the domestic manufacturer itself in its downstream production of finished small cooking appliances. Id.

<sup>24/</sup> Staff Report at A-4-A-5. Data as to the volume of production by these firms is unavailable.

<sup>25/</sup> Id. at A-4-A-5; Conf. Tr. at 86-87.

<sup>26/</sup> Staff Report at A-5.

increased their combined production by roughly one-third over the period of investigation. <sup>27/</sup> However, data are unavailable concerning the drop in production caused by the liquidation of American Thermostat Corp. and the cessation of production by Leviton Manufacturing Co. Employment of production and related workers producing thermostatically controlled appliance plugs at those firms which provided data increased significantly in relative terms. <sup>28/</sup> However, it is unclear whether the amount of that increase exceeds the number of employees no longer producing such products at Leviton and American Thermostat Corp.

As we have noted, the domestic industry in these investigations currently consists of the petitioner, which produces for open-market consumption, and those firms that captively consume the like product. The statute defines the term "industry" as "the domestic producers as a whole of a like product," 19 U.S.C. § 1677(4)(A), and we therefore have included both captive and open market producers within the domestic industry. We are mindful, however, that other open-market producers have ceased production during the period of investigation and that alleged unfairly traded imports may not affect

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<sup>27/</sup> Staff Report at A-5-A-6. It is estimated, based on interviews with spokesman in the industry, that those firms responding to the producer questionnaire accounted for roughly 80 percent of U.S. production in 1987. We note that there do not appear to be reliable secondary sources for information as to the condition of this domestic industry, and the actual trends with respect to the performance of the domestic industry may differ somewhat from those revealed in Commission questionnaires, insofar as the data obtain by the Commission is incomplete.

<sup>28/</sup> Id. at A-9.



open-market producers and integrated producers in the same way. <sup>29/</sup>

However, the Commission was only able to consider the condition of, and the effect of imports upon, the domestic industry segment producing for the open market due to the limited financial data obtained from those firms producing the like products for captive consumption. <sup>30/</sup> The petitioner is apparently the only remaining producer in this segment of the industry. <sup>31/</sup>

<sup>29/</sup> For example, there is evidence that at least one domestic firm that produces thermostatically controlled appliance plugs for use in the small table-top cooking devices it manufactures imports the internal probe thermostats used as components in the fully assembled appliance plugs it produces. Thus, although such a firm may be a producer of the finished like product, it may benefit, rather than be harmed by, unfairly traded imports of the semi-finished component of the like product. In addition, there is evidence that a thermostatically controlled appliance plug constitutes only from three to ten percent of the value of the finished cooking appliances. Conf. Tr. at 38. Therefore, the financial condition of those "captive producers" manufacturing plugs for use with the cooking appliances they sell is primarily dependent upon their sales of cooking appliances and may be only marginally affected by competition from imports -- i.e., by differences in their cost of producing as compared to their competitors' cost of purchasing (from importers or petitioner) probe thermostats or appliance plugs.

<sup>30/</sup> In previous investigations where a significant portion of domestic production of the like product was found to be for captive consumption, the Commission analyzed issues of material injury and causation with respect to both open market producers and the domestic industry as a whole. See, e.g., Industrial Phosphoric Acid from Belgium and Israel, Inv. No. 731-TA-365 and 366 and 701-TA-286 (Final), USITC Pub. 2000 at 12 (August 1987); Titanium Sponge from Japan and the United Kingdom, Invs. Nos. 731-TA-161 and 162 (Final), USITC Pub. 1600 at 6-7 (November 1984).

<sup>31/</sup> We note that in any final investigations, we shall seek financial information concerning the condition of the producers for captive consumption to obtain a more complete assessment of the industry as a whole.

Because the trends with regard to Petitioner's production, employment, inventories, and financial performance are confidential, we cannot discuss them in detail. <sup>32/</sup> However, data in the public record confirm that Petitioner's operations were not profitable in any of the periods for which data were collected, <sup>33/</sup> a condition which Petitioner attributes in large part to increased raw material and other manufacturing costs coupled with declining sales prices. <sup>34/</sup> Based on the condition of the petitioner, the cessation of operations by the other open-market producers, and the lack of complete data from other significant domestic producers, we conclude that there is a reasonable indication that the domestic industry is experiencing material injury. <sup>35/</sup>

#### Cumulation

The Trade and Tariff Act of 1984 directs the Commission to assess cumulatively the volume and price effects of imports from two or more countries if the imports are subject to investigation and if they compete with

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<sup>32/</sup> The data pertaining to such trends are found on pages A-10-A-15 of the Staff Report.

<sup>33/</sup> Staff Report at A-10-A-15.

<sup>34/</sup> See Conf. Tr. at 12; Countervailing Duty Petition at 38.

<sup>35/</sup> See supra n.22.

one another and with the domestic like product. <sup>36/ 37/</sup> In determining whether imported products under investigation compete with one another and with the like products of the domestic industry in the U.S. market, the Commission has considered various factors, including:

- (1) the degree of fungibility between imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and
- (4) whether the imports are simultaneously present in the market. <sup>38/</sup>

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<sup>36/</sup> 19 U.S.C. § 1677(7)(C)(iv).

<sup>37/</sup> The Conference Report accompanying the cumulation provision, section 621(a)(2)(A) of the Trade and Tariff Act of 1984, states:

The provision requires cumulation of imports from various countries that each account individually for a small percentage of total market penetration but when combined may cause material injury. The conferees do intend, however, that the marketing of imports that are accumulated [sic] be reasonably coincident. Of course, imports of like products from countries that are not subject to investigation would not be included in the cumulation.

H.R. Rep. No. 1156, 98th Cong., 2 Sess. 173 (1984).

<sup>38/</sup> See, e.g., Certain Granite from Italy and Spain, Invs. Nos. 701-TA-288 and 289 and 731-TA-381 and 382 (Preliminary), USITC Pub. 2000 (September 1987); Certain Welded Carbon Steel Pipes from India, Taiwan and Turkey, Invs. Nos. 731-TA-271 through 273 (Final), USITC Pub. 1839 (April 1986).

No single factor is determinative, and this list of factors is not exclusive. <sup>39/</sup>

The sole respondent participating in these investigations, Advance Thermo Control ("ATCo") of Hong Kong, argued that we should not cumulate its imports with imports from the other countries subject to investigation because its products do not compete with those of Toshiba, the firm that accounts, according to ATCo, for roughly 85 percent of the import market. <sup>40/</sup> ATCo claimed it deliberately seeks to avoid competition with Toshiba, and succeeds by selling, within various "niche markets," products that are "different" from those produced by Toshiba. <sup>41/</sup>

ATCo offers two examples of niche markets it developed -- probe thermostats for use in industrial cooking devices and specialized probe thermostats for a manufacturer of high temperature woks. <sup>42/</sup> ATCo does not reveal what percentage of its sales are made in these niche markets, nor does it indicate specifically how these products differ from the products produced by Toshiba, other importers, and domestic producers.

We are not persuaded that the products exported from Hong Kong to the United States by Advance Thermo Control do not compete with other imports or with the like products manufactured by domestic producers. Although, as noted, individual purchasers in the U.S. market may have somewhat different

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<sup>39/</sup> We also note that when the conditions for cumulation are met, the Commission must also cross-cumulate the alleged LTFV and subsidized imports from each country. See *Bingham & Taylor Division, Virginia Industries, Inc. v. U.S.*, 815 F.2d 1482 (Fed. Cir. 1987).

<sup>40/</sup> Post Conference Brief of ATCo at 7.

<sup>41/</sup> *Id.* at 7-8.

<sup>42/</sup> *Id.* at 8.

design and temperature requirements for the thermostatically controlled appliance plugs they purchase,<sup>43/</sup> we find -- based in part on the Conference testimony of a witness for ATCo<sup>44/</sup> -- that these differences are not so significant as to lead us to conclude that ATCo, other importers, and the domestic producers do not meaningfully compete in the U.S. market.<sup>45/</sup> Accordingly, we conclude that the Commission must cumulatively assess the volume and effects of the allegedly unfairly traded imports of thermostatically controlled appliance plugs and probe thermostats therefor from Canada, Hong Kong, Japan, Malaysia, and Taiwan.<sup>46/ 47/</sup>

Reasonable indication of material injury by reason of allegedly subsidized and LTFV imports

Petitioner claims that the subject imports caused material injury to the domestic industry, principally through price depression and lost sales. In determining whether there is a reasonable indication that a domestic

<sup>43/</sup> See Staff Report at A-5.

<sup>44/</sup> See Conf. Tr. at 74, 89, 93. See also Conf. Tr. at 35.

<sup>45/</sup> We also note that all known producers appear to be able to manufacture a thermostatically controlled appliance plug for any appliance (Staff Report at A-4-A-5), and there do not appear to be significant quality differences between domestically produced and imported thermostatically controlled appliance plugs or internal probe thermostats. *Id.* at A-21.

<sup>46/</sup> Countervailing Duty Petition at 35-38; Conf. Tr. at 12.

<sup>47/</sup> Commissioner Rohr notes that the Commission has consistently rejected arguments against cumulation based on distinctions in "market niches" on quality related grounds. The Commission's decision in *Certain Welded Carbon Steel Pipes and Tubes from the People's Republic of China*, Inv. No. 731-TA-292 (Final), so frequently cited to the Commission in support of such distinctions does not stand for any such broad proposition. In that case, the Chinese pipe was of such bad quality it could not be used as pipe and was in fact used for scrap. This was an egregious difference. It will be the unusual case where there is such an egregious difference between the imports and the domestic product.

industry is materially injured by reason of allegedly subsidized and LTFV imports, the Commission is required to consider, among other factors, the volume of imports of the merchandise subject to investigation, the effect of such imports on domestic prices, and the impact of such imports on the domestic industry. <sup>48/</sup> Evaluation of these factors involves a consideration of (1) whether the volume of imports or increase in volume is significant, (2) whether there has been significant price undercutting by the imported products, and (3) whether imports have otherwise depressed prices to a significant degree or prevented price increases. <sup>49/</sup>

In this case, the volume of thermostatically controlled appliance plugs imported from the countries subject to investigation, as well as the increase in such imports, was significant. Imports increased steadily over the period of investigation, from 994,040 in 1985 to 1,176,351 in 1986 and 1,334,593 units in 1987, for a total increase of 34 percent. <sup>50/</sup> Similarly, the value of the subject imports increased from \$2,718,591 in 1985 to \$3,168,277 in 1986 and \$3,400,646 in 1987, a total increase of 25 percent. <sup>51/</sup> Although the precise levels of import penetration are confidential, the data show that over

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<sup>48/</sup> 19 U.S.C. § 1677(7)(B).

<sup>49/</sup> 19 U.S.C. § 1677(7)(C).

<sup>50/</sup> In January-March 1988, aggregate imports increased by 22 percent compared with January-March, 1987. Staff Report at A-18.

<sup>51/</sup> Id. In January-March 1988, the value of aggregate imports was up 10.4 percent over the same period in 1987.

the period of investigation, imports constituted a major segment of total apparent U.S. consumption <sup>52/</sup> and dominated sales in the open market. <sup>53/</sup>

The pricing information for imports in these preliminary investigations is both limited and somewhat inconclusive. <sup>54/</sup> In view of the similarities between the imported and domestic product in terms of quality, lead times for delivery, and the ability of both foreign and domestic producers to design according to customer specification, <sup>55/</sup> price appears to be the primary consideration in appliance manufacturers' purchase decisions. <sup>56/</sup> Petitioner's prices, the only domestic price data available, generally declined over the period of investigation, while the prices of some imports increased significantly. <sup>57/</sup> Although patterns of underselling and overselling varied widely depending upon the country involved, imports undersold the domestic product in 16 of 27 price comparisons. <sup>58/</sup>

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<sup>52/</sup> Staff Report at A-19-A-20.

<sup>53/</sup> Id. at A-21. Data concerning the volume of imports of probe thermostats are available for only one foreign exporter. Those data show a significant volume of imports which increased from 1985 to 1986, yet declined substantially in 1987. Approximately one third of that decline in 1987 was replaced in the market by imports from another country not subject to investigation. Staff Report at A-19.

<sup>54/</sup> See Staff Report at A-21-A-27. Unit prices vary greatly depending upon the quantity sold. Id. at A-36.

<sup>55/</sup> See Staff Report at A-4-A-5, A-21.

<sup>56/</sup> Id. at A-21-A-22.

<sup>57/</sup> Id. at A-24-A-27. Very little price data was obtained for internal probe thermostats.

<sup>58/</sup> Id. at A-24-A-27.

Commissioners Eckes, Lodwick, and Rohr note that Triplex alleged five quantifiable lost sales in 1988 totalling 1 million units valued at \$2.3 million. <sup>59/</sup> In its effort to investigate these allegations, Commission staff succeeded in interviewing spokesmen for four of the purchasers identified by petitioner. Although the transactions involved are confidential, the Commission confirmed two instances wherein domestic purchasers bought thermostatically controlled appliance plugs from foreign suppliers, rather than Petitioner, on the basis of the imports' lower prices. <sup>60/</sup>

Additionally, for the purposes of the final investigation, Chairman Liebeler, Vice Chairman Brunsdale and Commissioner Cass believe the Commission should attempt to obtain data that would allow it to assess with greater precision the effect of the subject imports on the price and the domestic like product in the United States and the impact of these imports on domestic production in the United States. This would include, inter alia, information that would assist the Commission in evaluating the price and volume of imports that would have occurred if no LTFV or subsidized sales had taken place and the effect that such imports would have had on prices and production of the domestic like product. <sup>61/</sup>

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<sup>59/</sup> Countervailing Duty Petition at 35-36; Staff Report at A-27.

<sup>60/</sup> See Staff Report at A-27-A-28.

<sup>61/</sup> Vice Chairman Brunsdale notes that the alleged margins of dumping in this case were high, ranging from 30 to 60 percent. See Staff Report at A-3. At present, this is the best available evidence on this point. In any final investigations, she will consider margins of dumping and any subsidies as determined by the Department of Commerce.



### Conclusion

While individual Commissioners differ on the method of analyzing the data of record, <sup>62/</sup> we agree that, based on the foregoing indicators and in the absence of more complete data, there is a reasonable indication that allegedly subsidized imports of thermostatically controlled appliance plugs and probe thermostats therefor from Canada, Malaysia, and Taiwan, and alleged LTFV imports from Canada, Hong Kong, Japan, Malaysia, and Taiwan, are a cause of material injury to a domestic industry. <sup>63/</sup>

An affirmative determination in these preliminary investigations is fully consistent with the "reasonable indication" standard for preliminary determinations approved by the Federal Circuit in American Lamb Co. v. United States, 785 F. 2d 994 (Fed. Cir. 1986). There is no clear and convincing evidence, based on the record as a whole, of no material injury to the domestic industry by reason of the subject imports, nor can it be said that there is no likelihood that information demonstrating material injury, or the threat of material injury, could be developed in any final investigations.

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<sup>62/</sup> See Digital Readout Systems and Subassemblies Thereof from Japan, Inv. No. 731-TA-390 (Preliminary), USITC Pub. 2081 (May 1988) (Views of Chairman Liebler, Vice Chairman Brunsdale, and Commissioner Cass), (Dissenting Views of Commissioners Eckes, Lodwick, and Rohr).

<sup>63</sup> We have not reached the question of whether the subject imports pose a threat of material injury to the domestic industry, and the available data are very limited concerning the statutory factors which the Commission must consider in making such a determination. See 19 U.S.C. § 1677(7)(F). In order to address this question in any final investigations of the subject imports, it will be necessary to analyze foreign production, sales, and capacity data, which are not available at present. We note that when foreign producers, or importers, fail to respond to Commission requests for data, the Commission may reasonably rely in its determination upon the inference that such data would be adverse to the withholding party.



## INFORMATION OBTAINED IN THE INVESTIGATIONS

### Introduction

On April 15, 1988, petitions were filed with the U.S. International Trade Commission and U.S. Department of Commerce by Triplex Inter Control (USA), Inc., St. Albans, VT, alleging that subsidized imports of thermostatically controlled appliance plugs and probe thermostats therefor from Canada, Malaysia, and Taiwan, and less-than-fair-value (LTFV) imports of these products from Canada, Hong Kong, Japan, Malaysia, and Taiwan, are being sold in the United States and that an industry in the United States is materially injured and threatened with material injury by reason of such imports.

Accordingly, effective April 15, 1988, the Commission instituted countervailing duty investigations Nos. 701-TA-290-292 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) and antidumping investigations Nos. 731-TA-400-404 (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 on April 26, 1988 (53 FR 14861). 1/ The public conference was held in Washington, D.C., on May 6, 1988, 2/ and the vote was held on May 24, 1988. The applicable statute directs the Commission to notify Commerce of its preliminary determination within 45 days after the date of the filing of the petitions, or by May 31, 1988. Thermostatically controlled appliance plugs and probe thermostats therefor have not been the subject of any other investigation conducted by the Commission.

### Nature and Extent of Alleged Subsidies and Sales at LTFV

There is no information relating to the nature and extent of the alleged subsidies and sales at LTFV other than the allegations of the petitioner. With respect to the alleged subsidies, the petitioner cited various government programs in Canada, Malaysia, and Taiwan--including export incentives, and tax and loan preferences--that it believes have conferred subsidies on manufacturers of the subject products. 3/ The petitioner identified one firm

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1/ Copies of the Commission's and Commerce's notices instituting the investigations are shown in app. A.

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

3/ Each program on which Commerce is initiating an investigation is identified in its notices of institution of countervailing-duty investigations (app. A).

in Canada, one firm in Malaysia, and two firms in Taiwan that produce and export thermostatically controlled appliance plugs and/or probe thermostats therefor to the United States: ATCO Controls, Ltd. (ATCO), Ontario, Canada; Power Electronics, Ltd., Selangor, Malaysia (owned by Toshiba Heating Appliance Co., Ltd. (Toshiba), Tokyo, Japan); Etowah Taiwan Enterprise Co., Ltd. (Etowah), Taipei, Taiwan; and Inwardness Enterprise Co., Ltd. (Inwardness), Taipei, Taiwan. With the exception of Toshiba, which has a plant in Taiwan (as well as in Tokyo and Malaysia), no other manufacturers of the subject products are known to exist in these countries. The petitioner did not estimate a net subsidy rate for any of these firms.

With respect to the alleged sales at LTFV, the petitioner cited two other firms in addition to those named above: Toshiba; and Advance Thermo Control Ltd., Hong Kong. Another firm known to be manufacturing the subject articles in Japan and exporting to the United States is Texas Instruments Japan, Ltd., a wholly-owned subsidiary of Texas Instruments, Inc., Dallas, TX. On the basis of a fair market value, constructed by the petitioner, for these manufacturers' production, and actual selling prices to customers in the United States in 1987, the petitioner calculated dumping margins of 30.23 percent for ATCO in Canada, 47.64 percent for Advance Thermo Control in Hong Kong, 60.77 percent for Toshiba in Japan, 34.45 percent for Power Electronics in Malaysia, and 36.36 percent for Etowah and Inwardness combined in Taiwan.

### The Product

#### Description and uses

The imported products subject to the petitioner's complaint are thermostatically controlled appliance plugs and (internal) probe thermostats therefor. Thermostatically controlled appliance plugs are devices designed to connect an electrical outlet (typically, a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically, a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity, and thus the temperature produced, therein according to the demands of the user. (Currently, there are no thermostatically controlled appliance plugs designed for appliances above 1,650 watts. Temperature controlling mechanisms for larger appliances are generally built into the appliance.) A thermostatically controlled appliance plug consists of three major components: a probe thermostat--the primary component, a housing for the probe thermostat, and a built-in cord set. The probe thermostat is the actual mechanism of thermostatic control, consisting of a stainless steel tube, which connects directly to the heating apparatus of the appliance, and other electrically activated subcomponents. The probe thermostat housing consists of two halves of a shell, typically of hard plastic, in which the probe thermostat is encased, and a temperature-control knob, or dial calibrated with various temperature settings, which connects to the probe thermostat and allows the user to select the desired cooking temperature. The cord set consists of an electrical cord fixed at one end to the probe thermostat and at the other end to a plug for use in a common electrical outlet. The probe thermostat accounts for about half of the cost of producing a thermostatically controlled appliance plug; the cord set accounts for most of the remainder.

Because voltage requirements, electrical outlet configurations, and performance and safety standards vary from country to country, thermostatically controlled appliance plugs and probe thermostats are specific to the country for which they are made. Most countries have organizations like Underwriters Laboratories, Inc., in the United States that test and approve electrical components according to national standards. Appliance plugs and probe thermostats are also specific to individual manufacturers of small appliances. Company specifications with respect to cord length, size and configuration of probe thermostat, and size and configuration of housing (including minimum/maximum temperature calibrations and angle of temperature settings) for the most part restrict the use of these articles to the appliances of a single manufacturer. They are generally not, however, specific to a single appliance. Typically, one thermostatically controlled appliance plug is designed for all of a manufacturer's product line.

There do not appear to be any major restrictions on any known producer's ability to manufacture a thermostatically controlled appliance plug for any appliance, although there are certain technical details of the probe thermostat which may characterize certain producers, and there may be significant retooling costs associated with changing production to suit a different firm's appliances. The production of thermostatically controlled appliance plugs generally involves the sourcing of the cord set, housing, and subcomponents of the probe thermostat from outside manufacturers, and then assembling these components into the complete plug. In some cases the probe thermostat is acquired from outside sources fully assembled.

Currently, there are no significant applications for thermostatically controlled appliance plugs and probe thermostats other than that for small appliances, and there are no products which may substitute for these articles.

#### U.S. tariff treatment

Thermostatically controlled appliance plugs and probe thermostats are provided for in item 711.78 of the Tariff Schedules of the United States, a residual classification that includes all other mechanisms for automatically controlling temperature, in addition to instruments and apparatus for controlling flow, depth, pressure, and other variables of liquids and gases. The column 1 (most-favored-nation) rate of duty for this tariff item, applicable to imports from Canada and Japan, is 4.7 percent ad valorem. The special duty rate, applicable to qualifying imports from Hong Kong, Malaysia, and Taiwan under the Generalized System of Preferences (GSP), is free. <sup>1/</sup> Hong Kong and Taiwan will lose GSP beneficiary status beginning January 1, 1989.

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<sup>1/</sup> The GSP affords nonreciprocal tariff preferences to developing countries to aid their economic development and to diversify and expand their production and exports. The U.S. GSP, enacted in title V of the Trade Act of 1974 and renewed in the Trade and Tariff Act of 1984, applies to merchandise imported on or after January 1, 1976, and before July 4, 1993. It provides duty-free entry to eligible articles imported directly from designated beneficiary developing countries.

### U.S. Market and Channels of Distribution

Virtually all thermostatically controlled appliance plugs and probe thermostats sold in the United States by U.S. and foreign producers are sold directly or indirectly to unrelated manufacturers of small cooking appliances. Most are then packaged with and included in the sale of the appliance, the remainder being sold separately to appliance dealers for repair and replacement purposes. With respect to Canada, Hong Kong, and the United States, the appliance manufacturers order directly from the manufacturer, or manufacturer's agent, and receive the articles directly from the point of manufacture. With respect to Japan, Malaysia, and Taiwan, the appliance manufacturers order through Texas Instruments, Inc., Dallas, TX (for articles manufactured by Texas Instruments Japan), or Nissho Iwai, Chicago, IL (for articles manufactured by Toshiba), which take title to the articles upon their entry into the United States and are the importers of record, although the articles are generally shipped directly from the foreign producer to the appliance manufacturer.

There are many--at least 27--major manufacturers of small cooking appliances in the United States, but most do not manufacture, at least domestically, the types of appliances that require the subject articles, and imports of such appliances, whether by appliance manufacturers or others, are invariably prepackaged with the subject article included. Of the remaining 11 or so small-appliance manufacturers, 3--National Presto Industries, Inc., Eau Claire, WI; The West Bend Co., West Bend, WI; and Toastmaster, Inc., Boonville, MO--produce for themselves either most (West Bend and Toastmaster) or all (National Presto) of the thermostatically controlled appliance plugs they require. \*\*\*.

### U.S. Producers

The petitioner and the three firms cited above--National Presto, West Bend, and Toastmaster--are currently the only producers of the subject articles in the United States. <sup>1/</sup> Each produces at a single plant location, and each, except Toastmaster, produces both thermostatically controlled appliance plugs and probe thermostats. (Toastmaster produces the complete appliance plug only, relying on the market for its necessary complement of probe thermostats). Unlike the others, which are large multi-product firms and produce exclusively for their own lines of appliances, the petitioner is a relatively small single-product firm (specializing in temperature control devices) and produces exclusively for the market. Thermostatically controlled appliance plugs and probe thermostats account for about \*\*\* percent of the petitioner's sales. The petitioner is also the smallest producer, accounting for an estimated \*\*\* percent of U.S. production of thermostatically controlled appliance plugs and probe thermostats in 1987.

Three other firms have discontinued producing in the United States since 1984. American Thermostat Corporation, South Cairo, NY, which, like Triplex, was a relatively small single-product firm and produced exclusively for the market, was purchased and liquidated in 1985 by Advance Thermo Control, Ltd.,

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<sup>1/</sup> National Presto, West Bend, and Toastmaster are taking no position with respect to these investigations.

which, as indicated previously, manufactures the subject articles in Hong Kong. (Advance Thermo Control was created at the time of purchase of this firm, the fixed assets of which were then removed to and set up in Hong Kong. For more details of this purchase, see the section entitled "U.S. production, capacity, and capacity utilization.") Leviton Manufacturing Co., Inc., Little Neck, NY, which also produced for the market, has not produced the subject articles since 1985, when its major customer, \*\*\*, began purchasing the bulk of its needs from \*\*\*. Sunbeam Appliance Co., Downers Grove, IL, which produced solely for its own consumption, discontinued producing its only appliance that required the subject articles--an electric frypan--in late 1986. Neither Leviton nor Sunbeam, like Toastmaster, produced the probe thermostat.

#### Consideration of Alleged Material Injury

The information relating to U.S. producers' production, capacity, shipments, inventories, employment, and financial performance is incomplete, due for the most part to lack of data from the captive producers--particularly Sunbeam and Toastmaster. Although Triplex has accounted for virtually all shipments in recent periods, it accounts for only an estimated \*\*\* percent of production, capacity, and employment.

#### U.S. production, capacity, and capacity utilization

National Presto, West Bend, and Triplex--together accounting for about 80 percent of U.S. production of thermostatically controlled appliance plugs in 1987--were the only firms from which the Commission received reliable data.

The data, summarized in table 1, show that the respective capacities of all three firms remained constant throughout the period for which data were collected. <sup>1/</sup> But while National Presto's and West Bend's production collectively increased by \*\*\* percent from 1985 to 1987 and by \*\*\* percent from January-March 1987 to January-March 1988, Triplex's production increased by \*\*\* percent and then declined by \*\*\* percent, respectively. Capacity utilization for the three firms changed accordingly. None of the firms reported any unusual circumstances, such as employment-related problems, sourcing problems, transitions, power shortages, or natural disasters, which resulted in a loss of production.

It should be noted that all U.S. producers since 1984 have sourced their cord sets, housings, and many of the components for their probe thermostats from outside suppliers. Three firms, Toastmaster, Sunbeam, and Leviton, have relied exclusively on outside sources for fully assembled probe thermostats. For National Presto and West Bend, which use all of the thermostatically controlled appliance plugs they produce for their respective lines of

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<sup>1/</sup> The figures for capacity reflect an average amount of time each firm's equipment is used to produce the subject product, since the equipment is also used to produce other, albeit related, products. Triplex's capacity is based on operating its facilities 120 hours per week. According to Triplex's general manager, however, the firm seldom deviates from operating at 37.5 hours per week (transcript of conference p. 22).

Table 1

Thermostatically controlled appliance plugs: U.S. production, average practical capacity, and capacity utilization, by firms, 1985-87, January-March 1987, and January-March 1988

Item and firm	1985	1986	1987	January-March--	
				1987	1988
Production (1,000 units):					
National Presto.....	***	***	***	***	***
West Bend.....	***	***	***	***	***
Toastmaster.....	***	***	***	***	***
Sunbeam 1/.....	***	***	***	***	***
Triplex.....	***	***	***	***	***
American Thermostat 2/ .....	***	***	***	***	***
Leviton 3/.....	***	***	***	***	***
Total 4/.....	***	***	***	***	***
Average capacity (1,000 units):					
National Presto 5/.....	***	***	***	***	***
West Bend 6/.....	***	***	***	***	***
Toastmaster.....	***	***	***	***	***
Sunbeam.....	***	***	***	***	***
Triplex 7/.....	***	***	***	***	***
American Thermostat.....	***	***	***	***	***
Leviton.....	***	***	***	***	***
Total 4/.....	***	***	***	***	***
Ratio of production to capacity (percent):					
National Presto .....	***	***	***	***	***
West Bend.....	***	***	***	***	***
Toastmaster.....	***	***	***	***	***
Sunbeam.....	***	***	***	***	***
Triplex.....	***	***	***	***	***
American Thermostat.....	***	***	***	***	***
Leviton.....	***	***	***	***	***
Average 4/.....	***	***	***	***	***

1/ Discontinued producing the appliance which required the subject article in late 1986.

2/ Purchased by a newly created company, M & M Controls, in August 1985; then purchased by Advance Thermo Control in December 1985 and assets removed to Hong Kong.

3/ Discontinued production in late 1985.

4/ Because of the lack of data from several large producers, particularly Toastmaster, aggregate figures and trends of figures for producers which responded to the Commission's questionnaires may or may not reflect actual industry totals.

5/ The number of hours per week and weeks per year on which the company based its capacity estimation is unknown.

6/ Capacity based on operating the firm's facilities 16 hours per week, 48 weeks per year.

7/ Capacity based on operating the firm's facilities 120 hours per week, 48 weeks per year. At the conference, Triplex's general manager stated that the firm operates 37.5 hours per week, 50 weeks per year, and seldom deviates from that schedule (Transcript, p. 22).

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



appliances, the production of probe thermostats roughly coincides with the production of the complete plug. For Triplex, however, which sells both items separately on the open market, the production of probe thermostats may exceed that of the complete plug from period to period as orders are received for one or the other article.

Of the firms which have ceased production since 1985, it is known that Sunbeam sold the appliance division that required the subject article in late 1986 to Rival Manufacturing Co., Sedalia, MO, and that Rival is currently resuming production and soliciting bids for supplies of thermostatically controlled appliance plugs; that American Thermostat was purchased by Advance Thermo Control and removed to Hong Kong in December 1985; and that Leviton discontinued producing in late 1985, after its \*\*\* customer, \*\*\*, elected to purchase its requirements of thermostatically controlled appliance plugs from \*\*\*. \*\*\* had engaged Leviton--a large multi-product manufacturer--for its appliance plug needs in \*\*\*. Little of American Thermostat's liquidation is known. According to Advance Thermo Control and other industry sources, American Thermostat--a small, family-held company--began to encounter financial difficulties when the owner's son took control of the firm after his father's death in early 1985. Reportedly, \*\*\* and was unable to pay off a large bank note held in the company's name. In August 1985 an outside investor purchased the company, redeeming its debt and renaming it "M & M Controls." By this time customers had lost interest in American Thermostat and the new owner soon lost interest in M & M Controls, selling the business to another buyer in December 1985, who renamed it "Advance Thermo Control," and removed its fixed assets to Hong Kong.

#### U.S. producers' intracompany consumption, domestic shipments, and exports

The bulk of U.S. production, at least since 1985, has been internally consumed, i.e., packaged and sold with U.S. producers' respective lines of appliances. Since 1985, the petitioner has been the only U.S. producer to market thermostatically controlled appliance plugs and probe thermostats separately from the appliance itself. 1/

After increasing by \*\*\* percent from 1985 to 1986 (partly as a result of \*\*\*), Triplex's domestic shipments declined by \*\*\* percent from 1986 to 1987, and again by \*\*\* percent from January-March 1987 to January-March 1988 (table 2). The trend for the value of shipments is similar but less precipitous, so that the value per unit actually increased from 1986 to 1987. No U.S.-produced probe thermostats have been sold in the United States since 1986, when Triplex shipped \*\*\* of these articles for \*\*\*--a considerable decline from the previous year's sales of \*\*\* units, valued at \*\*\*. Triplex lost its major customer for these articles, \*\*\*, when \*\*\* lost its contract with \*\*\* to supply the latter's thermostatically controlled appliance plugs.

While substantial in number, Triplex's exports of thermostatically controlled appliance plugs have fluctuated from period to period, as shown in table 2. There were no exports of these items in January-March 1988 and no exports of probe thermostats during the entire period for which data were collected.

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1/ Captive producers sell small quantities to appliance dealers for repair and replacement purposes.

Table 2

Thermostatically controlled appliance plugs: U.S. producers' intracompany consumption, domestic shipments, and exports, by firms, 1985-87, January-March 1987, and January-March 1988

Item and firm	1985	1986	1987	January-March--	
				1987	1988
	Quantity (1,000 units)				
Intracompany consumption:					
National Presto.....	***	***	***	***	***
West Bend.....	***	***	***	***	***
Toastmaster.....	***	***	***	***	***
Sunbeam.....	***	***	***	***	***
Total.....	***	***	***	***	***
Domestic shipments:					
Triplex.....	***	***	***	***	***
American Thermostat.....	***	***	***	***	***
Leviton.....	***	***	***	***	***
Total.....	***	***	***	***	***
Exports (Triplex).....	***	***	***	***	***
	Value (1,000 dollars)				
Domestic shipments:					
Triplex.....	***	***	***	***	***
American Thermostat.....	***	***	***	***	***
Leviton.....	***	***	***	***	***
Total.....	***	***	***	***	***
Exports (Triplex).....	***	***	***	***	***
	Unit value				
Domestic shipments:					
Triplex.....	***	***	***	***	***
American Thermostat.....	***	***	***	***	***
Leviton.....	***	***	***	***	***
Average.....	***	***	***	***	***
Exports (Triplex).....	***	***	***	***	***

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

### Triplex's inventories

Since the end of 1985, Triplex has accounted for all U.S. producers' open-market inventories. Triplex reports that its end-of-period inventories of thermostatically controlled appliance plugs declined from \*\*\* in 1985 to \*\*\* in 1987 and rose from \*\*\* in January-March 1987 to \*\*\* in January-March

1988. It should be noted, however, that Triplex does not ordinarily maintain inventories of finished products. The subject products are made to order and shipped shortly after completion. It derived its reported figures from a reconciliation of its production and shipments.

### Employment

There are no data currently available on U.S. producers' employment other than for National Presto, West Bend, and Triplex. National Presto states that it has employed an average of \*\*\* workers since 1985 for the production of the subject articles. West Bend reports that its average employment increased from \*\*\* workers in 1985 to \*\*\* workers in 1987 and from \*\*\* workers in January-March 1987 to \*\*\* workers in January-March 1988. More comprehensive data for Triplex are shown in tables 3 and 4. At least part of all these workers' time is utilized in the production of other articles.

The number of workers and hours worked at Triplex's plant tend to fluctuate according to the timing and size of orders. When a number of large orders are received in a relatively short time, as in \*\*\*, employment may rise appreciably for the period in which the orders are filled.

After increasing from \*\*\* in 1985 to \*\*\* in 1986, the average number of production and related workers producing the subject articles at Triplex's plant declined to \*\*\* in 1987 and to \*\*\* in January-March 1988. (The increase in 1986 was largely due to \*\*\*). Hours worked and productivity declined correspondingly, as shown in table 3. Although total compensation for these workers increased from 1985 to 1987, hourly compensation decreased, albeit irregularly (table 4). The trends reversed from January-March 1987 to January-March 1988.

Table 3

Average number of production and related workers producing thermostatically controlled appliance plugs and probe thermostats at Triplex's plant, hours worked by such workers and output per hour worked, 1985-87, January-March 1987, and January-March 1988

Item and firm	1985	1986	1987	January-March--	
				1987	1988
Average number of production and related workers producing thermostatically controlled appliance plugs and probe thermostats.....	***	***	***	***	***
Hours worked by production and related workers producing thermostatically controlled appliance plugs and probe thermostats (1,000 hours).....	***	***	***	***	***
Output (production) of thermostatically controlled appliance plugs per hour worked.....	***	***	***	***	***

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

Table 4

Total compensation and average hourly compensation paid to production and related workers producing thermostatically controlled appliance plugs and probe thermostats in Triplex's plant, and unit labor cost of such production, 1985-87, January-March 1987, and January-March 1988

Item and firm	1985	1986	1987	January-March--	
				1987	1988
Total compensation paid to production and related workers producing thermostatically controlled appliance plugs and probe thermostats (1,000 dollars)...	***	***	***	***	***
Hourly compensation paid to production and related workers producing thermostatically controlled appliance plugs and probe thermostats.....	***	***	***	***	***
Unit labor cost of producing thermostatically controlled appliance plugs and probe thermostats per plug.....	***	***	***	***	***

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

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

Triplex Inter Control (USA), Inc.--the only "open market" producer in the United States--is the only firm that provided the Commission with financial information. It accounted for an estimated \*\*\* percent of U.S. production of thermostatically controlled appliance plugs in 1987.

Overall operations.--Triplex was incorporated on March 30, 1979. The company produces two other types of thermostats besides the subject products: (1) a snap action probe thermostat used in 220/240 volt applications for export, mainly to England; and (2) snap action stack type bimetal thermostats used for commercial applications. The company has operated \* \* \*.

Income-and-loss data on Triplex's total company operations are presented in table 5. Sales of Triplex increased by \*\*\* percent from \*\*\* in fiscal 1986 to \*\*\* in fiscal 1987 and then declined by \*\*\* percent to \*\*\* in fiscal 1988. During January-March, sales dropped by \*\*\* percent from \*\*\* in 1987 to \*\*\* in 1988.

\* \* \* \* \*

Table 5

Income-and-loss data of Triplex on its total company operations, fiscal years ended January 31, 1986-88, January-March 1987, and January-March 1988

Item	Year ended Jan. 31--			January-March--	
	1986 1/	1987 1/	1988	1987	1988
Value (1,000 dollars)					
Sales.....	***	***	***	***	***
Cost of goods sold.....	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***
Operating expenses.....	***	***	***	***	***
Operating profit or (loss)....	***	***	***	***	***
Other (income) or expense, net.....	***	***	***	***	***
Net profit or (loss) before income taxes.....	***	***	***	***	***
Depreciation and amortiza- tion expense included above.....	***	***	***	***	***
Cash flow.....	***	***	***	***	***
Share of sales (percent)					
Gross profit or (loss).....	***	***	***	***	***
Operating profit or (loss)....	***	***	***	***	***
Net profit or (loss) before income taxes.....	***	***	***	***	***
Cost of goods sold.....	***	***	***	***	***
Operating expenses.....	***	***	***	***	***

1/ Data for 1986 and 1987 are from the company's audited financial statements.

Source: Compiled from the financial statements of Triplex Inter Control (USA), Inc., and data submitted in response to a questionnaire of the U.S. International Trade Commission.

The balance sheets of Triplex as of the end of its last three complete fiscal years (ending January 31 of 1986-88) are presented in table 6. Total assets of Triplex increased by \*\*\* percent from \*\*\* as of January 31, 1986, to \*\*\* as of January 31, 1988. The increase in \*\*\* accounted for the most of the increase in total assets. The majority of the inventories consisted of \*\*\*.

Table 6

Balance sheet of Triplex, as of January 31, 1986, 1987, and 1988

(In thousands of dollars)						
Item	January 31--					
	1986 1/	1987 1/	1988			
<u>Assets</u>						
	*	*	*	*	*	*
<u>Liabilities and capital</u>						
	*	*	*	*	*	*

1/ Data for 1986 and 1987 are from the company's audited financial statements.

Source: Compiled from the financial statements submitted by Triplex Inter Control (USA), Inc.

Selected financial ratios of Triplex are shown in the following tabulation:

Item	January 31--		
	1986	1987	1988
Current ratio.....	***	***	***
Quick ratio.....	***	***	***
Working capital (1,000 dollars).....	***	***	***
Return on investment ratios:			
Net profit or (loss) to--			
Total stockholders' equity (percent).....	***	***	***
Total assets (percent).....	***	***	***
Invested capital 1/ (percent).....	***	***	***

1/ Invested capital is defined as working capital plus net property and equipment.

Current ratio, quick ratio, and working capital represent short-term debt paying abilities of the company. Triplex's current ratio (current assets to current liabilities) peaked at \*\*\* as of January 31, 1986, and declined to \*\*\* as of January 31, 1987, and \*\*\* as of January 31, 1988. The quick ratio (current assets less inventories to current liabilities) was less than \*\*\* in each reported period except 1986. \*\*\*.

Triplex's stockholders' equity dropped by \*\*\* percent from fiscal 1986 to fiscal 1988 because of \*\*\*.

\* \* \* \* \*

Operations on thermostatically controlled appliance plugs and probe thermostats.--Income-and-loss data on Triplex's thermostatically controlled appliance plug and probe thermostat operations are presented in table 7. These data reflect \*\*\* its sales of such products in the U.S. market only. Triplex did not include its export sales and related costs in the income-and-loss data.

Net sales of thermostatically controlled appliance plugs and probe thermostats increased by \*\*\* percent from \*\*\* in fiscal 1986 to \*\*\* in fiscal 1987 and then declined by \*\*\* percent to \*\*\* in fiscal 1988. Such sales dropped by \*\*\* percent in first quarter of 1988 compared with sales in the corresponding period of 1987.

\* \* \* \* \*

Triplex's export sales of subject products were as follows:

Item	Year ended Jan. 31--			January-March--	
	1986	1987	1988	1987	1988
Export sales (1,000 dollars)...	***	***	***	***	***

According to the petitioner, the company \*\*\* on its export sales. Hence, if such sales were included in the data, net sales and estimated gross profit or loss would have been as follows:

Item	Year ended Jan. 31--			January-March--	
	1986	1987	1988	1987	1988
Net sales (1,000 dollars).....	***	***	***	***	***
Gross profit (loss)					
(1,000 dollars).....	***	***	***	***	***
Gross profit (loss)					
margin (percent).....	***	***	***	***	***

The petitioner has indicated that \*\*\* parts of the probe thermostat were bought from a related company and were transferred either at \*\*\* or on a \*\*\*.

Table 7

Income-and-loss data of Triplex on its thermostatically controlled appliance plug and probe thermostat operations, fiscal years ended January 31, 1986-88 January-March 1987, and January-March 1988

Item	Year ended January 31--			January-March--	
	1986	1987	1988	1987	1988
Value (1,000 dollars)					
Sales.....	***	***	***	***	***
Cost of goods sold.....	***	***	***	***	***
Gross profit or (loss)....	***	***	***	***	***
General, selling, and administrative expenses...	***	***	***	***	***
Operating profit or (loss).....	***	***	***	***	***
Other (income) or expense, net.....	***	***	***	***	***
Net profit or (loss) before income taxes.....	***	***	***	***	***
Depreciation and amortization expense included above.....	***	***	***	***	***
Cash flow.....	***	***	***	***	***
Share of sales (percent)					
Gross profit or (loss)....	***	***	***	***	***
Operating profit or (loss).....	***	***	***	***	***
Net profit or (loss) before income taxes.....	***	***	***	***	***
Cost of goods sold.....	***	***	***	***	***
General, selling, and administrative expenses.....	***	***	***	***	***

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

The distribution of cost of goods sold into the major components of cost is shown in the following tabulation (in percent):

Item	Year ended January 31--		
	1986	1987	1988
Raw materials.....	***	***	***
Direct labor.....	***	***	***
Factory overhead.....	***	***	***
Total.....	100.0	100.0	100.0



Investment in property, plant, and equipment.--Triplex provided data relating to its investment in facilities employed in the production of thermostatically controlled appliance plugs and probe thermostats. These data are presented in the following tabulation (in thousands of dollars):

Item	As of January 31--			As of March 31--	
	1986	1987	1988	1987	1988
Original cost.....	***	***	***	***	***
Book value.....	***	***	***	***	***
Return on fixed assets <sup>1/</sup> .....	***	***	***	***	***

<sup>1/</sup> \*\*\*:

Capital expenditures and research and development expenses.--Triplex supplied data relative to its capital expenditures for leasehold improvements, machinery and equipment, and research and development expenses pertaining to the production of all products and separately for thermostatically controlled appliance plugs and probe thermostats. These data are shown in the following tabulation (in thousands of dollars):

Item	Year ended Jan. 31--			January-March--	
	1986	1987	1988	1987	1988
<u>Capital expenditures:</u>					
All products of establishment.....	***	***	***	***	***
Thermostatically controlled appliance plugs and probe thermostats.....	***	***	***	***	***
<u>Research and development expenses:</u>					
All products of establishment.....	***	***	***	***	***
Thermostatically controlled appliance plugs and probe thermostats.....	***	***	***	***	***

Capital and investment.--The Commission requested U.S. producers to describe the actual and potential negative effects of imports from subject countries of thermostatically controlled appliance plugs and probe thermostats on their firm's growth, investment, and ability to raise capital. Only Triplex provided a response to this request, which is presented below.

Actual negative effects.--

\* \* \* \* \*

Potential negative effects.

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

## Consideration of Alleged Threat of Material Injury

In the 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 imports and market penetration of such imports, probable suppression and/or depression of U.S. producers' prices, 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), the potential for product shifting by foreign producers, and U.S. importers' inventories. Import, price, and market penetration trends for thermostatically controlled appliance plugs are discussed in the sections immediately following. A discussion of importers' inventories and foreign capacity and exports, to the extent such information is available, is presented below.

There are virtually no inventories of imported thermostatically controlled appliance plugs in the United States, or at least no inventories that are available for sale. Foreign producers' shipments to the United States, whether direct or indirect, are made in response to specific orders from domestic appliance manufacturers. In effect, all imports are already sold or committed to specific end users.

With the exception of Australia, the countries under investigation are the only countries known to be exporting thermostatically controlled appliance plugs and/or probe thermostats to the United States. Eight plant locations are known, one each in Canada, Hong Kong, and Malaysia, two in Japan, and three in Taiwan. Toshiba, which has plant locations in Taiwan, Malaysia, and Japan, is reportedly the largest supplier of thermostatically controlled appliance plugs in the world.

The only firm outside the United States for which the Commission has received reliable data is Advance Thermo Control in Hong Kong (table 8). 1/ Advance Thermo Control spent most of 1986 setting up operations in Hong Kong. Its production capabilities, about \*\*\* units per year, came on line in 1987, and it is reportedly operating in \*\*\*. In January-March 1988 the United States accounted for \*\*\* percent of the firm's exports. Because the company was not fully operational until mid-1987, it is misleading to compare its January-March 1988 data with that for January-March 1987. The company's intention is to build a subsidiary in the People's Republic of China which would manufacture \*\*\*.

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1/ A formal request for information from all of the subject countries was sent through the U.S. Department of State, but no responses were received.

Table 8

Thermostatically controlled appliance plugs: Advance Thermo Control's capacity, production, and exports, 1985-87, January-March 1987, and January-March 1988

Item and firm	1985	1986	1987	January-March--	
				1987	1988
Capacity (units).....	***	***	***	***	***
Production (units).....	***	***	***	***	***
Capacity utilization (percent)..	***	***	***	***	***
Exports to:					
United States (units).....	***	***	***	***	***
All other (units).....	***	***	***	***	***
Total (units).....	***	***	***	***	***
Share of production that was exported (percent).....	***	***	***	***	***
Share of total exports to--					
United States (percent).....	***	***	***	***	***
All other (percent).....	***	***	***	***	***
Total (percent).....	***	***	***	***	***

1/ Not available.

Source: Compiled from data submitted to the Commission by counsel for Advance Thermo Control.

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

##### Imports

Imports of thermostatically controlled appliance plugs, shown in table 9, are compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and are believed to represent at least 90 percent of total imports of these articles from each country. According to the data shown, Canada, Hong Kong, Japan, Malaysia, and Taiwan account for all imports of the subject articles in recent periods. The apparent shift in quantity from one country to another throughout the period shown--from Canada and Japan to Taiwan and Hong Kong, and finally to Malaysia--reflects the buying patterns of appliance manufacturers as they shift from supplier to supplier. Progressively lower unit values are associated with the shifts. (Comparing average unit values of imports with those for Triplex (table 2) shows that those for imports were lower than Triplex's in 1985, 1987, and January-March 1988, and \*\*\*. In the aggregate, imports increased throughout the period, rising steadily by 34.3 percent from 1985 to 1987 and by 22.4 percent from January-March 1987 to January-March 1988.

Table 9

Thermostatically controlled appliance plugs: U.S. imports, by sources, 1985-87, January-March 1987, and January-March 1988

Source	1985	1986	1987	January-March--	
				1987	1988
Quantity (units)					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Taiwan.....	***	***	***	***	***
Hong Kong.....	***	***	***	***	***
Malaysia.....	***	***	***	***	***
All other.....	***	***	***	***	***
Total.....	994,040	1,176,351	1,334,593	321,456	393,309
Value (dollars) 1/					
Japan.....	***	***	***	***	***
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Taiwan.....	***	***	***	***	***
Hong Kong.....	***	***	***	***	***
Malaysia.....	***	***	***	***	***
All other.....	***	***	***	***	***
Total.....	2,718,591	3,168,277	3,400,646	861,111	950,781
Unit value (per unit)					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Taiwan.....	***	***	***	***	***
Hong Kong.....	***	***	***	***	***
Malaysia.....	***	***	***	***	***
All other.....	***	***	***	***	***
Average.....	\$2.73	\$2.69	\$2.55	\$2.68	\$2.42

1/ Duty-paid cost, delivered to importer.

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

Japan \*\*\* and Australia have been the only foreign sources for probe thermostats in recent periods. The major buyers for these articles during the period for which data have been collected were \*\*\*. At the time of this report, only \*\*\* imports were available to the Commission and are shown in the following tabulation:

	1985	1986	1987	Jan. -- March -- 1987	1988
From Japan:					
Quantity (units)..	***	***	***	***	***
Value.....	***	***	***	***	***
From Australia:					
Quantity (units)..	***	***	***	***	***
Value.....	***	***	***	***	***
	*	*	*	*	*

#### Apparent U.S. consumption and market penetration

As shown in table 10, overall U.S. consumption of thermostatically controlled appliance plugs is understated, particularly in the earlier periods, to the extent that the shipments and internal consumption of several producers \*\*\* are unknown. It is unclear whether the inclusion of these firms' operations would change the direction of the overall trend in consumption. In terms of quantity, overall consumption increased by 36.7 percent from 1985 to 1987 and by 16.4 percent from January-March 1987 to January-March 1988. (Because data on the value of U.S. producers' internal consumption is not available, total consumption in terms of value is not shown). U.S. open-market consumption, shown in table 11, increased by \*\*\* percent and by \*\*\* percent in these periods, respectively.

Because of the understated levels in total U.S. consumption and because the ratios of imports to consumption for several countries individually and all countries combined vary by only a few percentage points (table 10), trends in import penetration, at least with respect to overall consumption, cannot be precisely characterized. The margin for error is unknown and could be substantial. As a share of open-market consumption, for which the data are more complete, total imports increased from \*\*\* percent in 1986 to \*\*\* percent in 1987, and from \*\*\* percent in January-March 1987 to \*\*\* percent in January-March 1988. Because open-market consumption for 1985 excludes \*\*\*, it is likely that the actual ratios of imports to consumption for that year are significantly smaller than those shown. Ratios of imports to consumption by country vary considerably, as shown in table 11.

Table 10

Thermostatically controlled appliance plugs: Apparent U.S. consumption and ratio of imports to consumption, 1985-87, January-March 1987, and January-March 1988

Period	Apparent	Ratio (percent) of imports to consumption--					Total
	U.S. consumption 1/	For Japan	For Canada	For Taiwan	For Hong Kong	For Malaysia	
Calculated on the basis of quantity (1,000 units)							
1985.....	2/ ***	***	***	***	***	***	***
1986.....	3/ ***	***	***	***	***	***	***
1987.....	3/ ***	***	***	***	***	***	***
January-March--							
1987.....	3/ ***	***	***	***	***	***	***
1988.....	4/ ***	***	***	***	***	***	***

1/ Total imports plus U.S. producers' domestic shipments and intracompany consumption.

2/ Does not include \*\*\*.

3/ Does not include \*\*\*.

4/ Does not include \*\*\*.

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

Table 11

Thermostatically controlled appliance plugs: Apparent U.S. open-market consumption and ratio of imports to consumption, 1985-87, January-March 1987, and January-March 1988

(Quantity in thousands of units; value in thousands of dollars).							
Period	Apaparent U.S. open market consumption 1/	Ratio (percent) of imports to consumption					Total
		For Japan	For Canada	For Taiwan	For Hong Kong	For Malaysia	
Quantity							
1985.....	2/ ***	***	***	***	***	***	***
1986.....	***	***	***	***	***	***	***
1987.....	***	***	***	***	***	***	***
January-March--							
1987.....	***	***	***	***	***	***	***
1988.....	***	***	***	***	***	***	***
Value 3/							
1985.....	2/ ***	***	***	***	***	***	***
1986.....	***	***	***	***	***	***	***
1987.....	***	***	***	***	***	***	***
January-March--							
1987.....	***	***	***	***	***	***	***
1988.....	***	***	***	***	***	***	***

1/ Total imports plus U.S. producers' domestic shipments.

2/ Does not include \*\*\*.

3/ Value of imports is the duty paid cost, delivered to importer.

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

### Prices

The demand for thermostatically controlled appliance plugs is derived from the demand for electrical cooking appliances such as electric frying pans, woks, deep fat fryers, griddles, and multicookers. In turn, the demand for the internal probe thermostat depends upon the demand for thermostatically controlled appliance plugs. Thermostatically controlled appliance plugs are used primarily with cooking appliances for which the customer needs to detach the thermostat unit and wash the appliance in water. There are no close substitutes for thermostatically controlled appliance plugs.

Imported thermostatically controlled appliance plugs and internal probe thermostats are generally used for the same purposes as their domestic counterparts 1/ and are considered highly competitive with the domestic products. 2/ Price is the primary consideration in appliance manufacturers'

1/ The petitioner, Triplex Inter Control (USA), Inc., is the sole domestic producer of thermostatically controlled appliance plugs and internal probe thermostats for sale on the open market.

2/ Conference transcript, p. 93.

decisions to purchase thermostatically controlled appliance plugs and internal probe thermostats from a domestic producer or importer. Neither the domestic producer nor the importers indicated that there were any quality differences between domestic and imported thermostatically controlled appliance plugs or internal probe thermostats. Reject rates were not considered high for either the domestic or foreign producers. Lead times between a purchaser's order and date of shipment were similar for both the domestic and foreign producers, ranging between 1 and 3 months. 1/

Sales are usually on a contractual basis, although spot sales also occur. Contracts usually cover a period of 6 months to 1 year. Prices are usually set during the period of the contractual obligation. The petitioner has stated that it is essentially a job shop; that is, it receives an order for a specific quantity of thermostats which it fills in 1 to 3 months. The petitioner does not have any blanket purchase orders. 2/ "Net period with cash discounting" schemes are all net 30 days.

Sales opportunities occur in two ways. If the purchaser is a current customer, the producer receives advanced notice of an upcoming purchase. If the purchaser has not recently dealt with the producer, then the sales agent for the producer contacts the potential customer. Typically, deliveries are made weekly because the appliance manufacturers operate on a just-in-time basis in order to maintain a steady production flow and keep inventory costs low. 3/

Although all thermostatically controlled appliance plugs are similar in design and function, those for individual customers are usually designed to meet specific performance criteria. Typically, purchasers require either the thermostatically controlled appliance plug or the internal probe thermostat to be produced with exact specifications for the "first on angle," which determines the number of degrees of rotation from the off position to the position where the thermostat becomes energized. Purchasers also specify the maximum temperature setting for the internal probe thermostat. If requested, producers will provide a decal for the appliance plug for a few extra cents charged per unit.

Appliance manufacturers use a combination of two methods to fill their needs for thermostatically controlled appliance plugs. One approach is to purchase complete plugs from domestic and foreign producers. The second method is to purchase the internal probe thermostats from either domestic or foreign sources and then produce the thermostatically controlled appliance plugs in their own facilities.

Triplex and importers of thermostatically controlled appliance plugs and internal probe thermostats were asked to provide selling price data for thermostatically controlled appliance plugs with and without decals, and for internal probe thermostats, by quarters, from January-March 1985 through January-March 1988. Prices from foreign producers were landed, duty paid, while prices from the petitioner were on an f.o.b. point-of-shipment basis. The petitioner was also requested to provide prices to individual customers, who also import.

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1/ Petitioner states that the lead time is from 10 to 12 weeks after the receipt of materials. See Conference transcript, pp. 25-26.

2/ Conference transcript, p. 24.

3/ Ibid., p. 25.



The Commission received five usable importers' questionnaires in addition to the petitioner's questionnaire. The petitioner provided complete data for thermostatically controlled appliance plugs without decals. The petitioner also provided data through January-March 1987 for thermostatically controlled appliance plugs with decals, and for internal probe thermostats, \*\*\*. Importers of the Canadian and Japanese products provided at least partial data for each category. Importers of the Taiwan product provided data for only the thermostatically controlled appliance plug with a decal. Importers of the product from Hong Kong and Malaysia provided only one observation.

Price trends. -- Triplex's prices of thermostatically controlled appliance plugs without decals generally fell during the period of investigation while the prices of the equivalent Japanese and Canadian product generally increased, as shown in table 12. Overall, Triplex's price decreased \*\*\* percent from \*\*\* per unit in January-March 1985 to \*\*\* per unit in January-March 1988. Prices of the Canadian product increased \*\*\* percent from \*\*\* in April-June 1986 to \*\*\* in January-March 1988. Prices of the Japanese product increased \*\*\* percent from \*\*\* in January-March 1985 to \*\*\* in January-March 1988. There were no reported prices on sales of imported thermostatically controlled appliance plugs without decals from Hong Kong, Taiwan, and Malaysia.

Triplex provided price data through the first quarter of 1987 for thermostatically controlled appliance plugs with decals (table 13). 1/ Triplex's prices varied greatly during the period because of the variability in quantities sold. Large quantities are associated with much lower prices than are small quantities, therefore meaningful trends could not be determined. In some cases, small quantities refer to samples or special orders. Prices ranged between a low of \*\*\* in \*\*\* and a high of \*\*\* in \*\*\*. 2/ Prices of the Canadian product ranged from a low of \*\*\* per unit in \*\*\* to a high of \*\*\* per unit in \*\*\*. Prices of the Japanese product were either at \*\*\* or \*\*\* for the period April-June 1985 through October-December 1986, except during the first two quarters of 1986, when they were somewhat higher. During January-March 1985 the Taiwan price was \*\*\*. There were no reported prices from Taiwan until January-March 1987 at which time the product prices ranged from \*\*\* per unit in January-March 1987 to \*\*\* per unit in January-March 1988. Prices of imports from Hong Kong and Malaysia were \*\*\* and \*\*\* per unit for January-March 1988, the period in which price data were provided.

Except for the Japanese product, price data for internal probe thermostats were sparse (table 14). Triplex prices were \*\*\* per unit for January-September 1985, and \*\*\* per unit during October-December 1986. 3/

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1/ The first price provided by Triplex, \*\*\* per unit in \*\*\*, represents a small quantity sent as a test sample.

2/ The \*\*\* price was for a small sample quantity for \*\*\*.

3/ The large disparity in Triplex's prices is because the internal probe thermostats which sold for \*\*\* were a custom order with special specifications, while the internal probe thermostats which sold for \*\*\* were with standard specifications. The custom ordered internal probe thermostats were sold to a different customer than were the standard ordered product.

Table 12

Thermostatically controlled appliance plugs without decal: U.S. producers' prices, imported weighted-average prices, and margins of underselling/overselling, by quarters, January 1985- March 1988

Period	Triplex's prices	Canada's prices	Margin of under- selling	Japan's prices	Margin of under/(over)- selling
	--Dollars per unit--		Percent	Dollars per unit	Percent
1985:					
Jan.-March.....	***	***	***	***	***
April-June.....	***	***	***	***	***
July-Sept.....	***	***	***	***	***
Oct.-Dec.....	***	***	***	***	***
1986:					
Jan.-March.....	***	***	***	***	***
April-June.....	***	***	***	***	***
July-Sept.....	***	***	***	***	***
Oct.-Dec.....	***	***	***	***	***
1987:					
Jan.-March.....	***	***	***	***	***
April-June.....	***	***	***	***	***
July-Sept.....	***	***	***	***	***
Oct.-Dec.....	***	***	***	***	***
1988:					
Jan.-March.....	***	***	***	***	***

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

Note.--Percentage margins were calculated from unrounded figures; thus margins cannot always be calculated directly from the rounded prices in the table.

The price of the Canadian product was \*\*\* per unit from October-December 1987 through January-March 1988. Prices of the Japanese product increased from \*\*\* per unit in January-December 1985 to \*\*\* per unit during 1986 and the first half of 1987.

Price comparisons.--The reported sales information for petitioner's and importers' quarterly shipments to unrelated customers during January 1985 to March 1988 resulted in 31 direct quarterly price comparisons within three categories between the domestically produced thermostatically controlled appliance plugs and internal probe thermostats and imports of such products from Canada, Japan, Taiwan, Hong Kong, and Malaysia. Ten involved imports from Canada, 20 from Japan, and 1 from Taiwan.

Six of the 10 price comparisons with imports from Canada were with thermostatically controlled appliance plugs without decals. The Canadian product was less expensive than Triplex's in 5 of the 6 comparisons. Margins of underselling ranged from \*\*\* percent to \*\*\* percent. Four of the 10 price comparisons with the Canadian product were with thermostatically controlled appliance plugs with decals. The Canadian product was less expensive than Triplex's in three of the four comparisons. Margins of underselling ranged from \*\*\* percent to \*\*\* percent.

Table 13

Thermostatically controlled appliance plugs with decal: U.S. producers' prices, imported weighted-average prices, and margins of underselling/overselling, by quarters, January 1985-March 1988

Period	Triplex's prices	Canada's prices	Margin of under/ (over)- selling		Margin of under/ (over)- selling		Margin of under/ (over)- selling	
			Dollars per unit	Percent	Dollars per unit	Percent	Dollars per unit	Percent
1985:								
Jan.-March...	***	***	***	***	***	***	***	***
April-June...	***	***	***	***	***	***	***	***
July-Sept....	***	***	***	***	***	***	***	***
Oct.-Dec.....	***	***	***	***	***	***	***	***
1986:								
Jan.-March...	***	***	***	***	***	***	***	***
April-June...	***	***	***	***	***	***	***	***
July-Sept....	***	***	***	***	***	***	***	***
Oct.-Dec.....	***	***	***	***	***	***	***	***
1987:								
Jan.-March...	***	***	***	***	***	***	***	***
April-June...	***	***	***	***	***	***	***	***
July-Sept....	***	***	***	***	***	***	***	***
Oct.-Dec.....	***	***	***	***	***	***	***	***
1988:								
Jan.-March...	***	***	***	***	***	***	***	***

1/ The first price provided by Triplex, \*\*\* per unit in \*\*\*, represents a small quantity sent as a test sample.

2/ The price provided by Triplex, \*\*\*, was for a small sample quantity developed for an \*\*\*.

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

Note.-Percentage margins were calculated from unrounded figures; thus margins cannot always be calculated directly from the rounded prices in the table.

Table 14

Internal probe thermostats: U.S. producers' prices, imported weighted- average prices, and margins of underselling/overselling, by quarters, January 1985- March 1988

Period	Triplex's prices	Canada's prices	Japan's prices	Margin of under/over selling
	-----Dollars per unit-----			Percent
1985:				
Jan.-March.....	***	***	***	***
April-June.....	***	***	***	***
July-Sept.....	***	***	***	***
Oct.-Dec.....	***	***	***	***
1986:				
Jan.-March.....	***	***	***	***
April-June.....	***	***	***	***
July-Sept.....	***	***	***	***
Oct.-Dec.....	***	***	***	***
1987:				
Jan.-March.....	***	***	***	***
April-June.....	***	***	***	***
July-Sept.....	***	***	***	***
Oct.-Dec.....	***	***	***	***
1988:				
Jan.-March.....	***	***	***	***

1/ The large disparity in Triplex's prices is because the internal probe thermostats which sold for \*\*\* were a custom order with special specifications, while the internal probe thermostats which sold for \*\*\* were with standard specifications. The custom ordered internal probe thermostats were sold to a different customer than were the standard ordered product.

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

Note.-Percentage margins were calculated from unrounded figures; thus margins cannot always be calculated directly from the rounded prices in the table.

Twelve of the 20 price comparisons with imports from Japan were with thermostatically controlled appliance plugs without decals. The Japanese product was less expensive than Triplex's in 4 of the 12 comparisons, and those 4 observations occurred during 1985. Margins of underselling ranged from \*\*\* percent to \*\*\* percent. Four of the 20 price comparisons with the Japanese product were with thermostatically controlled appliance plugs with decals. The Japanese product was less expensive than Triplex's in three of the four comparisons. Margins of underselling ranged from \*\*\* percent to \*\*\* percent. Four of the 20 price comparisons with the Japanese product were with internal probe thermostats. The Japanese product was less expensive than Triplex's in one of the four comparisons. The margin of underselling was \*\*\* percent. 1/

1/ The large margin is because Triplex's internal probe thermostats which sold for \*\*\* were a custom order with special specifications, while the Japanese internal probe thermostats which sold for \*\*\* were with standard specifications.

The one price comparison with imports from Taiwan was with thermostatically controlled appliance plugs with decals. The Taiwan product was less expensive than the Triplex product by \*\*\* percent.

The Commission staff was able to make price comparisons for a specific purchaser, \*\*\*, between thermostatically controlled appliance plugs without decals from Triplex and from Canada (table 15). In three of the six instances in which price comparisons occur, the Canadian product was less expensive than the Triplex product by \*\*\* percent.

Table 15

Thermostatically controlled appliance plugs without decal: \*\*\* purchases from Triplex compared with \*\*\* purchases of imports from Canada, by quarters, January 1985 to March 1988

Period	Price of *** purchases from Triplex	Price of *** purchases from Canada	Absolute margin	Percent margin
	-----Dollars per unit-----			
1985:				
Jan.-March....	***	***	***	***
April-June....	***	***	***	***
July-Sept.....	***	***	***	***
Oct.-Dec.....	***	***	***	***
1986:				
Jan.-March....	***	***	***	***
April-June....	***	***	***	***
July-Sept.....	***	***	***	***
Oct.-Dec.....	***	***	***	***
1987:				
Jan.-March....	***	***	***	***
April-June....	***	***	***	***
July-Sept.....	***	***	***	***
Oct.-Dec.....	***	***	***	***
1988:				
Jan.-March....	***	***	***	***

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

Note.-Percentage margins were calculated from unrounded figures; thus margins cannot always be calculated directly from the rounded prices in the table.

#### Lost sales

The only U.S. producer which sells in the open market, Triplex, was asked to furnish the Commission with information relating to any sales that have been lost to imports of thermostatically controlled appliance plugs or internal probe thermostats from Canada, Hong Kong, Japan, Malaysia, or Taiwan since January 1985. Triplex provided five quantifiable lost sales allegations totaling 1 million units valued at \$2.3 million. All the allegations related to 1988. One allegation involving Canada totaled \*\*\* units valued at \*\*\*. Two allegations involving Hong Kong totaled \*\*\* units valued at \*\*\*. One allegation involving Japan totaled \*\*\* units valued at \*\*\*. An allegation

involving Malaysia totaled \*\*\* units valued at \*\*\*. All of the firms listed in the allegations were contacted by the Commission's staff. One of the firms, \*\*\*, was unwilling to discuss the allegation.

Triplex alleged two lost sales of \*\*\* units each to \*\*\* because of competition from imports from Canada and Hong Kong. \*\*\* of \*\*\* stated that in early 1988 the company purchased the specified quantities from Canada and Hong Kong valued at \*\*\* and \*\*\*, respectively. \*\*\* stated that Triplex was not asked to provide a quote. \*\*\* also stated that \*\*\* has also purchased probes from \*\*\*. \*\*\* used to purchase probes from American Thermostat Corp. before it went out of business. \*\*\* stated that he had not heard of Triplex until he was approached by Jim Chaisson of Triplex in 1985. \*\*\* placed an order for \*\*\* probes a month, but Triplex \*\*\*. In 1986, \*\*\* was again approached by Mr. Chaisson who said that Triplex \*\*\*. However, Triplex's price, according to \*\*\*, was too high.

Triplex alleged one lost sale of \*\*\* units valued at \*\*\* in 1988 to \*\*\* because of competition from imports from Japan. \*\*\* of \*\*\* stated that the company did purchase the specified quantity from Japan. In this instance, Triplex did not provide a quote. \*\*\* used to purchase probes from \*\*\*, a former domestic producer. \*\*\* said that price is the primary criterion for choosing a probe supplier. Several months before a purchase order is placed, \*\*\* solicits bids from many thermostatically controlled appliance plug producers. The purchase order usually covers a \*\*\* period.

Triplex alleged one lost sale of \*\*\* units valued at \*\*\* in 1988 to \*\*\* because of competition from imports from Malaysia. \*\*\* of \*\*\* stated that the company purchased the specified quantity from \*\*\*, not Malaysia. \*\*\*. \*\*\* stated that although Triplex provided a quote, \*\*\* has not dealt with Triplex since 1985 because Triplex's prices are too high. \*\*\* also stated that Triplex has never aggressively pursued \*\*\* business, having called \*\*\* only \*\*\* times since 1985.

Triplex alleged one lost sale of \*\*\* units valued at \*\*\* in 1988 to \*\*\* because of competition from imports from Hong Kong. \*\*\* of \*\*\* stated that \*\*\* does buy thermostatically controlled appliance plugs from Hong Kong. \*\*\* then stated that the position of his company was to not respond to anymore questions.

#### Exchange rates

Quarterly data reported by the International Monetary Fund indicate that during the period January 1985 through March 1988 the nominal value of the Japanese yen appreciated sharply by 101.3 percent against the U.S. dollar, while the currencies of Canada and Taiwan registered overall appreciations equivalent to 6.8 percent and 37.5 percent, respectively, in that period (table 16). 1/ Adjusted for relative movements in Producer Price Indices, the real value of those currencies achieved overall appreciations equivalent to 68.4 percent, 12.7 percent, and 22.0 percent, respectively, as of the first quarter of 1988 relative to January-March 1985 levels.

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1/ International Financial Statistics, May 1988, except as stated.

Table 16

Nominal-exchange-rate equivalents of selected currencies in U.S. dollars, real exchange-rate equivalents, and producer price indicators, by specified countries <sup>1/</sup> indexed by quarters, January 1985-March 1988

Period	(January-March 1985=100)											
	U.S.	Canada	Japan			Taiwan			Hong Kong			Malaysia
	Pro-	Pro-	Nominal-	Real-	Pro-	Nominal-	Real-	Pro-	Nominal-	Real-	Nominal-	Nominal-
	ducer	ducer	exchange-	exchange-	ducer	exchange-	exchange-	ducer	exchange-	exchange-	exchange-	exchange-
	Price	Price	rate	rate	Price	rate	rate	Price	rate	rate	rate	rate
	Index	Index	index	index 2/	Index	index	index 2/	Index	index	index 2/	index	index
			US dollars/can\$			US dollars/yen			US dollars/NT\$		US\$/HK\$	US\$/ringgit
1985:												
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June...	100.1	100.5	98.8	99.3	98.8	102.8	101.5	99.2	98.8	98.0	100.3	102.3
July-Sept...	99.4	100.5	99.5	100.7	97.5	108.0	106.0	98.6	97.5	96.7	100.2	102.6
Oct.-Dec...	100.0	101.3	98.1	99.4	94.7	124.4	117.8	98.0	98.3	96.4	100.0	104.0
1986:												
Jan.-Mar...	98.5	102.3	96.4	100.2	92.8	137.2	129.2	97.1	100.2	98.8	99.9	102.2
Apr.-June...	96.6	100.8	97.8	102.0	89.4	151.5	140.1	95.5	102.4	101.3	99.9	97.3
July-Sept...	96.2	101.0	97.7	102.6	87.0	165.4	149.7	94.9	105.1	103.6	99.9	96.7
Oct.-Dec...	96.5	101.6	97.7	102.9	86.1	160.8	143.5	94.4	108.3	105.9	100.1	97.2
1987:												
Jan.-Mar...	97.7	102.1	101.2	105.8	85.6	168.2	147.4	93.5	112.5	107.7	100.2	99.6
Apr.-Jun...	99.2	103.4	101.5	105.8	84.9	180.6	154.5	91.9	121.3	112.4	99.9	101.9
July-Sept...	100.3	104.9	102.4	107.0	86.0	175.4	150.2	90.8	129.0	116.7	99.9	100.2
Oct.-Dec...	100.8	105.8	103.2	108.4	89.2	189.7	167.9	89.6	133.0	118.3	100.1	101.2
1988:												
Jan.-Mar...	101.2	3/106.8	106.8	3/112.7	4/85.0	201.3	4/168.4	5/89.8	6/137.5	6/122.0	100.1	99.0

1/ Producer price indicators—intended to measure final product prices—are based on average quarterly indices presented in line 63 of the International Financial Statistics.

2/ The indexed real exchange rate represents the nominal exchange rate adjusted for relative movements in Producer Price Indices in the United States and the respective foreign countries. Producer prices in the United States increased 1.2 percent between January 1985 and March 1988 compared with decreases of 15.0 percent in Japan, 10.2 percent in Taiwan, and a 6.8-percent increase in Canada during the same period.

3/ Data are derived from Canadian Producer Price Indices reported for January only.

4/ Data are derived from Japanese Producer Price Indices reported for January-February only.

5/ Data are derived from Taiwan exchange rate and Producer Price Indices reported for January-February only.

Source: Central Bank of China, Financial Statistics, March 1988, and International Monetary Fund, International Financial Statistics, May 1988.

The nominal value of the Hong Kong dollar fluctuated slightly during the period of investigation, ending at 0.1 percent higher than the initial period. The nominal value of the Malaysian ringgit also fluctuated slightly, ending at 1.0 percent lower than the initial period. Because Producer Price Indices are not available for Hong Kong and Malaysia, the real value of those currencies cannot be calculated.



APPENDIX A

COMMERCE'S AND COMMISSION'S FEDERAL REGISTER NOTICES

**International Trade Administration****[A-122-802]****Initiation of Antidumping Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Canada****AGENCY:** Import Administration, International Trade Administration, Department of 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Canada are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 30, 1988. If that determination is affirmative, we will make a preliminary determination on or before September 22, 1988.

**EFFECTIVE DATE:** May 11, 1988.

**FOR FURTHER INFORMATION CONTACT:** Charles E. Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW.,

Washington, DC 20230; telephone (202) 377-5288.

**SUPPLEMENTARY INFORMATION:****The Petition**

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA) Inc. on behalf of U.S. producers of thermostatically controlled appliance plugs and internal probe thermostats therefor. In compliance with the filing requirements of 19 CFR 353.36, petitioner alleges that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Canada 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 materially injure, or threaten material injury to, a U.S. industry.

**United States Price and Foreign Market Value**

United States price was based on sales and offers for sales by a Canadian producer, c & f, delivered, duty paid. Petitioner deducted Canadian inland freight, U.S. duty, brokerage and handling charges, and U.S. inland freight.

Petitioner based foreign market value on the estimated constructed value of thermostatically controlled appliance plugs from Canada, which was based on the U.S. industry's cost experience, adjusted to reflect Canadian labor costs. To the sum of materials and fabrication costs, the petitioner added the statutory minimums of ten and eight percent, respectively, for general expenses and profit.

Based upon a comparison of United States price and foreign market value, dumping margins of 48.63 percent have been alleged.

**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 which supports the allegations.

We examined the petition on thermostatically controlled appliance plugs and internal probe thermostats therefor from Canada and 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 imports of thermostatically controlled

appliance plugs and internal probe thermostats therefor from Canada are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by September 22, 1988.

#### Scope of Investigation

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the *TSUSA*, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting the petitioner to include the appropriate HS item number(s) as well as the *TSUSA* item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230. Additionally, all Customs officers have reference copies and the petitioner may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of these investigations, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity and thus the temperature therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set.

The term internal probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other

components used for thermostatic control. The products are currently provided for under *TSUSA* item numbers 711.7820 and 711.7840 and currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9032.90.60 and 9033.00.00.

#### 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 allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information either publicly or under administrative protective order without written consent of the Acting Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by May 30, 1988 whether there is a reasonable indication that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Canada materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

May 5, 1988.

[FR Doc. 88-10526 Filed 5-10-88; 8:45 am]

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[A-582-801]

#### Initiation of Antidumping Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Hong Kong

**AGENCY:** Import Administration, International Trade Administration, Department of 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Hong Kong are being, or are likely to be, sold in the

United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 30, 1988. If that determination is affirmative, we will make a preliminary determination on or before September 22, 1988.

**EFFECTIVE DATE:** May 11, 1988.

**FOR FURTHER INFORMATION CONTACT:** Charles E. Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-5288.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA) Inc. on behalf of U.S. producers of thermostatically controlled appliance plugs and internal probe thermostats therefor. In compliance with the filing requirements of 19 CFR 353.36, petitioner alleges that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Hong Kong 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 materially injure, or threaten material injury to, a U.S. industry.

##### United States Price and Foreign Market Value

United States price was based on sales and offers for sales by a Hong Kong producer, c & f, delivered, duty paid. Petitioner deducted Hong Kong inland freight, ocean freight, U.S. duty, brokerage and handling charges, and U.S. inland freight.

Petitioner based foreign market value on the estimated constructed value of thermostatically controlled appliance plugs from Hong Kong, which was based on the U.S. industry's cost experience, adjusted to reflect Hong Kong's labor costs. To the sum of materials and fabrication costs, the petitioner added the statutory minimums of ten and eight percent, respectively, for general expenses and profit.

Based upon a comparison of United States price and foreign market value,

dumping margins of 23.07 percent have been alleged.

#### 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 which supports the allegations.

We examined the petition on thermostatically controlled appliance plugs and internal probe thermostats therefor from Hong Kong and 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Hong Kong are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by September 22, 1988.

#### Scope of Investigation

The United States has developed a system for tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the *TSUSA*, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting the petitioner to include the appropriate HS item number(s) as well as the *TSUSA* item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230. Additionally, all Customs officers have reference copies and the petitioner may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of these investigations, the term thermostatically controlled appliance

plug refers to any device designed to connect an electrical outlet (typically a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity and thus the temperature therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set.

The term internal probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control. The products are currently provided for under *TSUSA* item numbers 711.7820 and 711.7840 and currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9032.90.60 and 9033.00.00.

#### 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 allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information either publicly or under administrative protective order without written consent of the Acting Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by May 30, 1988 whether there is a reasonable indication that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Hong Kong materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Dated: May 5, 1988.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 88-10527 Filed 5-10-88; 8:45 am]

BILLING CODE 3510-DS-M

[A-588-805].

#### Initiation of Antidumping Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Japan

**AGENCY:** Import Administration, International Trade Administration, Department of 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Japan are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 30, 1988. If that determination is affirmative, we will make a preliminary determination on or before September 22, 1988.

**EFFECTIVE DATE:** May 11, 1988.

**FOR FURTHER INFORMATION CONTACT:** Charles E. Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-5288.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA) Inc. on behalf of U.S. producers of thermostatically controlled appliance plugs and internal probe thermostats therefor. In compliance with the filing requirements of 19 CFR 353.36, petitioner alleges that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor 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 materially injure, or threaten material injury to, a U.S. industry.

### United States Price and Foreign Market Value

United States price was based on sales and offers for sales by a Japanese producer, c & f, delivered, duty paid. Petitioner deducted Japanese inland freight, ocean freight, U.S. duty, brokerage and handling charges, and U.S. inland freight.

Petitioner based foreign market value on the estimated constructed value of thermostatically controlled appliance plugs from Japan, which was based on the U.S. industry's cost experience, adjusted to reflect Japanese labor costs. To the sum of materials and fabrication costs, the petitioner added the statutory minimums of ten and eight percent, respectively, for general expenses and profit.

Based upon a comparison of United States price and foreign market value, dumping margins of 74.70 percent have been alleged.

### 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 which supports the allegations.

We examined the petition on thermostatically controlled appliance plugs and internal probe thermostats therefor from Japan and 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Japan are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by September 22, 1988.

### Scope of Investigation

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the *TSUSA*, the HS item numbers are provided for

convenience and Customs purposes. The written description remains dispositive.

We are requesting the petitioner to include the appropriate HS item number(s) as well as the *TSUSA* item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Record Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230. Additionally, all Customs officers have reference copies and the petitioner may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of these investigations, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity and thus the temperature therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings) and (2) a cord set.

The term internal probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control. The products are currently provided for under *TSUSA* item numbers 711.7820 and 711.7840 and currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9036.90.60 and 9033.00.00.

### 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 allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information either publicly or under administrative protective order without written consent of the Acting Assistant Secretary for Import Administration.

### Preliminary Determination by ITC

The ITC will determine by May 30, 1988 whether there is a reasonable indication that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Japan materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

May 5, 1988.

Joseph A. Spetrini,  
Acting Assistant Secretary for Import  
Administration.

[FR Doc. 88-10528 Filed 5-10-88; 8:45 am]  
BILLING CODE 3510-05-M

[A-557-801]

### Initiation of Antidumping Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Malaysia

**AGENCY:** Import Administration,  
International Trade Administration,  
Department of 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Malaysia are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 30, 1988. If that determination is affirmative, we will make a preliminary determination on or before September 22, 1988.

**EFFECTIVE DATE:** May 11, 1988.

**FOR FURTHER INFORMATION CONTACT:**  
Charles E. Wilson, Office of  
Investigations, Import Administration,  
International Trade Administration, U.S.  
Department of Commerce, 14th Street  
and Constitution Avenue, NW.,  
Washington, DC 20230; telephone (202)  
377-5288.

**SUPPLEMENTARY INFORMATION:****The Petition**

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA) Inc. on behalf of U.S. producers of thermostatically controlled appliance plugs and internal probe thermostats therefor. In compliance with the filing requirements of 19 CFR 353.36, petitioner alleges that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Malaysia 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 materially injure, or threaten material injury to, a U.S. industry.

**United States Price and Foreign Market Value**

United States price was based on sales and offers for sales by a Malaysian producer, c & f, delivered. Petitioner deducted Malaysian inland freight, ocean freight, brokerage and handling charges, and U.S. inland freight.

Petitioner based foreign market value on the estimated constructed value of thermostatically controlled appliance plugs from Malaysia, which was based on the U.S. industry's cost experience, adjusted to reflect Malaysian labor costs. To the sum of materials and fabrication costs, the petitioner added the statutory minimums of ten and eight percent, respectively, for general expenses and profit.

Based upon a comparison of United States price and foreign market value, dumping margins of 27.22 percent have been alleged.

**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 which supports the allegation.

We examined the petition on thermostatically controlled appliance plugs and internal probe thermostats therefor from Malaysia and 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Malaysia are being, or are likely to be, sold in the United States at less than fair value. If our investigation

proceeds normally, we will make our preliminary determination by September 22, 1988.

**Scope of Investigation**

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the *TSUSA*, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting the petitioner to include the appropriate HS item number(s) as well as the *TSUSA* item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230. Additionally, all Customs officers have reference copies and the petitioner may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of these investigations, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity and thus the temperature therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set.

The term internal probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small hearing apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control. The products are currently provided for under *TSUSA* item numbers 711.7820 and 711.7840 and

currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9032.90.60 and 9033.00.00.

**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 allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information either publicly or under administrative protective order without written consent of the Acting Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by May 30, 1988 whether there is a reasonable indication that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Malaysia materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedure

This notice is published pursuant to section 732(c)(2) of the Act.

Joseph A. Spetrini,  
Acting Assistant Secretary for Import  
Administration.

May 5, 1988.

[FR Doc. 88-10529 Filed 5-10-88; 8:45 am]

BILLING CODE 3510-DS-M

[A-583-801]

**Initiation of Antidumping Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Taiwan**

**AGENCY:** Import Administration,  
International Trade Administration,  
Department of 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Taiwan are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action

that it may determine whether imports of this product materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 30, 1988. If that determination is affirmative, we will make a preliminary determination on or before September 22, 1988.

**EFFECTIVE DATE:** May 11, 1988.

**FOR FURTHER INFORMATION CONTACT:**

Charles E. Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-5288.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA) Inc. on behalf of U.S. producers of thermostatically controlled appliance plugs and internal probe thermostats therefor. In

compliance with the filing requirements of 19 CFR 353.36, petitioner alleges that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Taiwan 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 materially injure, or threaten material injury to, a U.S. industry.

**United States Price and Foreign Market Value**

United States price was based on sales and offers for sales by a Taiwanese producer, c & f, delivered. Petitioner deducted Taiwanese inland freight, ocean freight, brokerage and handling charges, and U.S. inland freight.

Petitioner based foreign market value on the estimated constructed value of thermostatically controlled appliance plugs from Taiwan, which was based on the U.S. industry's cost experience, adjusted to reflect Taiwanese labor costs. To the sum of materials and fabrication costs, the petitioner added the statutory minimums of ten and eight percent, respectively, for general expenses and profit.

Based upon a comparison of United States price and foreign market value, dumping margins of 30.00 percent have been alleged.

**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 which supports the allegations.

We examined the petition on thermostatically controlled appliance plugs and internal probe and internal probe thermostats therefor from Taiwan and 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 imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Taiwan are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by September 22, 1988.

**Scope of Investigation**

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the *TSUSA*, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting the petitioner to include the appropriate HS item number(s) as well as the *TSUSA* item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230. Additionally, all Customs officers have reference copies and the petitioner may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of these investigations, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically a

common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity and thus the temperature therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set.

The term internal probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control. The products are currently provided for under *TSUSA* item numbers 711.7820 and 711.7840 and currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9032.90.60 and 9033.00.00.

**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 allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information either publicly or under administrative protective order without written consent of the Acting Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by May 30, 1988 whether there is a reasonable indication that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Taiwan materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Dated: May 5, 1988.

Joseph A. Spetrini,  
Acting Assistant Secretary for Import Administration.  
[FR Doc. 88-10530 Filed 5-10-88; 8:45 am]  
BILLING CODE 3510-05-M



[C-122-803]

**Initiation of Countervailing Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Canada**

**AGENCY:** Import Administration, International Trade 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 a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Canada of thermostatically controlled appliance plugs and internal probe thermostats therefor, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) so that it may determine whether imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 30, 1988. If this determination is affirmative, we will make the preliminary determination on or before July 9, 1988.

**EFFECTIVE DATE:** May 11, 1988.

**FOR FURTHER INFORMATION CONTACT:** Vincent Kane, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5414.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA), Inc., on behalf of the U.S. industry producing thermostatically controlled appliance plugs and internal probe thermostats therefor. In compliance with the filing requirements of section 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Canada of thermostatically controlled appliance plugs and internal probe thermostats therefor receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended ("the Act"), and that these imports materially injure, or threaten material injury to, a U.S. industry.

Since Canada is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation, and the ITC is required to determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on thermostatically controlled appliance plugs and internal probe thermostats therefor from Canada, and have found that it meets these requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Canada of thermostatically controlled appliance plugs and internal probe thermostats therefor, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before July 9, 1988.

**Scope of Investigation**

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the TSUSA, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting petitioners to include the appropriate HS item number(s) as well as the TSUSA item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Additionally, all Customs offices have reference copies, and petitioners may contact the Import Specialist at their

local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of this investigation, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity, and thus the temperature, therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set.

The term internal probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control. The products are currently provided for under TSUSA item numbers 711.7820 and 711.7840 and are currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9032.90.60 and 9033.00.00.

**Allegation of Subsidies**

The petition lists certain practices by the Government of Canada which allegedly confer subsidies on manufacturers, producers, or exporters in Canada of thermostatically controlled appliance plugs and internal probe thermostats therefor. We are initiating on the following alleged programs:

- Program for Export Market Development (PEMD).
- Regional Development Incentive Program (RDIP).

Although not specifically alleged by the petitioner, we are also investigating whether the Canadian industry producing thermostatically controlled appliance plugs and internal probe thermostats therefor receive countervailable benefits under the following programs, which we have found to be either countervailable or used in previous Canadian investigations:

- Promotional Projects Program (PPP).
- Community-Based Industrial Adjustment Program (CIAP).
- Industrial and Regional Development Program (IRDP).



- General Development Agreement (GDA).
- Investment Tax Credits (ITC).
- Export Credit Financing.
- Economic and Regional Development Agreements (ERDA).
- Agricultural and Rural Development Agreements (ARDA).
- Ontario Development Corporation (ODC).

#### Notification of ITC

Section 702(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 allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information, either publicly or under administrative protective order, without written consent of the Acting Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by May 30, 1988, whether there is a reasonable indication that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Canada materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, this investigation will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c) (2) of the Act.

May 5, 1988.

Joseph A. Spetrini,  
Acting Assistant Secretary for Import Administration.

[FR Doc. 88-10531 Filed 5-10-88; 8:45 am]  
BILLING CODE 3510-DS-M

[C-557-802]

#### Initiation of Countervailing Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Malaysia

**AGENCY:** Import Administration, International Trade 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 a countervailing duty investigation to determine whether

manufacturers, producers, or exporters in Malaysia of thermostatically controlled appliance plugs and internal probe thermostats therefor, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If this investigation proceeds normally, we will make our preliminary determination on or before July 9, 1988.

**EFFECTIVE DATE:** May 11, 1988.

#### FOR FURTHER INFORMATION CONTACT:

Vincent Kane, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5414.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA), Inc., on behalf of the U.S. industry producing thermostatically controlled appliance plugs and internal probe thermostats therefor. In compliance with the filing requirements of section 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Malaysia of thermostatically controlled appliance plugs and internal probe thermostats therefor receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended ("the Act").

Malaysia is not a "country under the Agreement" within the meaning of section 701(b) of the Act, and the merchandise being investigated is dutiable. Therefore, sections 303(a)(1) and (b) of the Act apply to this investigation. Accordingly, petitioner is not required to allege that, and the U.S. International Trade Commission is not required to determine whether, imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry.

##### Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on thermostatically controlled appliance plugs and internal probe thermostats therefor from Malaysia and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are

initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Malaysia of thermostatically controlled appliance plugs and internal probe thermostats therefor, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before July 9, 1988.

##### Scope of Investigation

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the *TSUSA*, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting petitioners to include the appropriate HS item number(s) as well as the *TSUSA* item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Additionally, all Customs offices have reference copies, and petitioners may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of this investigation, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity, and thus the temperature, therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set.

The term internal probe thermostat refers to any device designed to

automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control. The products are currently provided for under *TSUSA* item numbers 711.7820 and 711.7840 and are currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9032.90.60 and 9033.00.00.

#### **Allegation of Bounties or Grants**

The petition lists certain practices by the Government of Malaysia which allegedly confer bounties or grants on manufacturers, producers, or exporters in Malaysia of thermostatically controlled appliance plugs and internal probe thermostats therefor. We are initiating an investigation of the following alleged programs:

- Export Tax Incentives.
- Abatement of Taxable Income Based on the Ratio of Export Sales to total Sales
- Abatement of Five Percent of the Value of Indigenous Materials Used in Exports
- Allowance of Taxable Income of Five Percent for Trading Companies Exporting Malaysian-made Products
- Double Deduction for Export Credit Insurance Payments
- Double Deduction for Export Promotion Expenses
- Pioneer Status Under the Investment Incentives Act of 1968.
- Pioneer Status Under the Promotion of Investments Act of 1986.

Although not specifically alleged by the petitioner, we are also investigating whether the Malaysian industry producing thermostatically controlled appliance plugs and internal probe thermostats therefor receives countervailable benefits under the following programs, which we have found to be either countervailable or not used in previous Malaysian investigations:

- Export Credit Refinancing.
- Export Tax Incentives.
- Allowance of a Percentage of Net Taxable Income Based on the F.O.B. Value of Export Sales Under Section 29 of the Investment Incentives Act of 1968, as Amended
- Income Tax Deduction for a Percentage of the Value of Buildings Used as Warehouses to Store Goods for Export
  - Export Insurance Program.
  - Medium- and Long-term Government Financing.

- Other Tax Incentives.
- Investment Tax Allowance Under the Promotion of Investment Act of 1986
- Accelerated Depreciation Allowance of 40 Percent of Qualifying Expenditures Under the Income Tax Act of 1967, as Amended in 1979
- Reinvestment Allowance of 25 Percent for Capital Expenditures on a Factory, Plant, or Machinery Under Section 133A of the Income Tax Act of 1967, as Amended in 1979

- Reduction in the Cost of State Land for New Industry and Agriculture.

- Preferential Financing for Bumiputras.

We are not initiating an investigation of the following programs alleged by the petitioner:

- Export Tax Incentives.
- Abatement of Taxable Income of Five Percent of the Value of Malaysian-made Inputs Incorporated into Exports
- Abatement of Taxable Income Based on a Percentage of the Value-added of Exported Products

These programs were determined not to exist in *Final Affirmative Countervailing Duty Determination: Carbon Steel Wire Rod from Malaysia* (53 FR 13303, April 22, 1988) (*Wire Rod II*).

- Loans from the Malaysian Industrial Development Finance Corporation (MIDF); financing from the MIDF was determined to be not countervailable in *Wire Rod II*.

This notice is published pursuant to section 702(c)(2) of the Act.

Joseph A. Spetrini,  
Acting Assistant Secretary for Import Administration.

May 5, 1988.

FR Doc. 88-19532 Filed 5-10-88; 8:45 am]

BILLING CODE 3501-DS-M

[C-583-802]

#### **Initiation of Countervailing Duty Investigation: Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Taiwan**

**AGENCY:** Import Administration, International Trade Administration.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Taiwan of thermostatically controlled appliance plugs and internal probe

thermostats therefor, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) so that it may determine whether imports of the subject merchandise materially injure or threaten material injury to a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 30, 1988. If that determination is affirmative, we will make a preliminary determination on or before July 9, 1988.

**EFFECTIVE DATE:** May 11, 1988.

**FOR FURTHER INFORMATION CONTACT:** Vincent Kane, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5414.

#### **SUPPLEMENTARY INFORMATION:**

##### **The Petition**

On April 15, 1988, we received a petition in proper form filed by Triplex Inter Control (USA), Inc., on behalf of the U.S. industry producing thermostatically controlled appliance plugs and internal probe thermostats therefor. In compliance with the filing requirements of section 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Taiwan of thermostatically controlled appliance plugs and internal probe thermostats therefor receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended ("the Act"), and that these imports materially injure, or threaten material injury to, a U.S. industry.

Since Taiwan is a "country under the agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation and the ITC is required to determine whether imports of the subject merchandise from Taiwan materially injure, or threaten material injury to, a U.S. industry.

##### **Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed; whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on thermostatically controlled appliance plugs and internal probe thermostats

therefor from Taiwan and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Taiwan of thermostatically controlled appliance plugs and internal probe thermostats therefor, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before July 9, 1988.

#### Scope of Investigation

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS). In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated (TSUSA)* item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the *TSUSA*, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting petitioners to include the appropriate HS item number(s) as well as the *TSUSA* item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Additionally, all Customs offices have reference copies and petitioners may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are thermostatically controlled appliance plugs and internal probe thermostats therefor. For purposes of this investigation, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity, and thus the temperature, therein; consisting of (1) a probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set.

The term internal probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control. The products are currently provided for under *TSUSA* item numbers 711.7820 and 711.7840 and are currently classifiable under HS item numbers 9032.10.00, 9032.20.00, 9032.89.60, 9032.90.60 and 9033.00.00.

#### Allegation of Subsidies

The petition lists certain practices by the authorities in Taiwan which allegedly confer subsidies on manufacturers, producers, or exporters in Taiwan of thermostatically controlled appliance plugs and internal probe thermostats therefor. We are initiating an investigation of the following alleged programs:

- Preferential Export Financing.
- Export Loss Reserves.
- Accelerated Depreciation and Tax Holidays.
- Preferential Income Tax Rate Ceiling of 25 percent for Big Trading Companies.
- Duty Exemptions and Deferrals on Imported Equipment. Although not specifically alleged by the petitioner, we are also investigating whether the Taiwanese industry producing thermostatically controlled appliance plugs and internal probe thermostats therefor receives countervailable benefits under the following programs, which we have found to be either countervailable or not used in previous Taiwanese investigations:
  - Preferential Income Tax Rate Ceiling of 22 Percent.
  - Overrebate of Duty Drawback on Imported Materials. Physically Incorporated in Export Merchandise.
  - Rebate of Import Duties and Indirect Taxes on Imported Materials Not Physically Incorporated in Export Merchandise.

We are not initiating an investigation of the following programs alleged by the petitioner:

- Business Tax Exemptions and Stamp Reductions for Export Sales (Tax Exemptions for Export Sales).
- Tax Credit for Investment in Production Equipment. These programs were determined to be not countervailable in *Final Negative Countervailing Duty Determination: Oil Country Tubular Goods from Taiwan* (51 FR 19583, May 30, 1986).

• Preferential Long-Term Loans. This program was determined to be not countervailable in *Final Affirmative Countervailing Duty Determination: Certain Stainless Steel Cooking Ware from Taiwan* (51 FR 42891, November 26, 1986).

#### Notification of ITC

Section 702(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 allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information, either publicly or under administrative protective order, without written consent of the Acting Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by May 30, 1988, whether there is a reasonable indication that imports of thermostatically controlled appliance plugs and internal probe thermostats therefor from Taiwan materially injure, or threaten material injury to, a U.S. industry. If its determination is negative this investigation will terminate; otherwise, this investigation will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Joseph A. Spetrini,  
Acting Assistant Secretary for Import  
Administration.

May 5, 1988.

[FR Doc. 88-10533 Filed 5-10-88; 8:45 am]  
BILLING CODE 3510-DS-M

# INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-290-292 (Preliminary) and 731-TA-400-404 (Preliminary)]

## Thermostatically Controlled Appliance Plugs and Probe Thermostats Therefor from Canada, Hong Kong, Japan, Malaysia, and Taiwan

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

**ACTION:** Institution of preliminary countervailing duty and 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 countervailing duty investigations Nos. 701-TA-290-292 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(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 Canada, Malaysia, and Taiwan of thermostatically controlled appliance plugs and probe thermostats therefor,<sup>1</sup> provided for in item 711.78 of the Tariff Schedules of the United States, which are alleged to be subsidized by the respective Governments of Canada, Malaysia, and Taiwan.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-400-404 (Preliminary) under section 733(a) of the Act (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

<sup>1</sup> For purposes of these investigations, the term thermostatically controlled appliance plug refers to any device designed to connect an electrical outlet (typically, a common wall receptacle) with a small cooking appliance of 2,000 watts or less (typically, a griddle, deep fryer, fry pan, multicooker, and/or wok) and regulate the flow of electricity, and thus the temperature, therein; consisting of: (1) A probe thermostat encased in a single housing set with a temperature control knob (typically a dial calibrated with various temperature settings), and (2) a cord set. The term probe thermostat refers to any device designed to automatically regulate the flow of electricity, and thus the temperature, in a small heating apparatus of 2,000 watts or less (typically, small cooking appliances); consisting of a stainless steel tube (which connects to the heating apparatus) and other components used for thermostatic control.

United States is materially retarded, by reason of imports from Canada, Hong Kong, Japan, Malaysia, and Taiwan of the subject merchandise which is alleged to be sold in the United States at less than fair value.

As provided in sections 703(a) and 733(a), the Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in this case by May 31, 1988.

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:** April 15, 1988.

**FOR FURTHER INFORMATION CONTACT:** Larry Reavis (202-252-1185), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-252-1809. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-252-1000.

### SUPPLEMENTARY INFORMATION:

*Background*—These investigations are being instituted in response to petitions filed on April 15, 1988, by Triplex Inter Control (USA) Inc., St. Albans, VT.

*Participation in the investigations*—Persons wishing to participate in the 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 the 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 Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on May 6, 1988, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Larry Reavis (202-252-1185) not later than May 4, 1988, to arrange for their appearance. Parties in support of the imposition of countervailing and 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 submit to the Commission on or before May 11, 1988, 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 Commission's 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 § 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 § 207.20 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: April 20, 1988.

Kenneth R. Mason,  
*Secretary.*

[FR Doc. 88-9054 Filed 4-25-88; 8:45 am]

BILLING CODE 7020-02-M



APPENDIX B

LIST OF WITNESSES AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Those listed below appeared as witnesses at the  
United States International Trade Commission's conference:

Subject: Thermostatically controlled appliance plugs  
and probe thermostats therefor from Canada,  
Hong Kong, Japan, Malaysia, and Taiwan

Inv. Nos. 701-TA-290-292 (Preliminary) and  
731-TA-400-404 (Preliminary)

Date and time: May 6, 1988 - 9:30a.m.

Sessions were held in connection with the investigations in the  
Hearing Room of the United States International Trade Commission, 500 E  
Street, S.W., Washington, DC.

In support of the imposition of countervailing and anti-  
dumping duties

Triplex Inter Control (USA) Inc.

James P. Chaisson, General Manager

In opposition to the imposition of countervailing and anti-  
dumping duties

Klayman & Gurley-Counsel  
Washington, DC  
on behalf of

Advance Thermo Controls, Ltd., Hong Kong

Harry Erwin, Director

John Gurley)--OF COUNSEL





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INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C. 20436

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