MINIVANS FROM JAPAN

Determination of the Commission in Investigation No. 731–TA–522 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-522 (Preliminary)

MINIVANS FROM JAPAN

Determination

On the basis of the record[1] developed in the subject investigation, the Commission[2] unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Japan of minivans, provided for in headings 8703 and 8704 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).

Background

On May 31, 1991, a petition was filed with the Commission and the Department of Commerce by counsel on behalf of General Motors Corp., Detroit, MI, Ford Motor Co., Dearborn, MI, and Chrysler Motors Corp., Detroit, MI, alleging that an industry in the United States is materially injured and is threatened with material injury by reason of LTFV imports of minivans from Japan. Accordingly, effective May 31, 1991, the Commission instituted antidumping investigation No. 731-TA-522 (Preliminary).

Notice of the institution of the Commission's investigation 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 June 10, 1991 (56 F.R. 26694). The conference was held in Washington, DC, on June 21, 1991, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Commissioner Rohr not participating.

VIEWS OF THE COMMISSION [1]

On the basis of the information obtained in this preliminary investigation, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of minivans from Japan that are alleged to be sold at less than fair value (LTFV) in the United States.

The standard for preliminary determinations

Section 733(a) of the Tariff Act of 1930, as added by the Trade Agreements Act of 1979, [2] requires the Commission to determine whether, based upon the best information available at the time of the preliminary determination, there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or its establishment is materially retarded, by reason of imports of the articles subject to investigation. The definition of "material injury" is the same in both preliminary and final investigations, but in preliminary investigations an affirmative determination is based on a "reasonable indication" of material injury, in contrast to the finding of actual material injury or threat required in a final determination. [3]

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[1] Commissioner Rohr did not participate in this investigation.

[2] 19 U.S.C. § 1673b(a).

[3] Compare 19 U.S.C. §§ 1671b(a) and 1673b(a) with 19 U.S.C. §§ 1671d(b)(1) and 1673d(b)(1).

In American Lamb Co. v. United States, [4] the Federal Circuit addressed the Commission's standard for preliminary determinations. The Court stated that the purpose of preliminary investigations is to avoid the cost and disruption to trade caused by unnecessary investigations. [5] The Court sustained the Commission's practice of making a negative preliminary determination only if "(1) the record as whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation." [6]

Like product

A. General legal principles

In making its determination as to whether there is material injury to an industry, the Commission must first define a "like product" and the "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 the like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of the product." [7] The statute defines "like product" as a "product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to

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[4] 785 F.2d 994 (Fed. Cir. 1986).

[5] 785 F.2d at 1002-03 (citing S. Rep. No. 1298, 93d Cong., 2d Sess. 171 (1974)), 1004.

[6] 785 F.2d at 1001-04.

[7] 19 U.S.C. § 1677(4)(A).

an investigation . . . ." [8]

The starting point for our analysis is thus the imports "subject to investigation." The Department of Commerce (Commerce) has defined the products covered in this investigation as:

> [N]ew minivans. Minivans are on-highway motor vehicles, with a gross vehicle weight that is **generally** less than 6,000 pounds, a height that is **generally** between 62 and 75 inches, having a single, box-like structure that envelopes both the space for the driver and passenger and the rear space (which has flat or nearly flat floors and is usable for carrying passengers and cargo), a hood that is **generally** sloping and a short distance from the cowl to the front bumper relative to the overall length of the vehicle, a seat configuration that permits passengers to walk from the front areas to the rear area of the vehicle, and a rear side access door (or doors) and a rear door (or doors) that provide wide and level access to the rear area. [9]

Commerce also indicated that it "will continue to consider this definition of the scope and will refine it if necessary." [10] As noted below, the ambiguity caused by the qualifier "generally" has given rise to a dispute between some of the parties as to whether certain imported vehicles are in fact "minivans."

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[8] 19 U.S.C. §1677(10).

[9] 56 Fed. Reg. 29221 (June 26, 1991) (emphasis added), Report at B-11. We note that the Commerce description of scope differs slightly from the Commission's description of the articles subject to investigation in its notice of institution of this preliminary investigation. The Commission notice simply referred to "minivans," while Commerce's notice essentially adopted the definition of minivans contained in the petition. Of course, we have conformed our preliminary determination to the scope of investigation as initiated by Commerce. See generally, Algoma Steel Corp. Ltd. v. United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), aff'd, 865 F.2d 240, (Fed. Cir. 1989); Torrington v. United States, 747 F. Supp. 744 (Ct. Int'l Trade 1990), aff'd, ---F.2d---, Slip Op. No. 91-1084 (Fed. Cir. July 3, 1991).

[10] 56 Fed. Reg. 29221 (June 26, 1991). While petitioners amended the description of "minivans" they intended to be included within the scope of the investigation on July 10, 1991, the Commerce Department has not yet formally changed its description of those articles.

Our task is to decide what domestically produced vehicles are "like" the vehicles described as subject to investigation by Commerce. Our decision regarding the appropriate like product or products is a factual determination, and we have applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis. [11] In considering what U.S.-produced products are "like" the imported articles subject to investigation, the Commission generally considers a number of factors including: (1) physical characteristics and uses, (2) interchangeability of the products, (3) channels of distribution, (4) customer and producer perceptions of the products, (5) the use of common manufacturing facilities and production employees, and (6), where appropriate, price. [12] No single factor is dispositive, and we may consider other factors relevant to a particular investigation. The class of domestically-produced like products may be broader than class of articles Commerce describes, [13] or it may be

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[11] Asociacion Colombiana de Exportadores de Flores v. United States, 693 F. Supp. 1165, 1168 n.4 (Ct. Int'l Trade 1988) (Asocoflores); Digital Readout Systems and Subassemblies Thereof from Japan, Inv. No. 731-TA-390 (Final), USITC Pub. 2150 (January 1989).

[12] E.g., Fresh and Chilled Atlantic Salmon From Norway, Invs. Nos. 701-TA-302, 731-TA-454 (Final) USITC Pub. 2371 (April 1991); Certain All-Terrain Vehicles from Japan, Inv. No. 731-TA-388 (Final), USITC Pub. 2163 (March 1989).

[13] See, e.g., Chrome-Plated Lug Nuts from the People's Republic of China, Invs. Nos. 731-TA-474-475 (Preliminary) USITC Pub. 2342 (Dec. 1990); Generic Cephalexin Capsules from Canada, Inv. No. 731-TA-423 (Final), USITC Pub. 2211 (Aug. 1989); Shock Absorbers and Parts, Components, and Subassemblies Thereof from Brazil, Inv. No. 731-TA-421 (Preliminary), USITC Pub. 2128 (Sept. 1988); Natural Bristle Paint Brushes from the People's Republic of China, Inv. No. 731-TA-244 (Final), USITC Pub. 1805 (Jan. 1986).

divided into two or more like products. [14] We look for clear dividing lines among possible like products, and disregard minor variations. [15]

B. **Whether certain vehicles imported from Japan are "minivans" and thus within the scope of the investigation.**

Respondents argue particular types of vehicles that either are or will be imported into the United States from Japan are not "minivans" and thus should not be considered by the Commission in making its preliminary determination. [16] Petitioners respond that the Commission must include these vehicles, specifically the Mitsubishi Expo, in the class of articles subject to investigation until such time as Commerce specifically informs the Commission that the Expo is not a minivan. [17]

Respondents' argument is in essence a request that the Commission "exclude" certain imports from the scope of investigation, which the

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[14] See, e.g., American NTN Bearing Manufacturing Corp. v. United States, 739 F. Supp. 1555, 1560 n.6 (Ct. Int'l Trade 1990).

[15] E.g., Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom, Inv. Nos. 303-TA-19 and 20, 731-TA-391-399 (Final), USITC Pub. 2185 (May 1989).

[16] See Postconference Brief of Toyota Motor Corp. and Toyota Motor Sales, U.S.A., Inc. ("Toyota Brief") at 43 (referring to the Mitsubishi Expo and arguing that capacity to build the Expo should not be considered in assessing threat of material injury); Postconference Brief of Mazda Motor Corp. and Mazda Motor of America, Inc. ("Mazda Brief") at 44 (referring to the Mitsubishi Expo); Postconference Brief of Mitsubishi Motors Corp. and Mitsubishi Motor Sales of America, Inc. ("Mitsubishi Brief") at 2-7 (referring to the CZ and CZL, one of which is the Mitsubishi Expo).

[17] See Postconference Brief of General Motors Corp., Ford Motor Co., and Chrysler Corp. ("Petitioners' Postconference Brief") at 4.

Commission has repeatedly stated it does not have the authority to do. [18] The antidumping and countervailing duty laws divide authority between two agencies, the Commerce Department and the Commission, to decide issues necessary to the investigation. The Commerce Department is given the sole authority to define the imported articles covered within the scope of the investigation, while we have the sole authority to define the domestic product like those imported articles described by Commerce. [19] Accordingly, we consider the vehicles identified by the petitioner as imported "minivans" to be imports (or threatened imports, if otherwise appropriate) under investigation in this preliminary investigation. [20]

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[18] See, e.g., Sandvik AB v. United States, 721 F. Supp. 1322, 1333 (Ct. Int'l Trade 1989) ("the ITC does not have the authority to exclude merchandise), aff'd 904 F.2d 46 (Fed. Cir. 1990); Certain All-Terrain Vehicles from Japan, Inv. No. 731-TA-388 (Final), USITC Pub. 2163 (March 1989) at 11, n. 28 ("the Commission has no authority to exclude products from the scope of the investigation.").

[19] American NTN Bearing Manufacturing Corp. v. United States, 739 F. Supp. 1555, 1558 n.1 (Ct. Int'l Trade 1990) ("the authority of ITA, and ITA alone, to clarify scope determinations appears to be absolute.") (rejection of the notion that the ITC has a role in scope clarification); Cambridge Lee Industries, Inc. v. United States, 728 F. Supp. 748, 750 (Ct. Int'l Trade 1989) ("In its investigation, the Commission may not modify the class or kind of imported merchandise examined by Commerce."); A.N. Deringer, Inc. v. United States, 723 F. Supp. 816, 819 (Ct. Int'l Trade 1989) ("Commerce possesses the exclusive authority to clarify and delineate the scope of an antidumping finding."), aff'd 904 F.2d 46 (Fed. Cir. 1990); Algoma Steel Corp. v. United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), aff'd, 865 F.2d 240 (Fed. Cir. 1989), cert. denied, 109 S.Ct. 3244 (1989).

[20] Acting Chairman Brunsdale notes that the issues raised by respondents in this preliminary investigation are not frivolous and merit consideration by the Commerce Department, which has not yet had an opportunity to address this issue.

C. Whether the like product should include vehicles other than "minivans," such as station wagons, full-size vans or sport/utility vehicles. [21]

The inclusion by Commerce and the petitioner of imported vehicles as "minivans" subject to investigation that arguably possess many of the characteristics of a station wagon suggests that consideration should be given to include vehicles other than the "minivans" identified by the petitioners in the domestic "like product."

1. Arguments of the parties

Petitioners argue that, because there is a domestically produced article "like" imported minivans, namely, domestic minivans, it would be legally erroneous to include other types of vehicles, such as station wagons or full-size vans, in the like product. [22] Indeed, petitioners refer to what they see as a statutory "presumption" against expanding the industry definition beyond minivans. [23] They also argue that limiting the like product to minivans is in accordance with the factors typically considered by the Commission in making like product determinations, although petitioners conceded at the conference that station wagons, sport-utility vehicles and full-size vans are sold in the same price ranges and through the same channels of distribution as minivans. [24] Petitioners also assert that if the like product is to be

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[21] Commissioner Newquist is satisfied that the like product should be limited to minivans, and does not see the need to explore this issue further in any final investigation.

[22] E.g., Tr. at 84.

[23] See Petitioners' Postconference Brief at Exhibit A, Part II, 1.

[24] See generally, Petitioners' Postconference Brief, Exhibit A, Part II; Tr. at 87.

expanded beyond minivans, there is no valid category with a clearer dividing line than all automotive vehicles, apparently including light trucks. [25]

Respondents do not strongly argue for a like product broader than minivans. Toyota Motor Corp. and Toyota Motor Sales, U.S.A., Inc. ("Toyota") assume for the purposes of the preliminary investigation that the like product is limited to minivans, but assert that the like product issue "would have to be revisited" in any final investigation, while offering the Commission no concrete or cogent views on what vehicles beyond "minivans" should be considered. [26] Mazda Motor Corp. and Mazda Motor of America, Inc. ("Mazda") suggest that the like product "may" be either just minivans or may include "all multi-use vehicles," including station wagons, sport-utility vehicles and full-size vans. [27] Mazda notes that station wagons, sport-utility vehicles and full-size vans

> have similar physical characteristics and uses to minivans. They are all larger than passenger-only cars and are (or can be configured to be) capable of carrying cargo as well as, or in lieu of, passengers. They are sold through the same channels of distribution . . . [and] are sold within the same price ranges . . . Moreover, independent market surveys consistently show that consumers of minivans "cross-shop" each of these types of multi-use vehicles. [28]

The other parties did not make any statement about like product.

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[25] See Tr. at 123. Assembly lines used to produce full-size vans, station wagons and sport-utility vehicles also assemble other vehicles. Report at A-44. This gives some support to petitioners' contention.

[26] Toyota Brief at 6; Tr. at 174-75. Toyota suggested variously that station wagons or passenger sedans might be appropriately included in the like product, see Tr. at 174; see generally, Toyota Brief at 6, but failed to articulate why these vehicles should be included in the like product in terms of the criteria used by the Commission to define like products.

[27] Mazda Brief at 5.

[28] Mazda Brief at 6-7 (footnotes omitted).

2. Analysis

We do not agree with petitioners that as a matter of law we must confine the like product to "minivans." One could construct a theoretical argument that the statutory language, "like or **in the absence of like**, most similar in characteristics and uses" precludes expanding the domestic like product beyond an existing "like" domestic article. There are two problems with such an argument. First, the Commission, the agency charged with implementing the "like product" definition of the statute, has rejected "a construction of the controlling statute that would reduce the Commission's like product/domestic industry determinations to rubber-stamping petitioner's definitions as adopted by Commerce" by in effect limiting the Commission's definition of like product to the articles exactly "like" those within the scope of investigation. [29] Simply because petitioners assert that a group of products is "like" the imports subject to investigation does not make them so in fact.

Second, the theoretical argument described above is meaningless until one can clearly define all the domestic articles that are "like" all the imported articles under investigation. Petitioners conceded at least in part [30] that the Commission has in the past defined a domestic like product to consist of articles broader than those defined as the imports subject to investigation

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[29] Industrial Belts from Israel, Italy, Japan, Singapore, South Korea, Taiwan, the United Kingdom, and West Germany, Invs. Nos. 701-TA-293-295 (Preliminary) and Invs. Nos. 731-TA-412-419 (Preliminary), USITC Pub. 2113 (August 1988) at 7-8. See also, Torrington Co. v. United States, ---F.2d---, Slip Op. 91-1084 (Fed. Cir. July 3, 1991) at 1 ("the International Trade Commission has the authority to determine which domestic products are 'like products,' even if the determination differs from the like product description in the petition . . . .").

[30] See Tr. at 85 (referring to a product that is "distinguishable.").

due to the difficulty of finding a "clear dividing line" between the articles "like" the imported articles under investigation and other similar domestically produced articles. [31]

Further, the Commission's practice of expanding the like product definition is also based in part on the fact that "likeness" is an ambiguous concept. Insisting that absolute identity of products be the basis for a like product definition would simply be entertaining a fiction. Even in cases involving more or less fungible products, such as chemicals, or standardized manufactured articles like bearings, there can be important differences in terms of size, quality, grade, purity or other factors even among supposedly "like" articles. [32] The problem of defining "likeness" becomes more acute in investigations such as this one where the products implicated are sufficiently distinguishable that the parties have difficulty in agreeing on what type of vehicle is a "minivan," and where price comparisons between products are

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[31] See, e.g., Portable Electric Typewriters from Singapore, Inv. No. 731-TA-515 (Preliminary), USITC Pub. 2388 (June 1991) at 6 (including portable personal word processors); Chrome-Plated Lug Nuts from the People's Republic of China, Invs. Nos. 731-TA-474-475 (Preliminary) USITC Pub. 2342 (December 1990) (including stainless steel lug nuts); Generic Cephalexin Capsules from Canada, Inv. No. 731-TA-423 (Final), USITC Pub. 2211 (August 1989) (including branded cephalexin capsules as well as other dosage forms of cephalexin such as tablets); Shock Absorbers and Parts, Components, and Subassemblies Thereof from Brazil, Inv. No. 731-TA-421 (Preliminary), USITC Pub. 2128 (September 1988) (including MacPherson struts).

[32] See, e.g., Silicon Metal from the People's Republic of China, Inv. No. 731-TA-472 (Final), USITC Pub. 2385 (June 1991) at 8-10 (grades and purity); Sweaters Wholly or in Chief Weight of Manmade Fibers from Hong Kong, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-448--450 (Final), USITC Pub. 2312 (September 1990) at 21 (size); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom, Invs. Nos. 303-TA-19 and 20 (Final) and Invs. Nos. 731-TA-391-399 (Final), USITC Pub. 2185 (May 1989) at 22 (size and quality).

problematic due to the wide range of differences in terms of options and features available for the various types of minivan. [33] The question of "likeness" here is actually an exercise in evaluating relative degrees of similarity. [34]

The key question is whether the class of domestic vehicles denominated by petitioners as "minivans" is sufficiently distinct from other domestic vehicles, such as station wagons, for example, that petitioner contends should not be included. This is a factual question depending on our consideration of the factors we typically consider in defining like products. We would only be legally prohibited from including other types of vehicles in the like product if the evidence of record, considered in light of the factors considered by the Commission in defining like product, does not rationally support including other vehicles in the like product.

The problem in this investigation is that there is no standard definition of a "minivan," and this makes distinguishing such vehicles from other vehicles such as station wagons, full-size vans and sport-utility

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[33] See, e.g., Report at A-235 (GM's Lumina APV minivan is "unique . . . a technological bellwether), A-87--89 (firms responding to the questionnaire "did not always agree on which models were directly competitive); Tr. at 98-101.

[34] Further, carrying the concept of "likeness" too far would require the Commission to fragment its like product definitions, to find, for example, that a domestic half-inch pipe fitting is a separate like product from a one-inch pipe domestic fitting because the half-inch pipe fitting is not "like" an imported one-pipe fitting while it is "like" an imported half-inch pipe fitting. Such an approach would be untenable, and would result, for example, in the Commission examining the condition of the "half-inch elbow pipe fitting industry" separately from the dozens or hundreds of other pipe fitting "industries." Compare Torrington Co., 747 F. Supp. at 749 n. 3.

vehicles difficult. [35] The task is made even more arduous by the expanding range of types of minivans being offered, which further blur the lines between a "minivan" and other types of vehicle, [36] as well as the definition of "minivan" proferred by the petition, which is hedged with the qualifier "generally" with respect to a number of allegedly distinguishing characteristics. [37] For example, it is conceivable that a certain type of station wagon may be more "like" one or more of the imported "minivans" than some of the vehicle models proposed by the petitioners for inclusion in the domestic like product. [38]

Thus, the question of defining the like product turns on the application of the six factors we typically consider in defining like products in light of the data gathered in this investigation relating to those factors. As noted above, petitioners concede that two of the six factors considered by the Commission in defining the like product, channels of distribution and price,

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[35] See Report at A-7. See also Report at A-36--A-40 (Mitsubishi considers a certain vehicle a station wagon while Chrysler considers it to be a minivan; Nissan considers the Axxess to be a station wagon while petitioners claim it is a minivan; Volkswagen considers the Vanagon to be a full-size van, while others consider it to be a minivan).

[36] See Report at A-13.

[37] See Petition at 1 (referring to weight, height, and sloping of the hood). See also, July 10, 1991 amendment to petition (referring to "walk-through" characteristic and rear doors).

[38] For example, petitioners contend that they crafted the petition to include the Mitsubishi Expo, to be imported later this year, e.g., Tr. at 41, as a "minivan," see Tr. at 208, despite the arguments by some of the respondents, noted above, that the Expo is a station wagon and not a minivan. The controversy suggests that a domestic station wagon might be the domestic article most "like" the Expo. Further, petitioners noted at the conference that Nissan's vehicle, which they consider to be a minivan, was "neither a minivan nor a station wagon . . . [Nissan] apparently confused everybody, including potential customers." Tr. at 82.

would support including other vehicles in the like product. It is also clear, however, that the U.S. industry produces minivans solely in plants dedicated to the production of minivans, and conversion of those facilities to produce other types of vehicles would be extremely costly. [39] This factor supports limiting the like product to minivans, although the general manufacturing process to produce minivans is essentially the same for the production of light trucks and passenger autos generally. [40] It is the other factors, viz., (1) physical characteristics and uses, (2) interchangeability of the products, and (3) customer perceptions [41] of the products that warrant further discussion.

The key, as noted above, is whether minivans, as a clearly defined class, possess physical characteristics and uses that are clearly distinct from other vehicles. Petitioners concede that minivans have displaced sales of vehicles like station wagons, full-size vans and sport-utility vehicles, [42] and share specific characteristics with differing types of other vehicles, [43]

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[39] See, e.g., Tr. at 17, 39-40.

[40] See Report at A-22. However, at least some producers' lines that produce full-size vans, station wagons and sport-utility vehicles also assemble other vehicles as well, Report at A-44, suggesting that the like product, if broadened beyond minivans, might need to be broadened to include these other vehicles.

[41] The producers of minivans in the U.S., Chrysler, Ford and General Motors, of course, all indicate that the minivans are a distinct like product. See Petitioners' Postconference Brief, Attachment A, Part II.

[42] See Tr. at 111-13 ("There is no question that the data would show that since 1983, there was a movement of buyers into the minivan market would otherwise have bought other vehicles.") (also noting that minivans have created new demand for this type of product).

[43] E.g., Tr. at 121-123.

but nonetheless argue that minivans as a class are unique. [44] Generally, minivans share physical characteristics and uses with other motor vehicles. To the extent that the petitioners' proposed definition focuses on height, gross vehicle weight or physical dimensions, they do not clearly or consistently differentiate between minivans, station wagons, sport-utility vehicles or full-size vans. [45] Similarly, the allegedly distinguishing "walk-through" feature of minivans is not uniformly present for all minivans, as the petitioners' July 10, 1991 amendment to the petition reflects. [46]

On the other hand, the "core" minivan is a vehicle larger than a station wagon but smaller than a full-size van that "drives" like a car (rather than a truck or full size van). As such, minivans appear to occupy a unique market niche, [47] although there is some overlap in uses and consumer preferences and are, to some buyers, somewhat interchangeable. [48]

We define the like product to be only minivans for the purpose of this preliminary investigation, [49] largely because it does not appear that any of

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[44] E.g., Tr. at 122-23; Petitioners' Postconference Brief at Attachment A, Part II.

[45] See Report at A-7--A-9.

[46] See July 10, 1991, Amendment to the Petition at 2, qualifying the "walk-through" characteristic of minivans with the term "generally;" Report at A-9, n. 23.

[47] See Report at A-9 ("Minivans fill a market niche that is at best only partially served by station wagons, full-size vans, and sport-utility vehicles.").

[48] See, e.g., Tr. at 101-02 (at times consumers do consider buying a minivan while shopping for a station wagon).

[49] The like product definition has been rendered more difficult by the decision by some respondents to defer detailed argument about the appropriate (continued...)

the alternatives, minivans plus station wagons or full-size vans or sport-utility vehicles or any combination of the above that includes minivans, reflect any clearer dividing line at this time. We intend to consider the appropriateness of expanding the like product in any final investigation. [50]

Domestic industry

A. **The U.S. industry does not include production facilities in Canada.**

1. Arguments of the parties

Petitioners have argued that the minivan production of Chrysler Canada Ltd., a Canadian corporation and a subsidiary of Chrysler, in Windsor, Ontario, should be included in the domestic industry. Chrysler also produces minivans at its St. Louis, Missouri assembly plant.

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[49](...continued)
like product until any final investigation. By doing so, of course, they have deprived themselves of input on this crucial issue, which may limit their ability to raise like product issues in any final investigation. This is so because the Commission must, due to the statutory deadlines, decide on the data to be gathered in its questionnaires prior to the time briefs are submitted or the hearing is held in the final investigation. See generally, e.g. 19 C.F.R. §§ 207.21 (preparation of the prehearing staff report), 207.22-.24.

[50] In any final investigation, Acting Chairman Brunsdale would be particularly interested in additional evidence on the extent to which automobile purchasers view other vehicles and minivans as substitutes. In her recent opinion in Polyethylene Terephthalate Film, Sheet, and Strip from Japan and the Republic of Korea, Invs. Nos. 731-TA-458 and 459 (Final), USITC Pub. 2383 (May 1991), she refined the usual multipart test used by the Commission to focus on whether dumping would induce significant substitution among the potential like products by either producers or consumers. In defining the like product in this way, she seeks to identify the types of products that will be significantly affected by any dumping of the articles subject to investigation. In the present case, there appears to be little potential for substitution in production between minivans and other vehicles because, as noted above, minivans are made in plants dedicated to production of these vehicles. The record appears much less complete on the question of purchasers' willingness to substitute.

Petitioners rely on: (1) the high "U.S. value added" in the Chrysler of Canada minivans assembled in Ontario, including the degree of U.S. engineering and (2) the integration of the U.S. and Canadian automotive markets as a result of the Automotive Products Trade Act of 1965 and the "Auto Pact." [51]

Respondents' arguments include the statute's explicit requirement that production operations occur in the United States, especially in light of amendments made to the statute by the Omnibus Trade and Competitiveness Act of 1988 ("the 1988 Act") prohibiting the inclusion of offshore production in the U.S. industry. Respondents also argue that the Auto Pact implementing statute explicitly states that the Pact was not to affect or modify U.S. antidumping laws. [52] Toyota and Mazda point to the non-U.S. content of the Chrysler minivans, and the fact that the plant represents a significant capital

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[51] See Petitioners' Postconference Brief at Attachment A, Part II. Technically speaking, the term "Auto Pact" should refer to the bilateral agreement between the U.S. and Canada, the "Agreement Concerning Automotive Products Between the Government of the United States and the Government of Canada." The Automotive Products Trade Act of 1965 is the U.S. legislation that implemented that agreement into U.S. law. See generally, 19 U.S.C. § 2001 et. seq.

Petitioners also claim that the Canadian minivans are considered to be U.S.-produced by the EPA under the Energy Policy and Conservation Act of 1975, and claim that these minivans are considered to be domestically produced under the Auto Pact and the U.S.-Canada Free Trade Agreement. Petitioners' Postconference Brief at Attachment A, Part II. This latter statement is not completely correct, as petitioners conceded at the conference that under the Auto Pact, the minivans are considered to be "Canadian origin" even though they qualify for duty free treatment by reason of their "North American" content. See Tr. at 93-94. In any event, as discussed below, the question is how the Canadian minivans are to be treated under the U.S. antidumping law, not under any other statute.

[52] Toyota Postconference Brief at 6-10; Mazda Postconference Brief at 10-11, 15.

investment in Canada, for which Chrysler obtained a $200 million loan guarantee by the Canadian government. [53]

2. Analysis

We do not include Chrysler's Canadian production in the U.S. industry. [54] [55] The statute directs the Commission to make its preliminary determination as to whether there is a reasonable indication that "an industry in the United States" is materially injured or threatened with material injury, [56] and other provisions of the statute similarly require focusing on

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[53] Toyota Postconference Brief at 8; Mazda Postconference Brief at 14.

[54] Commissioner Lodwick and Acting Chairman Brunsdale note that the Canadian shipments are considered as fairly traded imports and thus may be a factor in our analysis of causation of material injury.

[55] Commissioner Newquist does not include Chrysler's Canadian production in the U.S. industry for purposes of this preliminary investigation. He will consider the appropriateness of this position in any final investigation regarding this petition.

[56] See 19 U.S.C. § 1673b(a). The Commission has found this language, and the location of production facilities within the geographic borders of the United States, to be dispositive when it rejected the argument that production in a foreign trade zone in Nebraska, or production in the U.S. Virgin Islands, should not be considered United States production because a foreign trade zone or the Virgin Islands are outside the "customs territory of the United States." See Certain All-Terrain Vehicles from Japan, Inv. No. 731-TA-388 (Final), USITC Pub. 2163 (March 1989) at 15-16 & n. 46 (referring to the same language in the statutory provisions governing final determinations); Generic Cephalexin Capsules from Canada, Inv. No. 731-TA-423 (Preliminary), USITC Pub. 2143 (December 1988) at 10-11.

Straying from this construction of the plain wording of the statute, i.e., not viewing "in the United States" to be binding language, would have the practical effect of undermining the decision to consider production in an FTZ "in the United States" part of the domestic industry. Given that virtually all automobile assembly operations are conducted in FTZ's, see The Implications of Foreign-Trade Zones for U.S. Industries and for Competitive Conditions between U.S. and Foreign Firms, Inv. No. 332-248, USITC Pub. 2059 (February 1988) at 3-7--3-8, this could result in a finding that there is no U.S. automobile--or minivan--assembly industry.

production in the United States. [57]

The Omnibus Trade and Competitiveness Act of 1988 [58] amended the statute to specifically provide, at section 771(7)(B)(i), [59] that the impact of imports of the dumped or subsidized merchandise must be considered "but only in the context of production operations within the United States." The legislative history of this provision indicates that foreign or offshore production activities of a U.S. producer "should not be considered part of the domestic industry for injury purposes" and "are not to be considered in measuring the impact of imports on the domestic industry." [60] We have found this language to be controlling in finding the Commission was "precluded" from considering offshore production activities by U.S. producers in its injury analysis. [61]

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[57] Section 771(4)(D) of the statute provides that "[t]he effect of dumped or subsidized imports shall be assessed in relation to the United States production of a like product . . . ." See 19 U.S.C. § 1677(4)(D). Also, a producer, manufacturer or wholesaler, or a union or group of workers, are considered "interested parties" and have standing to file a petition only if they are "a manufacturer, producer or wholesaler in the United States of a like product" or if they are a union or group of workers representative of an industry "engaged in the manufacture, production, or wholesale in the United States of a like product." See 19 U.S.C. §§ 1673a(b)(1) & 1677(9)(C) & (D).

[58] See P.L. No. 100-418, 102 Stat. 1107 (1988).

[59] 19 U.S.C. § 1677(7)(B)(i).

[60] S. Rep. No. 71, 100th Cong., 1st Sess. 115, 117 (1987). See also, H.R. Rep. No. 100, Part 1, 100th Cong., 1st Sess. 128-29 (1987) ("this section clarifies that foreign operations . . . of domestic producers are not to be considered in measuring the impact of the imports on the domestic industry.").

[61] See Certain Residential Door Locks and Parts Thereof from Taiwan, Inv. No. 731-TA-433 (Final), USITC Pub. 2253 (January 1990) at 12-13 & A-13.
We note that determinations of the Commission predating the 1988 amendment, such as, for example, Certain Radio Paging and Alerting Receiving Devices from Japan, Inv. No. 731-TA-102 (Final), USITC Pub. 1410 (August
(continued...)

Petitioners call attention to the words "produced" in the United States, and argue that the Canadian assembly operations are not offshore "production." [62] This begs the question. There is no dispute in this investigation that minivan assembly is "production" and that automotive parts are not part of the like product and parts suppliers are not part of this industry. [63] The key question here is whether the "production" is occurring within the boundaries of the United States.

The automobile assembly operations by Chrysler in Canada are "production" of minivans, involving hundreds of millions of dollars of investment in assembly facilities and the employment by Chrysler of a substantial number of workers whose compensation amounts to a substantial sum of money. [64] This is production, and it is not occurring in the United States. If the Chrysler Canadian operations are not "production," then the U.S. assembly operations of the petitioners are also not "production" of

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[61](...continued)
1983), which contemplated inclusion of some assembly operations abroad in the U.S. industry, must be now be viewed in light of the subsequent action of Congress. See generally, H.R. Rep. No. 100, Part 1 at 128-29 (the amendment "clarifies" that foreign operations are not to be considered in the domestic industry).

[62] See Petitioners' Postconference Brief, Attachment A, Part II.

[63] This distinguishes this investigation from investigations, cited by petitioners, such as Cephalexin, USITC Pub. 2211 at 11-12 (considering whether encapsulation (in the United States) of the drug was "production"), and Low-Fuming Brazing Copper Wire and Rod from New Zealand, Inv. No. 731-TA-246 (Final), USITC Pub.1779 (November 1985) at 7 (considering whether "flux-coating" of bare rod was "production."). There is also no question that Chrysler is, by virtue of its operation of an assembly plant in Missouri, a U.S. producer.

[64] See Report at table F-4, B-26.

minivans. [65] If that were the case, we could not focus on assembly operations for our injury analysis, but would need to investigate the automobile parts industry, the providers of the real "U.S. content" according to this theory. [66] This result is untenable, although it is the natural consequence of following petitioners' argument to its logical conclusion. [67]

Petitioners' citation of the section 201 determination involving Certain Cameras [68] is also misplaced. The Commission has recently rejected application of section 201 principles in defining the industry in antidumping investigations, citing the differing statutory schemes, purposes and legislative histories. [69] The distinctions between the two statutory schemes are even more crucial on this point, because Congress specifically amended

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[65] We also note that if labor costs or other costs of production were included in the Canadian minivan value, the "U.S. value" would drop considerably. See, e.g., Report at A-47, table F-4, B-26.

[66] We also note that to the extent petitioners focus on the degree of U.S. engineering, for example, of minivans produced at the Ontario plant, that factor would support including some of the Japanese minivans in the "U.S." industry, because both the Mazda MVP and Toyota Previa had their origins, to some degree, in design centers located in the U.S. See Report at A-15, n. 29.

[67] If we were to accept petitioners' argument, we would also have to consider whether, if the like product is broadened to include other vehicles, such as station wagons or full-size vans, other foreign plants of U.S. auto companies (or more precisely, foreign plants operated by their subsidiaries) located in Canada and Mexico, as well as Belgium, Germany, the PRC, the U.K. and Venezuela, should be included in the United States industry. Chrysler currently produces sport-utility vehicles in Canada, Mexico, the PRC and Venezuela. Ford's wholly-owned subsidiaries in Belgium and the U.K. produce full-size vans, and station wagons are produced (and to some extent exported to the U.S.) in Canada and Mexico. General Motors produces station wagons in Canada, Germany and Brazil. See Report at A-33--A-34.

[68] Inv. No. TA-201-62, USITC Pub. 2315 (September 1990).

[69] See Tungsten Ore Concentrates from the People's Republic of China, Inv. No. 731-TA-497 (Preliminary), USITC Pub. 2367 (March 1991) at 11-13.

title VII in 1988 to prohibit consideration of importation or offshore production activities by U.S. producers in the Commission's injury analysis. [70]

Neither the Auto Pact nor the U.S.-Canada FTA support including Canadian operations in the United States industry for purposes of the U.S. antidumping laws. The implementing legislation for the Auto Pact explicitly provides that nothing in the Pact (or implementing legislation) "shall be construed to affect or modify" the antidumping laws. [71] We note that Canada has taken the same approach with respect to the effect of the Auto Pact on its antidumping law and specifically rejected the notion that U.S.-produced automobiles imported into Canada could be considered "Canadian" for purposes of defining an industry under Canadian antidumping law. [72]

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[70] Even if section 201 principles applied, petitioners ignore the Commission's rejection of an argument made in the 1980 section 201 investigation of Certain Motor Vehicles and Certain Chassis and Bodies Therefor, Inv. No. TA-201-44, USITC Pub. 1110 (December 1980), that imports of automobiles from Canada should not be considered "imports." That argument, made by Ford Motor Co., also was based in part on the U.S.-Canada Auto Pact, as well as the U.S. content of Ford's Canadian vehicles, as a percentage of dealer wholesale price, in excess of 75 percent. See USITC Pub. 1110 at 42.

[71] See 19 U.S.C. § 2033.

[72] Cars Produced By or on Behalf of Hyundai Motor Company, Seoul, Republic of Korea, or by Companies with which It Is Associated, and Originating in or Exported from the Republic of Korea, Inq. No. CIT-13-87 (March 23, 1988) at 16:

> . . . notwithstanding repeated statements that the car industry is a North American industry which encompasses exports and imports on the basis of rationalized production, GM Canada and Ford Canada centered their case on . . . domestic production for domestic consumption. The Tribunal agrees with this position . . .
>
> . . . the [Canadian] statute clearly requires that the Tribunal be concerned with material injury to production in Canada, not to imports

(continued...)

The treatment of the Canadian production under environmental or energy laws cited by petitioners does not control the Commission's implementation of the antidumping and countervailing duty laws. The courts have consistently recognized the limited relevance to antidumping or countervailing duty determinations of other agencies' actions under other statutes. [73] Indeed, the Energy Policy and Conservation Act (EPCA) cited by petitioners specifically limits its definition of "domestic manufacture" to the particular

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[72](...continued)
by Canadian producers . . . .

> Lastly, during the proceedings and in argument, counsel for the complainants often referred to the activities of Hyundai in the United States and indeed suggested that Canada had been selected as the "fer de lance" for the penetration of the U.S. market. Even if that were the case and Hyundai's exports to that market had an impact on the complainants' sales to that market, this matter lies outside the scope of [Canadian antidumping law.]

[73] See Smith Corona Corp. v. United States, 915 F.2d 683, 686-87 (Fed. Cir. 1990); The Torrington Co. v. United States, 745 F. Supp. 718, 722 (Ct. Int'l Trade 1990) ("it is well settled that a tariff classification by the Customs Service does not govern an antidumping determination regarding class or kind . . . It is the responsibility of ITA to interpret the term class or kind in such a way as to comply with the mandates of the antidumping laws, not the classification statutes. A product's tariff classification is merely of peripheral interest to suggest the general nature of a good.") (footnote and citations omitted); Titanium Co. v. United States, 743 F. Supp. 888, 892 (Ct. Int'l Trade 1990) (state contract law or the UCC not binding on Commerce's resolution of "date of sale" or "sale" questions; "A contract enforceable under state law may be insufficiently definite under the trade laws for Commerce to conclude that a sale has occurred as of the date of the agreement. While Commerce is not precluded from referring to state contract law or general contract principles, it is not required to [do] so."); Bomont Industries v. United States, 733 F. Supp. 1507, 1509 (Ct. Int'l Trade 1990) (upholding as "sustainable" the proposition that antidumping determinations may deviate "from substantial transformation principles applied by the Customs Service"); Roquette Freres v. United States, 583 F. Supp. 599, 605 (Ct. Int'l Trade 1984) (tariff classifications not control like product) (upholding Commission finding two like products, dry and liquid sorbitol), citing Royal Business Machines v. United States, 507 F. Supp. 1007, 1014, n. 18 (Ct. Int'l Trade 1980), aff'd, 669 F.2d 692 (CCPA 1982)).

subsection of that Act providing for calculation by EPA of average fuel economy. [74] Nothing indicates that the explicit language of the antidumping law was to be affected by this enactment. In any event, the antidumping laws, as enacted in 1979 and amended by the 1988 Act, are later in time and under ordinary canons of statutory construction would control the EPCA, not the reverse, in the event of a conflict, even if the EPCA had any application whatsoever to the definition of the industry in an antidumping investigation.

B. **Related parties.**

Section 771(4)(B) of the Tariff Act of 1930 (the "related parties provision") [75] allows for the exclusion of certain domestic producers from the domestic industry for the purpose of making an injury determination. When a producer is related to exporters or importers of the product under investigation, or is itself an importer of that product, the Commission may exclude such producer from the domestic industry in appropriate circumstances. [76] The related parties provision may be employed to avoid any distortion in the aggregate data bearing on the condition of the domestic industry that might result from including related parties whose operations are shielded from the effects of the subject imports. [77] Application of the related parties provision is within the Commission's discretion based on the facts in each

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[74] See 15 U.S.C. § 2003(b)(2) ("For purposes of this subsection . . . .").

[75] 19 U.S.C. § 1677(4)(B).

[76] See 19 U.S.C. § 1677(4)(B).

[77] Granular Polytetrafluoroethylene Resin from Italy and Japan, Inv. Nos. 731-TA-385 and 386 (Preliminary), USITC Pub. 2043 (December 1989) at 9.

case. [78]

The Commission generally applies a two-step analysis in determining whether to exclude a domestic producer from the domestic industry under the related parties provision. The Commission considers first whether the producer meets the definition of a "related party" under section 771(4)(B). Thus, if a domestic producer is related to exporters or importers of the subject product, e.g., by virtue of a corporate affiliation, [79] or is itself an importer of the product, the domestic producer is "related" under the statute. Second, the Commission decides whether in view of the producer's related status "appropriate circumstances" exist for excluding the producer in question from the domestic industry. [80]

The Commission generally examines three factors in deciding whether appropriate circumstances exist:

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[78] Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[79] See Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand and the United Kingdom, 731-TA-391-399 (Final), USITC Pub. 2185 (May 1989)("[A]11 foreign-owned domestic producers are related parties both because of their foreign ownership and because they import subject merchandise.") at 40 n.79; Portland Hydraulic Cement and Cement Clinker from Colombia, France, Greece, Japan, Mexico, Korea, Spain and Venezuela, Invs. Nos. 731-TA-356-63 (Preliminary), USITC Pub. 1925 (December 1986) at 9.

[80] See, e.g., Dry Aluminum Sulfate from Sweden, Inv. Nos. 731-TA-430 (Preliminary), USITC Pub. 2174 (March 1989).

(1) the percentage of domestic production attributable to the related producer;

(2) the reasons why the U.S. producer has decided to import the product under investigation, i.e., whether to benefit from LTFV sales or subsidies, or whether importation simply allows it to continue production and compete in the U.S. market; and

(3) the position of the related producers vis-a-vis the rest of the [domestic] industry, i.e., whether inclusion will skew the data for the rest of the industry. [81]

The Commission has also considered such factors as whether each company's financial records are kept separately from its foreign operations and whether the primary interests of the related producers lie in domestic production or in importation. [82] The Commission has stated that domestic producers who substantially benefit from their relation to the subject imports are properly excluded as related parties. [83]

Two domestic producers in this investigation, Ford and Chrysler, merit preliminary scrutiny on the related parties issue owing to: (1) partial ownership of two of the Japanese respondent corporations; (2) the prospect of future importation by Chrysler of minivans from Mitsubishi; and (3) a joint venture agreement between Ford and Nissan to produce vehicles in the U.S. Only Mitsubishi has made an argument that either of these two producers should be excluded as a related party, and it argues that Chrysler should be excluded for reasons explained below. Of course, the Commission has the right and

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[81] See Certain All-Terrain Vehicles from Japan, Inv. No. 731-TA-388 (Final), USITC Pub. 2163 at 17-18 (March 1989).

[82] See, e.g., Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 (1986).

[83] See Heavy Forged Handtools from the People's Republic of China, Inv. No. 731-TA-457 (Final), USITC Pub. 2357 (February 1991).

obligation to conduct its investigations independently of the arguments of the parties and may consider whether to exclude a producer as a related party even absent an argument to that effect. [84]

1. Whether Ford or Chrysler are "related parties."

Ford owns a 25 percent equity interest in Mazda Motor Corporation, [85] and Chrysler owns an approximately 12 percent equity interest in Mitsubishi Motors Corporation. [86] Petitioners argue that Ford and Chrysler must not be excluded as "related parties" [87] and conclude that the Commission must disregard the ownership of the Japanese exporters in question for purposes of this issue. [88] Petitioners apparently concede that equity ownership does constitute being "related," but maintain that exclusion is not warranted because Ford and Chrysler are petitioners, and the relationships involved have "no impact whatever on the trade and the product involved." [89] Thus, the key issue is whether "appropriate circumstances" for exclusion exist, as discussed below.

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[84] See generally, e.g., USX Corp v. United States, 655 F. Supp. 487, 498-99 (Ct. Int'l Trade 1987); Roquette Freres v. United States, 583 F. Supp. 599, 604 & n. 8 (Ct. Int'l Trade 1984).

[85] Petition at 14 n.8.

[86] See, e.g., Tr. at 56; Petition at 14 n.9.

[87] Tr. at 57, 87-8.

[88] Tr. at 57.

[89] Tr. at 88. When asked about "the significance of that ownership in terms of the control of the marketing strategy used by the corporations of which they are either very significant owners or at least significant owners," Tr. at 56, petitioners responded that "there is absolutely no control that either Ford or Chrysler exercises over imports of minivans by Japanese producers in which they have a shareholder stake." See Tr. at 56, 60.

Mitsubishi argues that Chrysler should be excluded from the domestic industry as a related party insofar as Chrysler intends to import a new vehicle in the future. [90] However, there have been no imports by Chrysler of the subject product (minivans) during the period of investigation, and because our data will not be affected by reason of importation of alleged LTFV merchandise which has not occurred there is no point in considering excluding Chrysler as a related party on this ground. [91]

Ford has entered into an agreement with Nissan to jointly build a new minivan in the United States. [92] These vehicles would be produced in the United States, however, not imported from Japan. [93] While this arrangement to engage in future joint production could reasonably be considered a "relationship" between the companies, it also is prospective and does not affect current data. Thus, the joint venture can be ignored for the purposes

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[90] Mitsubishi Post-conference Brief at 24 & n. 7. Note that Mitsubishi denies that the Expo (also known as the CZ or CZL) is a minivan (Mitsubishi Post-conference Brief at 3), contrary to Chrysler's assertion that Mitsubishi's new product does "fall within the minivan definition . . . ." Tr. at 80.

[91] If the onset of the relationship did not arise until late in or after the period under investigation, the domestic producer would not be "related" under the statute and inclusion would not skew the data. See Gray Portland Clinker Cement from Mexico, Inv. No. 731-TA-451, USITC Pub. 2235 (November 1989)(Preliminary) at 19 ("none of the [domestic] grinding operations was owned by Mexican companies during the period of investigation"). Cf. Polychloroprene from France and the Federal Republic of Germany, Inv. No. 731-TA-446 and 447, USITC Pub. 2233 (November 1989) at 10 (domestic producer acquired by the domestic importer was not a related party for most of the period of investigation and was not excluded). Cf. 19 U.S.C. § 1677(4)(B) (producers "are" themselves importers of the allegedly subsidized or LTFV merchandise).

[92] See, e.g., Tr. at 57.

[93] See Tr. at 33, 57-58.

of the related party provision in this preliminary investigation.

Nonetheless, Ford and Chrysler are related to Mazda and Mitsubishi, respectively, due to their partial ownership in these firms. Accordingly, the Commission must ask whether appropriate circumstances exist to exclude them from the domestic industry.

2. Whether appropriate circumstances exist for excluding Ford or Chrysler as related parties.

Our consideration of the factors we normally employ leads us to the conclusion that appropriate circumstances do not exist in this preliminary investigation for excluding Ford or Chrysler. These firms, individually, and even more so jointly, account for a significant percentage of domestic production of minivans, and excluding them would substantially reduce the size of the domestic industry. Further, although the confidentiality of the data involved limits our discussion of this factor, neither Ford nor Chrysler's relationship to the relevant Japanese respondents appears to have the effect of benefitting their domestic operations. Moreover, given that each firm, as a petitioner, is actively seeking to impose antidumping duties on products produced by the Japanese firm to which it is related, it is reasonable to infer that they are not deriving any benefit from the alleged dumping.

The ownership of the foreign firms does not appear to have affected marketing of minivans, [94] and it is evident that the books of Ford and Chrysler are kept separately from the books of Mazda and Mitsubishi. It also appears evident that Ford's interests at least are primarily in domestic production rather than importation. Chrysler's interests appear somewhat more

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[94] See Tr. at 56, 60.

ambivalent, given the substantial importations of minivans from its Canadian subsidiary. [95] However, even factoring out the Canadian production, Chrysler remains a substantial producer of minivans in the United States.

We find thus find that it is appropriate to include Ford and Chrysler in the domestic industry, which consists of the U.S. production operations producing minivans of Chrysler, Ford and General Motors.

Condition of the Domestic Industry [96]

In assessing the condition of the domestic industry, we considered, among other factors, U.S. production, shipments, capacity, capacity utilization, employment, wages, financial performance, capital investment, and research and development expenditures. [97] No single factor is dispositive, and in each investigation we consider the particular nature of the industry involved and the relevant economic factors which have a bearing on the state of the industry. [98] [99] The data obtained by the Commission relating to these

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[95] Indeed, Mazda noted the "irony . . . that GM and Ford could file a dumping case against Chrysler for its imports." Tr. at 177.

[96] Acting Chairman Brunsdale joins in this discussion of the condition of the domestic industry, except as otherwise noted below. However, she does not reach a separate legal conclusion regarding the presence or absence of material injury based on this information. While she believes an independent determination of the condition of the domestic industry is neither required by the statute nor useful, she does find the condition of the domestic industry helpful in deciding whether there is a reasonable indication that any injury resulting from allegedly LTFV imports is material.

[97] See 19 U.S.C. § 1677(7)(C)(iii).

[98] Toyota and petitioners presented arguments that the Commission should consider the condition of the industry in the context of the relevant business cycle, which they do not define. See Toyota Postconference Brief at 14-15; Tr. at 25, 28-31. Of course, the Commission is required to consider the impact of the imports under investigation within "the context of the business cycle and conditions of competition that are distinctive to the affected

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factors indicates that a substantial downturn in the condition in the industry occurred in the first quarter of this year, with declines for each factor typically in the double-digit range. [100] [101]

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[98](...continued)
industry." See 19 U.S.C. § 1677(7)(C)(iii). However, "in order to establish the existence of a cycle, it is fundamental that the alleged cycle must have occurred repeatedly . . . Further, a cycle must be internally complete, i.e., the time period should run from peak-to-peak or trough-to-trough." Coated Groundwood Paper from Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom, Invs. Nos. 731-TA-486 through 494 (Preliminary), USITC Pub. 2359 (February 1991) at 11. Petitioners conceded at the conference, however, Tr. at 96, that there was no business cycle, stating that it had been a characteristic of the minivan market that it "has virtually been untainted by any of the cycle characteristics of the general auto demand until more recently . . . [and therefore] there is no prior cycle in this market." Accordingly, we find that there is no business "cycle" to consider, although we are cognizant of the fact that the economy as a whole has been in a recession for the latter part of the period of our investigation.

[99] Commissioner Lodwick and Acting Chairman Brunsdale agree that there has not been a complete business cycle for minivans. However, the minivans are newly introduced and could be expected to exhibit some characteristics of a new product in the overall context of the general automobile market. However, the drop in minivan consumption in the most recent interim period was also matched by declines in sales of full size vans and sport utility vehicles. It could be expected that, as the market for minivans is saturated and matures, the minivan market would behave like other segments of the automotive market. Characteristics of general automotive demand as they can relate to minivan demand can be explored by the parties in any final investigation.

[100] We normally view data for only one calendar quarter with caution. Caution is particularly warranted in this case because quarterly sales of minivans are influenced by many factors, including growth in the economy, changes in interest rates and changes in the relative prices of minivans. See Report at A-92. We thus intend to scrutinize the data obtained in any final investigation to see if the downturn in the first quarter is continued in later periods.

[101] Commissioner Newquist notes that it appears the downturn in the industry may have started at some point in 1990. In fact some full year data show declines from 1989 levels for some factors. Commissioner Newquist believes that quarterly data for 1990 and 1991 is required in any final investigation in order to better assess when the downturn began and the impact of the imports on the performance of the industry.

U.S. production increased by 12 percent from 1988 through 1990, but fell by 38 percent in first quarter of 1991 compared to the same period in 1990. [102] U.S. shipments increased 11 percent in the 1988 to 1990 period, but declined 42 percent in the first quarter of this year relative to the same period in 1990. [103] Consumption of minivans rose over the period of investigation, but fell sharply in the first quarter of 1991 relative to the first quarter of 1990. [104]

Capacity utilization declined through the period of investigation, but until the first quarter of 1991 the decline was due to the increases in capacity. Capacity utilization fell precipitously, however, in the first quarter of 1991, to 50 percent, compared to 79 percent in the first quarter of 1990, a decline not due to expansion in capacity. [105] Market share of U.S. producers rose from 1988 through 1990, but declined in the first quarter of 1991 relative to the first quarter of 1990. [106]

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[102] See Report at A-44.

[103] See Report at A-48.

[104] See Report at A-28.

[105] See Report at A-44. Domestic capacity increased by 46 percent from 1988 through 1990, to nearly 900,000 vehicles, but declined 2 percent in interim 1991.

[106] See Report at table 29, A-79. Another argument raised by respondents is that the "dominant" market share of the domestic industry precludes a finding of even a reasonable indication of material injury, notwithstanding what Mazda characterizes as a "recent downward fluctuation." See Mazda Postconference Brief at 19-20. While a large market share by the domestic industry is relevant to the Commission's determination, it is not dispositive. The statute directs the Commission to examine, among many other factors, "actual and potential decline in . . . market share" of the domestic industry. See 19 U.S.C. § 1677(7)(C)(iii)(I). Further, the statute explicitly indicates that "[t]he presence or absence of any factor which the Commission

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The number of production and related workers increased from 1988 to 1989, then fell 3 percent in 1990. During January-March 1991, the number of these workers fell 17 percent, to 10,781 workers, compared to the same period in 1990. Hours worked increased through the period of investigation, but showed a sharp fall of 34 percent in the first quarter of 1991 relative to the first quarter of 1990. Hourly compensation increased throughout the period of investigation, as did unit labor costs. [107] A number of layoffs of minivan workers were reported during the period of investigation, beginning in 1990. [108]

Financial data obtained by the Commission indicate that while net sales increased from 1988 to 1990, to nearly 10 billion dollars, they plummeted by over 37 percent in the first quarter of 1991 relative to the first quarter of 1990. Operating income declined throughout the period of investigation, and deteriorated from an operating income of 257 million dollars in the first quarter of 1990 to an operating loss of 62 million dollars in the first quarter of 1991. The cost of goods sold as a percentage of net sales has steadily increased through the period of investigation. [109]

Accordingly, based primarily on the pronounced downturn of the U.S. minivan industry in the first quarter of 1991, for virtually every factor, we find a reasonable indication that the domestic industry is materially

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[106](...continued)
is required to evaluate [including domestic market share] . . . shall not necessarily give decisive guidance." See 19 U.S.C. § 1677(7)(E).

[107] See Report at A-53.

[108] See Report at A-56.

[109] See Report at table 18, A-58.

injured. [110]

Reasonable Indication of Material Injury By Reason of Allegedly LTFV Imports

In making a preliminary determination in an antidumping or countervailing duty investigation, we must determine whether there is a reasonable indication that an industry in the United States is materially injured "by reason of" the imports under investigation. [111] Material injury is "harm which is not inconsequential, immaterial or unimportant." [112] The Commission may consider alternative causes of injury, but it is not to weigh causes. [113] The imports need not be the principal or a substantial cause of material injury. [114] Rather, we are to determine whether imports are a cause of material injury, [115] [116] or whether factors other than the LTFV imports have

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[110] As discussed above, Acting Chairman Brunsdale does not join in this conclusion that there is material injury based on the condition of the domestic industry.

[111] 19 U.S.C. § 1673b(a).

[112] 19 U.S.C. § 1677(7)(A).

[113] E.g., Citrosuco Paulista S.A. v. United States, 704 F. Supp. 1075, 1101 (Ct. Int'l Trade 1988). Alternative causes may include:

> the volume and prices of imports sold at fair value, contraction in demand or changes in patterns of consumption, trade, restrictive practices of and competition between the foreign and domestic producers, developments in technology, and the export performance and productivity of the domestic industry.

S. Rep. No. 249, 96th Cong., 1st Sess. 74 (1979). Similar language is contained in the House Report. H.R. Rep. 317, 96th Cong., 1st Sess. 47 (1979).

[114] "Any such requirement has the undesirable result of making relief more difficult to obtain for industries facing difficulties from a variety of sources, industries that are often the most vulnerable to less-than-fair-value imports." S. Rep. No. 249, at 74-75.

[115] E.g., Granges Metallverken AB v. United States, 716 F. Supp. 17, 25 (Ct. Int'l Trade 1989) ("contribute, even minimally"); LMI-La Metalli

(continued...)

made the industry more vulnerable to the effects of the LTFV imports. [117] [118]

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[115](...continued)
Industriale, S.p.A. v. United States, 712 F. Supp. 959, 971 (Ct. Int'l Trade 1989), citing, British Steel Corp. v. United States, 8 CIT 86, 593 F. Supp. 405, 413 (1984)), aff'd in part and rev'd in part on other grounds, 912 F.2d 455 (Fed. Cir. 1990) (dealing only with the Commerce portion of the CIT opinion); Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1101 (Ct. Int'l Trade 1988) ("contribute, even minimally, to conditions of the domestic industry"); USX Corp. v. United States, 682 F. Supp. 60, 67 (Ct. Int'l Trade 1988); Hercules, Inc. v. United States, 673 F. Supp. 454, 481 (Ct. Int'l Trade 1987) ("even slight contribution from imports"); Gifford-Hill Cement Co. v. United States, 615 F. Supp. 577, 586 (Ct. Int'l Trade 1985). See also Maine Potato Council v. United States, 613 F. Supp. 1237, 1244 (Ct. Int'l Trade 1985) (The Commission must reach an affirmative determination if it finds that imports are more than a "de minimis" cause of injury.)

[116] Acting Chairman Brunsdale agrees that the Commission is not to weigh causes. It must nonetheless determine that the injury "by reason of" the subject imports is material in order to reach an affirmative determination. While the a-cause-of-material-injury formulation used in the text has received some favorable commentary in judicial dicta, it finds no support in the language of the statute or in the legislative history. For a full treatment of this issue, see Certain Telephone Systems and Subassemblies Thereof from Japan and Taiwan, Inv. Nos. 731-TA-426 and 428 (Final), USITC Pub. 2237 (November 1989) at 147-248 and particularly 228-248 (Dissenting Views of Vice Chairman Ronald A. Cass).

[117] See generally Iwatsu Elec. Co. Ltd. v. United States, 758 F. Supp. 1506, 1512 (Ct. Int'l Trade 1991) (even if the industry had high SG&A expenses due to structural problems, the basis for the determination was whether "the woes of the domestic industry were exacerbated by LTFV imports.") (emphasis deleted).

[118] Acting Chairman Brunsdale agrees that examination of whether factors other than LTFV imports have made the domestic industry more vulnerable to the effects of the imports, and therefore more likely to be suffering material injury, is appropriate. See, e.g., Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1101-02 (1988) (freezes left the domestic producers more vulnerable) and Oil Country Tubular Goods From Canada and Taiwan, Invs. Nos. 701-TA-255 (Final) and 731-TA-276 and 277 (Final), USITC Pub. 1865 (June 1986), at 12 (a downturn in demand may have made the domestic industry more vulnerable). However, she notes that such increased vulnerability could result from either bad business decisions or events beyond the domestic firms' control. In any final investigation, she would be interested in the views of the parties as to whether the Commission should treat any increase due to bad business decisions the same as a similar increase due to events beyond the industry's control.

In assessing the impact of the alleged LTFV merchandise on the domestic industry, we are directed by the statute to consider whether the volume of imports under investigation, or any increase in that volume, either in absolute terms or relative to domestic production or consumption, is significant. [119] [120] We are also directed to evaluate the effect of allegedly LTFV imports on prices, and to consider whether there has been significant price underselling by the imported merchandise compared to prices of the domestic like product and whether the allegedly LTFV merchandise has the effect to otherwise depress prices, or suppress price increases, to a significant degree. [121]

While actual numbers are confidential, imports of minivans [122] from Japan rose throughout the period of investigation, both in terms of quantity

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[119] See 19 U.S.C. § 1677(7)(C)(i).

[120] Commissioner Lodwick notes that the high labor costs of the U.S. industry, including the labor agreement that provides for generous benefits to be paid to workers in the event of layoffs, see Report at A-52--A-53, makes the domestic industry more vulnerable to the effects of the allegedly LTFV imports. By treating labor costs more as a fixed cost than a variable cost, automotive producers effectively increase their contribution margin per unit sold. This can limit their strategic options for pricing and for volume reductions that most producers have when meeting competition from other automotive suppliers. Firms with high contribution margins are prone to cut prices rather than cut production volumes: the total contribution profits can decline faster with volume cuts than with price cuts. It is not surprising that the sharp drop in production and capacity utilization in interim 1991 was accompanied by a sharp drop in operating profits during the same period.

[121] See 19 U.S.C. § 1677(7)(C)(ii).

[122] We note that certain importers did not include imports of minivans in their questionnaire responses as minivans, but instead reported those minivans as imports of other types of vehicles. See Report at A-39. Actual import volume (and market share) thus may differ somewhat than is stated in the report. We have taken such discrepancies in account in considering the volumes and market shares reported.

and value, particularly between 1989 and 1990 and in the first quarter of this year relative to the first quarter of 1990. [123] Market share for the Japanese product showed a similar trend, except for an even greater increase than was shown for volume alone in the first quarter of 1991 compared to the first quarter of 1990. [124] The increases in the first quarter of 1991 came at a time of sharply declining consumption. [125] [126]

We have considered the pricing data in this case with caution, because the differentiation of models, options and features, which also may vary from year to year, makes it difficult both to discern trends in prices and to make price comparisons between imported and domestic minivans. [127] Prices of the domestic product fluctuated but generally rose during the period of investigation. [128] However, the financial data for the industry indicate that the cost of goods sold as a share of net sales has also steadily risen, [129]

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[123] See Report at table 29, A-77--A-78.

[124] See Report at table 29, A-79.

[125] See Report at A-28.

[126] Commissioner Lodwick notes the simultaneous increase in the Japanese share of the U.S. market and the decrease in the Canadian share of the U.S. market share, while the U.S. market share of U.S. producers slightly rose from 1988 to 1990, implying that Japanese imports primarily displaced Canadian imports during this period. However, the sharp rise in the Japanese share of the U.S. market in the interim periods came at the expense of the U.S. industry, whose market share fell abruptly in the same period.

[127] See Report at A-87--A-89.

[128] See Report at A-87--A-88.

[129] See Report at table 18, A-58.

suggesting that prices of minivans have been suppressed [130] relative to costs as domestic price increases have not been sufficient to keep pace with rising costs. [131] [132]

We also note that out of 630 quarterly price comparisons between U.S. and Japanese minivans, the Japanese minivans were priced lower in 468 instances. [133] While we view this data with caution in light of the difficulty inherent in making price comparisons for this type of product, it

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[130] The fact that prices have risen does not necessarily mean that the imports have not had an effect in preventing further price increases to a significant degree. See 19 U.S.C. § 1677(7)(C)(ii)(II).

[131] See generally, 19 U.S.C. § 1677(7)(C)(ii)(II) (directing us to consider, among other matters, whether "the effect of imports of that merchandise prevents price increases, which would otherwise have occurred, to a significant degree."); Florex v. United States, 705 F. Supp. 582, 593 (Ct. Int'l Trade 1989); Maine Potato Council v. United States, 613 F. Supp. 1237, 1245 (Ct. Int'l Trade 1985); Gifford-Hill Cement Co. v. United States, 615 F. Supp. 577, 587 (Ct. Int'l Trade 1985).

[132] Commissioner Lodwick notes that the decline in fairly traded minivans imported from Canada further supports the Commission's conclusion that price suppression is occurring as Canadian suppliers appear less willing to supply the U.S. market at existing prices. No other explanation is evident for the decline in these imports.

Commissioner Lodwick also finds that industry efforts to maintain sales volume by matching prices of competing suppliers in the face of rising costs effectively reduce total contribution profits and impacted the ability of U.S. minivan producers to raise capital to introduce successor models and styles. Particularly disturbing was the sharp drop in shipments and production in the interim period. By cutting the volume of production with high fixed costs, total contribution profits will fall quickly and reduce the availability of internally generated capital. In addition, suppliers of external capital may be reluctant to lend money to a minivan producer having financial and marketing difficulties. A delay in obtaining capital to do the necessary research for new production processes or for the development of new models or styles can put U.S. producers at a competitive disadvantage for the foreseeable future. See Petitioners' Postconference Brief at 21-22. See also Report at B-51.

[133] See Report at A-89.

provides further support for our affirmative preliminary determination. We also find it significant that underselling is more pronounced for higher priced minivans, [134] that segment of the market that the domestic industry has identified as the most profitable, [135] and where Japanese imports appear to be increasingly sold. [136]

Accordingly, we find there is a reasonable indication of material injury by reason of allegedly LTFV imports of minivans from Japan. We base this determination on the rising volume and market share of the imports, and the evidence that the Japanese product has had a role in suppressing prices of the domestic like product. [137]

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[134] See Report at A-90.

[135] See Tr. at 53-54; Petitioners' Postconference Brief at 25. Contrary to the argument of Mazda that "petitioners bear an important burden of proof" in establishing price suppression or depression, Mazda Postconference Brief at 39, the courts and the Congress have routinely noted that these proceedings are investigations, not adjudications. Neither petitioner nor respondent has a "burden of proof" as such. E.g., American Lamb Co. v. United States, 785 F.2d 994, 1003 (Fed. Cir. 1986); Freeport Minerals Co. v. United States, 776 F.2d 1029, 1032, 1033 (Fed. Cir. 1985); USX Corp. v. United States, 655 F. Supp. 487, 498-99 (Ct. Int'l Trade 1987); Timken v. United States, 630 F. Supp. 1327, 1333 (1986); Budd Co. Ry. Div. v. United States, 507 F. Supp. 997, 1003-04 (Ct. Int'l Trade 1980); H.R. Rep. No. 1156, 98th Cong., 2d Sess. 182 (1984) ("in all Commission antidumping and countervailing duty investigations neither petitioner nor respondent has a burden of proof. The Commission conducts its own fact-finding . . . .") (Conference Report to the Trade and Tariff Act of 1984); 15 N. Car. J. Int'l. L. & Comm. Reg. 441, 457-62 (Fall 1990).

[136] See Report at A-84--A-85.

[137] Acting Chairman Brunsdale agrees with her colleagues that the record evidence suggests that domestic minivan prices may have been suppressed. Her conclusion is based on two factors. First, the available evidence demonstrates that domestic and imported minivans are reasonably good substitutes for each other, though they are clearly less than perfect substitutes. Second, the available evidence on dumping margins suggests that the price of imported minivans may be significantly below "fair" levels. She (continued...)

[redacted]

[redacted]

[137](...continued)
notes, however, that at this stage in the proceeding the available evidence on dumping margins, which is reported at A-28 of the Staff Report, is little more than petitioners' claims.

Information Obtained in the Investigation

INTRODUCTION

Institution

On May 31, 1991, a petition was filed with the U.S. International Trade Commission (the Commission) and the U.S. Department of Commerce by counsel on behalf of General Motors Corp. (GM), Detroit, MI; Ford Motor Co. (Ford), Dearborn, MI; and Chrysler Corp. (Chrysler), Detroit, MI. The petition alleges that an industry in the United States is materially injured and is threatened with material injury by reason of imports from Japan of new minivans, provided for in headings 8703 and 8704 of the Harmonized Tariff Schedule of the United States (HTS), which are allegedly being sold in the United States at less than fair value (LTFV).

Accordingly, effective May 31, 1991, the Commission instituted antidumping investigation No. 731-TA-522 (Preliminary) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the alleged LTFV imports of minivans into the United States.

Notice of the institution of the Commission's investigation and of a 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 June 10, 1991 (56 F.R. 26694).[1] The conference was held on June 21, 1991.[2] The Commission voted on this investigation on July 10, 1991. The statute directs that the Commission make its determination in this case within 45 days after receipt of the petition, or by July 15, 1991.

Background

GM, Ford, and Chrysler, the petitioners, are the only U.S. producers of minivans, and filed the petition on behalf of the domestic industry. Chrysler also produces minivans in Windsor, Ontario, Canada. Petitioners argue that because the content of Chrysler's Canadian-produced minivans is predominately of U.S. origin (***) and because of the integrated nature of the North American automobile market, those vehicles should be treated as U.S. production.[3] Petitioners state that "under the [1965] Auto Pact,[4] U.S. automobile manufacturers have rationalized production to achieve the most effective, efficient, and competitive use of North American facilities. Product allocations among the various North American facilities are more a result of plant availability than of nationality," and Chrysler "could easily have produced [minivans] at another North American plant[5] and all of

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[1] A copy of the Commission's notice of institution is shown in app. A.

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

[3] Petition, p. 2. Information on the content of U.S.-produced and Canadian-produced vehicles is presented in the section of the report entitled "Raw Materials and Supplies." Chrysler produces the short-wheelbase version of its minivan in Canada and the long-wheelbase version in the United States.

[4] The Auto Pact is formally known as the Automotive Products Trade Act of 1965 (APTA). It is discussed in the section of the report entitled "U.S. Tariff Treatment."

[5] Petition, pp. 34-35.

Chrysler's minivans are designed and engineered in the United States.[6] Petitioners urge the Commission to "follow the precedent established by the Energy Policy and Conservation Act of 1975," which requires the Environmental Protection Agency (EPA) to treat minivans assembled in the United States and Canada as domestically-produced vehicles for purposes of calculating corporate average fuel economy standards (CAFE standards).[7]

With respect to the issue of "like product," the petitioners argue that because minivans are assembled on completely dedicated production lines and are considered a unique vehicle by consumers, they should be the only vehicle included in the like product.[8] Furthermore, petitioners cite the statutory language used to define "like product" as being "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ."[9] Petitioners argue that there is not an absence of "like" vehicles--that is, there is an abundance of both domestically produced and imported minivans in the U.S. market.[10] Respondents do not strongly argue for a like product broader than minivans.[11]

In its notice of initiation (56 F.R. 29221), the International Trade Administration of the U.S. Department of Commerce (Commerce) defined the imported products subject to investigation as new "on-highway motor vehicles, with a gross vehicle weight that is generally less than 6,000 pounds, a height that is generally between 62 and 75 inches, having a single, box-like structure that envelops both the space for the driver and front-seat passenger and the rear space (which has flat or nearly flat floors and is usable for carrying passengers and cargo), a hood that is generally sloping and a short distance from the cowl to the front bumper relative to the overall length of the vehicle, a seat configuration that permits passengers to walk from the front area to the rear area of the vehicle, and a rear side access door (or doors) and a rear door (or doors) that provide wide and level access to the rear area."[12] Commerce added that it will continue to consider its definition during the course of its investigation and will refine it if necessary.

In analyzing like product issues, the staff has considered a number of factors relating to the characteristics and uses of minivans. These include (1) physical characteristics, (2) uses, (3) interchangeability with other vehicles, (4) channels of distribution, (5) customer perceptions, (6) common production/assembly facilities and production employees, (7) production processes, and (8) price. To enable the Commission to better evaluate the like product, the staff designed producers' and importers' questionnaires to collect data not only on minivans, but also on vehicles that, upon a review of physical characteristics, uses, interchangeability, and channels of distribution, appeared most similar to minivans. These vehicles are full-size vans, station wagons, and sport-utility vehicles. They are described below.

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[6] It should be noted that the initial designs for the Toyota Previa minivan and the Mazda MPV minivan originated in the United States (Transcript of Staff Conference (hereinafter "Transcript"), pp. 136 and 148).

[7] Ibid. For a discussion of CAFE standards see section of the report entitled "Corporate Average Fuel Economy Standards."

[8] Transcript, p. 86.

[9] 19 U.S.C. § 1677(10).

[10] Transcript, p. 86.

[11] Transcript, pp. 174-175.

[12] A copy of Commerce's notice of initiation is shown in app. C.

Insofar as the "domestic industry" is concerned, petitioners state that because they contend the like product is minivans, the domestic industry consists of the three petitioners, GM, Ford and Chrysler, which account for all U.S. production of minivans. In addition to minivans, the petitioners produce full-size vans,[13] station wagons,[14] and sport-utility vehicles, as well as a full range of other types of passenger cars and trucks. No other U.S. producer manufactures full-size vans. Honda of America Manufacturing, Inc. and Subaru-Isuzu Automotive, Inc. produce station wagons and other types of passenger cars in the United States. Subaru-Isuzu also produces sport-utility vehicles in the United States. Other U.S. producers of passenger cars and/or trucks not surveyed by the Commission include Diamond-Star Motors Corp., Mazda Motor Manufacturing (USA) Corp., Nissan Motor Manufacturing Corp. U.S.A., New United Motor Manufacturing, Inc., and Toyota Motor Manufacturing U.S.A., Inc.[15] Additional information regarding these firms is presented in the section of the report entitled "U.S. Producers."

Previous Commission Investigations Concerning Motor Vehicles

The Commission has previously conducted several investigations concerning finished motor vehicles. In 1980, the Commission conducted an investigation under section 201 of the Trade Act of 1974 involving certain motor vehicles and certain chassis and bodies therefor (investigation No. TA-201-44). In that investigation the Commission determined that certain motor vehicles and certain chassis and bodies therefor were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.[16]

Prior to that investigation, the Commission conducted an antidumping investigation (inquiry No. AA1921-Inq.-2) involving new on-the-highway, four wheeled passenger vehicles from Belgium, Canada, France, Italy, Japan, Sweden, the United Kingdom, and West Germany.[17] The Commission instituted the investigation in response to advice from the Department of the Treasury (Treasury) that it was initiating antidumping investigations pursuant to section 201(c) of the Antidumping Act of 1921, as amended. Treasury instituted its investigations after receiving a complaint from Congressman John H. Dent of Pennsylvania. A similar complaint was received on July 11, 1975, from the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW).

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[13] Chrysler produces full-size vans in Canada; it does not produce any in the United States.

[14] Chrysler stopped producing station wagons in 1988. It does, however, import several station wagon models from Mitsubishi. These vehicles are made in Japan.

[15] Volkswagen of America stopped producing passenger cars in the United States in 1988.

[16] See Report to the President on Investigation No. TA-201-44 Under Section 201 of the Trade Act of 1974, USITC Pub. 1110, December 1980.

[17] See New, On-the-Highway, Four-Wheeled Passenger Automobiles from Belgium, Canada, France, Italy, Japan, Sweden, the United Kingdom, and West Germany, USITC Pub. 739, September 1975.

On the basis of its inquiry, the Commission determined that Treasury's investigation into the nature and extent of sales at LTFV should continue with respect to the subject imports from all eight countries under investigation. Treasury continued its investigation and in May 1976 announced that, of the 28 firms investigated, only 5 firms (Nissan, Toyota, Honda, Porsche, and Rolls Royce) were found to be selling all of their automobiles in the United States at fair value during the period January-August 1975. All of the other 23 firms in the 8 countries in question were found to be selling at least some of their vehicles at LTFV during January-August 1975. However, Treasury noted that if the cost of emission control equipment comparable to that required for cars produced for sale in the United States were added to the cost of vehicles produced for the home markets of the countries in question, combined with allowances for certain exchange rate fluctuations, all but de minimis margins would be eliminated for 14 of the 23 firms. These 14 firms, including all of the remaining Japanese firms, were not required to provide letters of assurance to Treasury, but were required to submit to price monitoring by Treasury for at least the next 2 years. Included among the 14 firms were Fiat and British Leyland, which had withdrawn their lowest priced vehicles from the U.S. market earlier in 1976.

Canadian-made passenger automobiles, with the possible exception of those produced by American Motors Corp. (AMC),[18] were found to be selling in the United States at LTFV during the period January-August 1975. As a result, GM, Ford, and Chrysler were required to assure Treasury, in writing, that they would continue their efforts to eliminate the price differential between vehicles sold in Canada and those sold in the United States. No deadline wa required for the elimination of the price differential.

Beginning in May 1976, the Treasury Department sought written price assurances from the manufacturers of motor vehicles found to be selling at LTFV in the United States. Treasury chose not to withhold appraisement of passenger automobiles imported from the eight countries or to send the case to the Commission because of possible disruption of sales of the imported vehicles in question and the effect this would have on the foreign producers and countries in question. During the period May-August 1976, Treasury sought and finally obtained written assurances from the five remaining firms (Volkswagen, Renault, Ford of West Germany, Saab, and Volvo) that their prices would be adjusted to fair levels. As a result of the receipt of these assurances, Treasury discontinued its antidumping investigation in August 1976, but announced that it would monitor prices of the 5 firms for at least 2 years to assure that LTFV sales would not resume.

The Commission also conducted an investigation under section 332 of the Tariff act of 1930 (investigation No. 332-76) at the request of the Committee on Finance of the United States Senate. The Senate asked the Commission to conduct an in depth study of the U.S.-Canadian automotive agreement, its history, terms, and impact, and to answer several specific questions on the operations of the agreement, which had been in effect since 1965. The Commissions's report was transmitted to the Senate Finance Committee on January 22, 1976, and was published as a document of the Senate Finance Committee shortly thereafter.[19]

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[18] Chrysler purchased AMC in 1987.

[19] See Canadian Automobile Agreement, United States International Trade Commission Report on the United States-Canadian Automotive Agreement: its history, terms, and impact . . . published by the Committee on Finance, United States Senate, U.S. Government Printing Office (62-478-0), January 1976.

THE PRODUCTS

Descriptions and Uses

There is no standard definition of a minivan, and the basis for distinguishing the product from other vehicles such as full-size vans, station wagons, and sport-utility vehicles is somewhat arbitrary. Petitioners define a minivan as "an on-highway motor vehicle with (1) a gross vehicle weight[20] that is generally less than 6,000 pounds, (2) a height that is generally between 62 and 75 inches, (3) a single, box-like structure that envelops both the space for the driver and the front seat passenger and the rear space (which is flat and usable for carrying passengers and cargo), (4) a hood that is generally sloping and a short distance from the cowl to the front bumper relative to the overall length of the vehicle, (5) a seat configuration that permits passengers to walk from the front area to the rear of the vehicle, and (6) a rear side passenger access door (or doors) and a rear door (or doors) that provide wide and level access to the rear area."[21]

Of the various vehicle dimensions, height is perhaps the one that best distinguishes a minivan from full-size vans (table 1). For example, full-size vans have a height of approximately 80 inches, about 4 inches taller than minivans. Most station wagons have a height well under that of minivans, ranging from about 53 inches to approximately 60 inches. However, the four-wheel drive version of the Dodge Colt Vista is 62.4 inches tall, and Nissan's discontinued Stanza wagon was 62 inches tall. Height is a poor differentiating measure when compared to sport-utility vehicles, which have a height range generally within the range for minivans.

Gross vehicle weight does little to differentiate minivans from other types of vehicles, most of which are under 6,000 pounds gross vehicle weight. Furthermore, some full-size vans have a gross vehicle weight of under 6,000 pounds, and certain models of minivans have a gross vehicle weight over 6,000 pounds. Based on vehicle height and weight, minivans primarily resemble sport-utility vehicles, even though minivan functional and styling characteristics most resemble full-size vans or station wagons (see figures 1, 2, and 3). The use of other vehicle dimensions, such as length, width, or wheelbase also fail to differentiate minivans from other vehicles.[22]

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[20] Gross vehicle weight (GVW) includes weight of vehicle, passengers, equipment, and cargo.

[21] Commerce defined the scope of the imported product subject to its investigation in nearly the same way as petitioners (see app. C).

[22] Automotive News 1991 Market Data Book.

Table 1
Minivans, full-size vans, station wagons, and sport-utility vehicles: Selected vehicle specifications, by types of vehicles and by firms, 1990 and 1991 model years

(In inches, except as noted)

Type of vehicle, make and model	Wheelbase	Length	Width	Height	Weight 1/ --Pounds--
Minivans:					
Chevrolet Astro	110.0	177.0	77.0	74.1	5,000-6,100
Dodge Caravan (std. wheelbase)	112.0	175.9	72.2	64.6	4,070-5,090
Ford, Aerostar XLT (Extd. body)	118.9	190.3	72.0	73.2	4,920
Mazda MPV	110.4	175.8	71.9	68.1	2/
Mitsubishi Van	88.0	171.7	66.5	71.3	2/
Plymouth Voyager (long-wheelbase, 4WD)	119.0	190.5	72.2	64.6	2/
Pontiac Transport	109.8	194.5	74.6	65.2	3,553
Toyota Previa	112.8	187.0	70.9	68.7	5,215
Full-size vans:					
Chevrolet Sportvan	110.0	178.2	79.5	79.1	5,600-8,600
Dodge Ram 150	109.6	178.9	2/	2/	5,300-8,570
Ford Econoline Club Wagon	138.0	206.8	79.9	81.0	6,100
Volkswagen Vanagon 3/	96.9	179.9	72.6	75.9	5,160
Station wagons:					
Buick Century	104.8	190.9	69.4	54.2	3,048
Chevrolet Cavalier	101.2	178.0	66.0	54.1	2,529
Dodge Colt Vista (4WD)	103.3	176.6	64.8	62.4	2/
Ford Escort LX	98.4	171.3	66.7	53.6	3,420
Ford Taurus LS	106.0	191.9	70.8	55.4	3,850
Honda Civic	98.4	161.7	66.1	56.1	2,335
Nissan Axxess 3/	102.4	171.9	66.5	64.6	3,146
Subaru Legacy	101.6	181.1	66.5	55.9	2,750
Toyota Corolla	95.7	171.5	65.2	54.5	2,436
Volkswagen Passat	103.3	179.9	67.1	56.2	3,094
Volvo 740	109.1	188.4	69.3	56.5	3,082
Sport-utility vehicles:					
Chevrolet S10 Blazer (2 dr.)	108.3	178.2	64.8	61.3	4,200
Ford Explorer XLT (4WD, 4 dr.)	111.9	184.3	70.2	67.3	4,460
Geo Tracker	86.6	142.5	64.2	65.0	2,238
Isuzu Trooper (4 dr.)	104.3	176.0	65.0	71.7	4,740
Jeep Cherokee	101.4	165.3	70.5	63.3	2/
Mitsubishi Montero (4 dr.)	106.1	183.1	66.1	72.8	2/
Nissan Pathfinder	104.3	171.9	66.5	65.7	4,670-5,000
Suzuki Samuri	79.9	135.0	60.6	65.6	2,932
Toyota 4Runner (4 dr.)	103.3	196.5	66.5	66.1	5,350

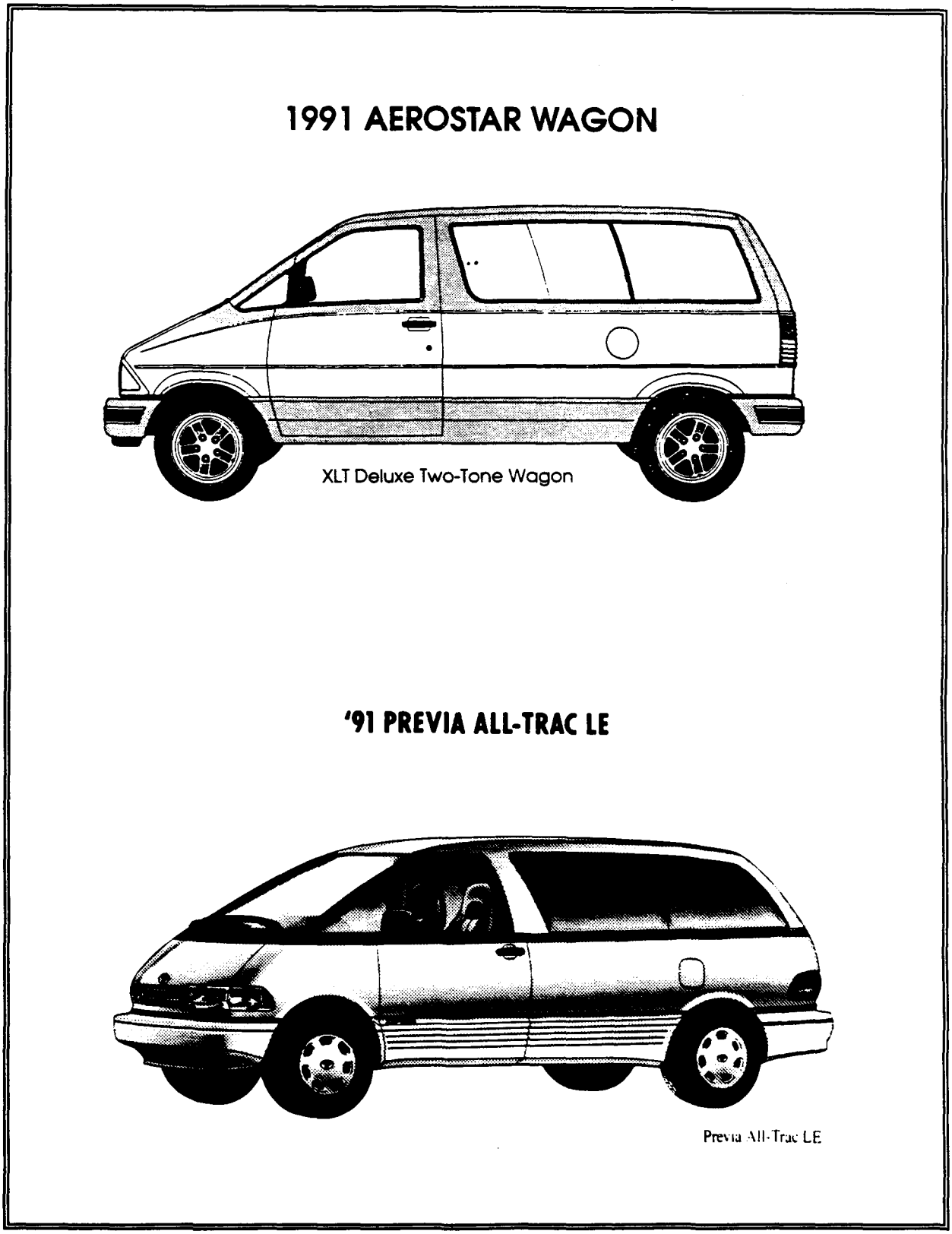
1/ Gross vehicle weight. Vehicle weight will vary depending on how the vehicle is equipped. Weight will vary most notably with engine type, body size/wheelbase, and type of drivetrain.

2/ Unavailable.

3/ Petitioners contend that this vehicle is a minivan.

Source: Chrysler, Ford, GM, and Automotive News 1991 Market Data Book.

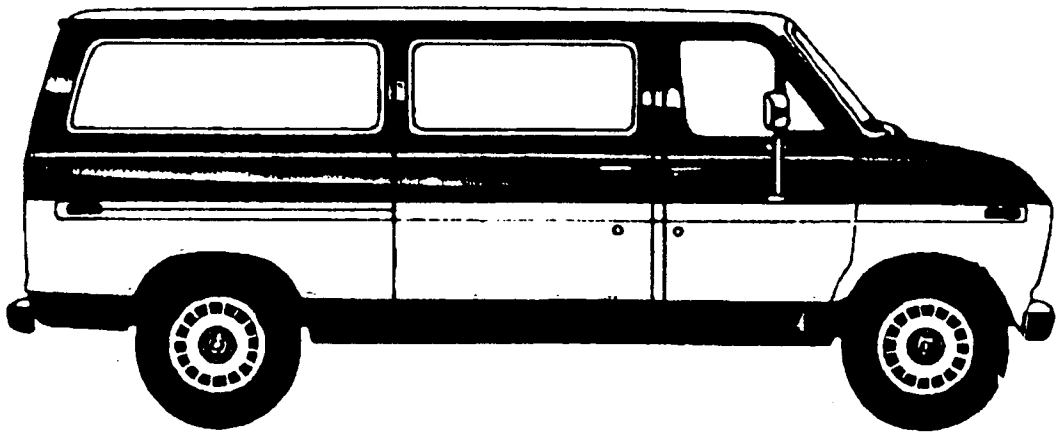
Figure 1
Minivans: Selected 1991 models of U.S.-produced and imported vehicles



Note.--Vehicles are not equally scaled.

Source: Ford Motor Co. and Toyota Motor Sales, U.S.A., Inc.

Figure 2
Full-size vans: Selected 1991 models of U.S.-produced vehicles



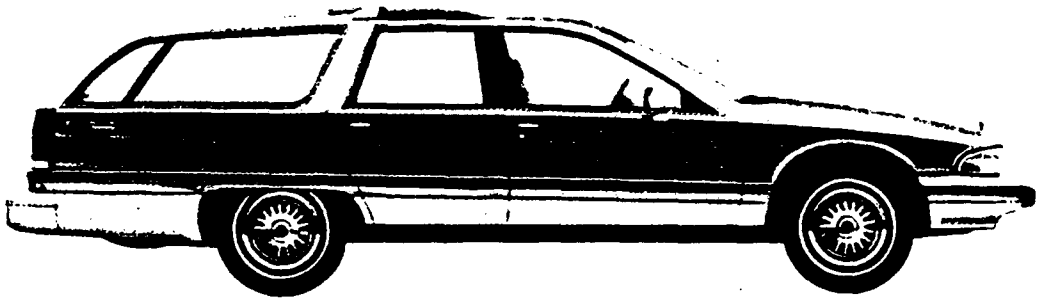
Ford Club Wagon

GMC Vandura

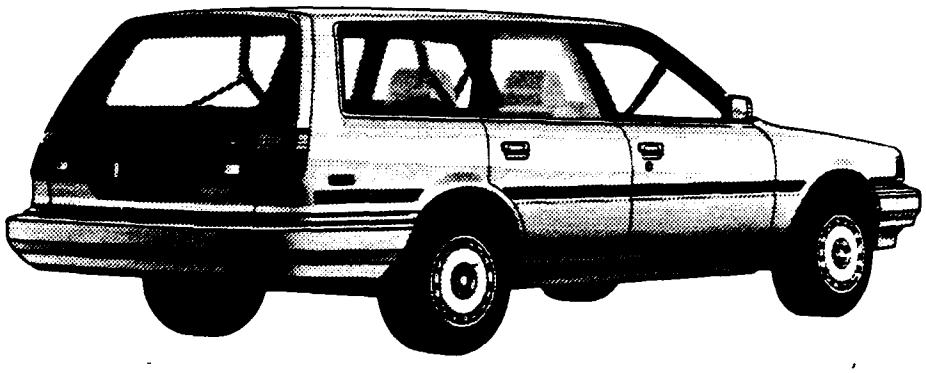
Note.--Vehicles are not equally scaled.

Source: Ford Motor Co. and GM.

Figure 3
Station wagons: Selected 1991 models of U.S.-produced and imported vehicles



Buick Roadmaster Estate Wagon



Camry 5-Door LE Wagon (V6)

Note.--Vehicles are not equally scaled.

Source: GM and Toyota Motor Sales, U.S.A., Inc.

Unlike station wagons and sport-utility vehicles, it is often possible to walk from the front to the rear of a minivan without exiting the vehicle.[23] Minivans currently have one or two rear passenger doors, which often operate by sliding open or closed rather than swinging open or closed like most passenger car doors.[24] Minivans currently also have a door at the rear of the vehicle which is used to gain access to the cargo area.

Minivans can be equipped with a broad range of engine types. Minivans currently have spark-ignition internal combustion engines rather than diesel engines. Engine size ranges from approximately 2 liters to approximately 4 liters, with 4 to 8 cylinders. Engine placement is usually in the front of the vehicle, although Toyota's minivan, the Previa, has the engine in the middle of the vehicle, and the Volkswagen Vanagon has the engine in the rear of the vehicle. Minivans are either front-wheel drive or rear-wheel drive, with most brands having drivetrain options for four-wheel or all-wheel drive.

Minivans seat up to seven adults, and can be ordered with various seating options. Rear and middle seats can be removed or folded up to change the ratio of passenger-to-cargo carrying capacity, making minivans very versatile. Cargo versions of minivans generally lack rear seating capacity and rear passenger windows, allowing the rear portion of the vehicle to be used entirely for carrying cargo. Several manufacturers offer extended-length-wheelbase versions of their minivans, which increases interior volume.

The popularity of minivans has increased dramatically from the early 1980s to present. The vehicles are popular with buyers between 35 and 50 years of age with children. As noted, minivans are versatile with respect to the ratio of passengers-to-cargo carrying capacity. Minivans typically have much more interior volume than a station wagon, allowing them to carry more passengers and cargo. Although minivans lack the interior volume of full-size vans, their relatively compact size and lighter weight provide advantages over full-size vans. For example, minivans often fit into garages that could not accommodate a full-size van. Minivans generally have more car-like ride and handling characteristics than full-size vans, with comfort and convenience features common to passenger autos. As a result of their relatively compact size, minivans are less intimidating for some people to drive, and generally get better gas mileage than a full-size van. The vehicles are easy to drive in city and suburban areas, but are also comfortable on long trips.

These characteristics of minivans help to distinguish them from other vehicles. Minivans fill a market niche that is at best only partially served by station wagons, full-size vans, and sport-utility vehicles. There are no particularly good substitutes for minivans. Some of the features of minivans are present in other types of vehicles, but not to the same extent or in the same combination as a minivan. This helps explain the substantial sales

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[23] Some Chrysler, Toyota, and Mitsubishi minivans have a front bench seat or other front seat configuration that does not permit the front seat passenger(s) or driver to walk to the rear of the vehicle. However, most minivans have a seat configuration in the portion of the vehicle directly behind the driver's seating area that permits aft passengers to walk to the rear of the vehicle. The Nissan Axxess, which Nissan classified as a station wagon in answering the Commission's importers' questionnaire and which petitioners consider a minivan, does not have the walk-through feature.

[24] The Mazda MPV minivan is one of the exceptions. The MPV has a rear side passenger door that swings open or closed like a passenger car door.

success of the minivan in the United States. Only full-size vans have the same versatility with respect to varying the passenger-to-cargo ratio. Station wagons and sport-utility vehicles typically lack the ability to carry either as much cargo or as many passengers.[25] While a full-size van can typically carry more passengers and cargo than a minivan, as noted, full-size vans do not have the relative car-like qualities or high fuel economy of a minivan.

Alternatively, minivans lack several advantages of station wagons, full-size vans, and sport-utility vehicles. The obvious advantage of a full-size van is its larger interior space. Full-size vans also tend to have more powerful engines, giving them greater payload and towing capacity than minivans.

While minivans have relative car-like ride and handling characteristics, the similarities to passenger autos are not close enough for some buyers, who prefer station wagons instead of minivans.[26] Additionally, minivans meet less stringent safety standards than cars, and a recent study showed that this is the primary reason why some people prefer station wagons.[27]

Sport-utility vehicles typically have the advantage of being specifically designed for some off-road use. For example, sport-utility vehicles generally have higher ground clearance, larger wheels, tires more suitable for off-road use, and stiffer suspensions than minivans (figure 4).

The differentiation between minivans and other vehicles is not perfect given the fact that there is significant and increasing product differentiation among minivans. Thus, the current difficulty of differentiating minivans from other vehicles, particularly full-size vans and station wagons, is likely to increase in the immediate future.[28]

The only Japanese minivans currently produced for the U.S. market are the Mazda MPV (multi-purpose vehicle) and the Toyota Previa. The MPV is the only minivan Mazda has ever produced for the U.S. market, while the Toyota Previa is a replacement for the first minivan that Toyota introduced in the U.S. market in 1983. Both vehicles have typical minivan measurements and features. Neither vehicle is available in extended-wheelbase versions. The MPV is a front-engine, rear- or four-wheel drive vehicle, equipped with either a 4 or 6 cylinder engine. There is nothing particularly unique about the MVP

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[25] Furthermore, while some station wagons have a third row of seats in the back, these seats are small and of limited use.

[26] The station wagon market is expected to experience substantial growth in the 1990s, after having declined by over 50 percent from 1 million units in 1979 to less than 500,000 units in 1990. Michelle Krebs, "Wagons," Automotive News, Mar. 19, 1990, p. 1.

[27] Ibid.

[28] For example, Mitsubishi and possibly Ford are reportedly going to introduce new products before 1995 that may further blur the distinction between minivans and full-size vans and station wagons. Furthermore, as the minivan industry in Europe grows, additional product diversity within the U.S. minivan market may increase, exacerbating the difficulties of defining minivans.

Figure 4
Sport-utility vehicles: Selected 1991 models of U.S.-produced and imported vehicles

Note.--Vehicles are not equally scaled.

Source: Ford Motor Co. and Toyota Motor Sales, U.S.A., Inc.

compared to minivans in general. Having been introduced in 1988, it has relatively up-to-date yet conservative styling,[29] car-like ride and handling characteristics, and is known for its high level of build quality.[30]

The Previa is in several respects unusual compared to other minivans. The Previa's engine is located in the middle of the vehicle for more even weight distribution, contributing to improved handling and space utilization. Typically, central engine location has the disadvantage of intruding into the interior space of the vehicle, hindering access to the engine during maintenance, and radiating heat into the passenger compartment. Toyota dealt with these problems by tilting the engine on its side, 75 degrees off the vertical axis, and placing it under the front seats. The engine has a number of design features, such as oil pan placement on the side of the engine block rather than on the bottom, to facilitate this placement. The engine has a small driveshaft that goes to the front of the vehicle to power the alternator, air conditioning compressor, radiator fan, and power steering pump. These components are accessible through the short, sloping hood at the front of the vehicle. This is also where fluid reservoirs are located. This design makes it easy to reach components that require relatively frequent maintenance. The engine is equipped with platinum-tipped spark plugs to increase replacement intervals on these less accessible items.[31] The Previa is rear- or four-wheel drive, and comes with a 4-cylinder engine. The Previa is widely viewed as having rather unique styling, resembling an oval shape (with the long axis positioned horizontally).[32]

Development of the Minivan

While Chrysler is generally associated with the origin of the minivan, Volkswagen and Toyota actually entered the U.S. minivan market first. Volkswagen began selling the rear-engine, rear-wheel drive "Bus" in the mid-1950s.[33] In 1968, a new version of the Volkswagen Bus was introduced, and in

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[29] The Mazda MPV had its origins in Mazda Research and Development of North America, Inc., in Irvine, CA. Most Japanese automakers have U.S. "design centers" that perform some combination of styling, engineering, testing, and R&D. These centers are acquiring a reputation within the auto industry of turning out relatively distinctive, and for the most part, successful products. Location of these centers in the United States helps Japanese auto companies keep more attuned to U.S. consumer tastes and preferences. Besides the Mazda MVP and the Toyota Previa, other products originating to varying degrees within Japanese design centers in the United States are the Nissan 240SX, Pathfinder, and Maxima; the Toyota Celica, Previa, Lexus LS400, and SC400; and the Mazda Miata. Lindsay Chappell, "The Japanese-American Car," Automotive News, Nov. 26, 1990, p. 1; and Jon Lowell, "If You Can Find Better Engineers Buy Them," Ward's Auto World, March 1991, p. 33.

[30] The Power Report, July 1990. A more comprehensive discussion of vehicle quality is found in the section of the report entitled "Product Quality."

[31] Jack Keebler, "Toyota Puts a Spin on Previa Engine's Central Placement," Automotive News, June 11, 1990, p. 18.

[32] Much of the Previa's exterior styling was designed at Calty Design Research, which is Toyota's Newport Beach, CA, design studio. Don Fuller, "Toyota Previa All-Trac LE," Motor Trend, May 1990, p. 102.

[33] ***.

1981 the Volkswagen Vanagon replaced the Bus.[34] After Volkswagen, Toyota was the next official entry into the market in September 1983, two months ahead of Chrysler's first minivan sales.[35] The Toyota minivan was a front-engine, rear-drive vehicle with seven passenger seating capability. Features included power door locks, tilt steering wheel, power steering, and reclining seats, giving the minivan a relatively more car-like character than was normally associated with vans. The Toyota minivan had a somewhat boxy shape with sharp styling lines. Engine access was provided through a hatch under the driver's seat.

Chrysler's minivans (which currently are named Dodge Caravan and Mini Ram Van, Plymouth Voyager, and Chrysler Town & Country) were (and still are) equipped with front engines and front-wheel drive, and, like the Toyota minivan, had seven passenger seating and featured car-like driving characteristics along with many comfort and convenience features. The Chrysler minivan had more conventional, and industry analysts generally believe, more acceptable styling than the Toyota minivan, with engine access provided in a more traditional manner, through the short hood at the front of the vehicle.

GM introduced its minivans, the Chevrolet Astro and GMC Safari, in late 1984, and Ford introduced the Aerostar minivan in 1985.[36] Nissan began offering a minivan in late 1986,[37] and Mitsubishi began offering a minivan in 1987.[38] In the fall of 1988, Mazda entered the minivan market with its MVP.[39] In 1989, Nissan started selling the Axxess minivan in the United States,[40] and GM began selling its APV/Trans Sport/Silhouette.[41] Toyota replaced the minivan it introduced in 1983 with the Previa minivan in 1990.[42]

Minivan sales surged dramatically in the 1980s, prompted largely by the overwhelming popularity of the Chrysler minivan. In 1982, minivan retail sales totaled only 12,847 units, and consisted entirely of Volkswagen's Vanagon. In 1983, after Toyota and Chrysler entered the minivan market, retail sales totaled 30,948 units. In 1984, after Chrysler and Toyota had been producing minivans for over a year, total minivan sales reached 257,196 units.[43] Chrysler, with 74 percent (190,516 units) of the minivan market, was already emerging as the clear leader in minivan sales. The rest of the market

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[34] The Vanagon is scheduled to be replaced in the 1992 model year with the "Eurovan." Jack Keebler, "Coming Soon," Automotive News, May 27, 1991, p. 1.

[35] 1984 Ward's Automotive Yearbook, p. 106.

[36] 1986 Ward's Automotive Yearbook, pp. 229-230.

[37] 1987 Ward's Automotive Yearbook, p. 251. Nissan dropped this minivan during the 1990 model year. Kristine Stiven Breese and Lindsay Chappell, "Nissan Drops Axxess from the U.S. Market," Automotive News, Apr. 30, 1990, p. 1.

[38] 1987 Ward's Automotive Yearbook, pp. 174 and 246. Mitsubishi stopped exporting the minivans to the United States in 1990. "Japanese Carmakers Deny Van Dumping," Cleveland Plain Dealer, June 4, 1991.

[39] 1989 Ward's Automotive Yearbook, p. 210.

[40] Kristine Stiven Breese and Lindsay Chappell, "Nissan Drops Axxess from U.S. Market," Automotive News, Apr. 30, 1990, p. 1. This model was discontinued for the U.S. market in 1990, after 13 months of sales.

[41] Ward's Automotive Yearbook, 1990, p. 214.

[42] Ward's Automotive Reports, "Compact Van Popularity Still Rising," Oct. 22, 1990, p. 337.

[43] Ward's Automotive Yearbook, various issues.

was divided among Toyota (18 percent), Volkswagen (7 percent), and GM (about 1 percent). By 1990, minivan sales had reached 933,630 units, with Chrysler having 40.1 percent of the market, followed by GM (29.4 percent), Ford (19.1 percent), Mazda (4.6 percent), Toyota (4.5 percent), VW and Nissan (less than 1 percent each), and Mitsubishi (with less than 0.1 percent).[44]

Chrysler's unique success in the minivan market is a result of a variety of factors. Chrysler's minivan was the first front-wheel drive van, and appeared at a time when front-wheel drive technology was desireable for its weight-savings and fuel efficiency.[45] Chrysler's minivan also had styling more like a conventional full-size van versus Toyota's more unusual styling.[46] The Chrysler minivan was, and still is, considered more car-like than the Aerostar and the Astro. Furthermore, while not generally considered to have particularly outstanding quality,[47] and plagued with negative publicity regarding transmission failures, Chrysler minivans have been ranked relatively high in overall customer satisfaction.[48]

In the first quarter of 1991, minivan sales declined compared to 1990 levels, as overall automobile sales contracted. In the first quarter of 1991, minivan sales were down by about 17 percent from the same quarter of 1990.[49] Despite the recent sales downturn, industry officials believe that the minivan market will continue to grow, particularly at the lower end of the price range.[50]

There are a number of minivans reportedly scheduled for debut in the U.S. market in the near future, both from domestic and foreign producers. Nissan and Ford are cooperating on a minivan that will be produced at Ford's Avon Lake, OH, assembly plant in 1992, to be released as a 1993 model.[51] The

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[44] Automotive News, 1991 Market Data Book, p. 28.

[45] The front-wheel drive technology was available to Chrysler as a result of the firm's development of the K car, and a modified K-car drivetrain was used in the minivan. ***.

[46] Many industry officials believe that the first minivans from Japan were too small, narrow, unstable looking, and generally unsuited for the U.S. market. USITC staff interviews with U.S. industry officials, Detroit, MI, June 12, 1991; transcript, p. 130.

[47] See the Power Report, July issues during 1987-90.

[48] Recently, problems with Chrysler's A604 Ultradrive transmissions have received much publicity which has greatly concerned Chrysler. A study by CNW Marketing/Research in Bandon, OR, found that 46.5 percent of those people who intended to buy a Chrysler minivan were looking at competing products because of the news reports of transmission problems. Mary Connelly, "Potential Buyers Reconsider Chrysler Minivan, Poll Says," Automotive News, Feb. 18, 1991, p. 4; Jack Keebler, "Chrysler Balks at Recalling Balky Transmission," Automotive News, Dec. 10, 1990, p. 1; and "Iacocca Battles to Salvage Minivan's Reputation," Automotive News, Feb. 4, 1991, p. 1.

[49] "Minivans: Chrysler Regains; AWDs Grow," Ward's Automotive Reports, Apr. 15, 1991, p. 1.

[50] Mary Connelly, "Chrysler Expands Market with Low-priced Minivan," Automotive News, Mar. 25, 1991, p. 1.

[51] This vehicle was primarily engineered by Nissan in Japan, styled in Nissan's California-based Nissan Design International (NDI), with final testing and engineering at Nissan Research and Development in Michigan. The engine and transmission were derived from the Nissan Maxima. Nissan also

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Ford model will be named the Mercury Villager, and the Nissan model will be named the Quest. The minivan is likely to be considered a domestic product for CAFE purposes (by having more than 75 percent U.S. and Canadian content) within a year of its introduction.[52] Although engines for the Villager/Quest will initially be imported from Japan, Nissan will begin making the vehicle's 3 liter V-6 engine at Nissan's Smyrna, TN, plant in 1992.[53]

In the 1991 model year, Mitsubishi will introduce what is being referred to within the industry as a mini-minivan or a van-wagon hybrid. Named the Expo, and already being produced in Japan and sold as the Chariot, there will be an extended length version of the vehicle.[54] However, given the relatively small size of the vehicle, it is not clear to what extent this van-wagon hybrid will compete with minivans in the U.S. market. The product reflects the increasing differentiation within the minivan industry, and in this instance increases the difficulty of distinguishing minivans from station wagons.

In the 1992 model year, Volkswagen will replace the Vanagon with the "Eurovan." The vehicle will be built in Germany.

An industry source[55] indicates that Ford will replace the Aerostar minivan in 1994 with a vehicle code named WIN88. This vehicle will be smaller than Ford's full-size van, the Club Wagon, but larger than the Aerostar. The vehicle is said to be a "mid-sized minivan," and will tap what is apparently viewed as an unserved market segment. This front-wheel drive vehicle will be built on the Taurus platform and powered by a 3.8-liter V-6. It will seat 7 passengers and be built in Oakville, Ontario. Like the Mitsubishi Expo that is soon to be introduced in the U.S. market, Ford's WIN88 might make it more difficult to differentiate minivans from other vehicles, in this case from full-size vans.

Minivan popularity in Europe is starting to increase, and is expected to grow rapidly during the 1990s. Most European automakers have plans to produce minivans in Europe to meet this demand; in the future, some of these minivans may be exported to the United States.[56]

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[51] (...continued)
assisted Ford in designing the production process for the Villager/Quest. David E. Zoia, "U.S. Key Player in Design, Output of Nissan JV Van," Ward's Automotive International, June 1991, p. 8.

[52] For a discussion of CAFE, see section of the report entitled "Corporate Average Fuel Economy Standards."

[53] The Villager will be sold through Lincoln-Mercury dealers. The Villager and Quest will essentially be the same vehicle with minor cosmetic differences. The vehicle reportedly is very similar in dimensions to the Mazda MPV and the Chrysler minivan, and will have similar car-like ride and handling characteristics. Automotive News, "First Peek at Ford, Nissan Minivan," Jan. 28, 1991, p. 4; and Ward's Automotive Reports, "New Nissan Plant Would Make Engines," Nov. 5, 1990, p. 355.

[54] Jack Keebler, "Coming Soon," Automotive News, May 27, 1991, p. 1.

[55] See "Aerostar Successor for '94," Automotive News, Mar. 25, 1991, p. 6.

[56] Richard Johnson, "Europe Braces for Minivan Boom," Automotive News, Apr. 16, 1990, p. 24. Chrysler recently began minivan production in Austria in cooperation with Steyr-Daimler-Puch. These minivans are modified versions of its U.S.- and Canadian-built minivans. Volkswagen and Ford have agreed to
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Product Quality

One of the most critical competitive elements of the auto industry is quality of products and dealership service. Consumers closely monitor quality ratings of manufacturers and dealers, and automobile companies often capitalize on favorable quality ratings in their advertising. Two widely used and influential quality ratings are the J.D. Power and Associates Initial Quality Survey (IQS)[57] and an index of Customer Satisfaction With Product Quality and Dealer Service (CSI).[58]

J.D. Power and Associates sells detailed information on its surveys and therefore does not make available to the public most of the information they contain. However, the firm does release partial results of its surveys. These results are contained in The Power Report, and some quality information is available on minivans. The firm does not make available to the public the quality ratings of any vehicles that are of below average quality in a particular class of vehicles, and consequently, public information on models of minivans that are of below average quality is unavailable from J.D. Power and Associates.[59]

The 1990 J.D. Power IQS[60] ranked the Mazda MVP as having the fewest problems per 100 (118 problems per 100 vehicles) 1990 model vehicles in the "compact minivan" segment. The rating was high enough to place the MPV in second place for the entire "compact truck" IQS, of which the compact minivan segment is a part, behind the Mazda pickup. No other minivan ranked in the top ten of the overall compact truck IQS. The Ford Aerostar was ranked second in the compact minivan segment, with 185 problems per 100 vehicles. Average for the segment was 213 problems per 100 vehicles. No other minivan model data were released in the report. However, the report does note the "relatively high number of problems reported by purchasers of the new GM

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[56] (...continued)
jointly develop a minivan for the mid-1990s. The vehicle will reportedly be built in Portugal.

[57] The J.D. Power IQS is based on a survey of vehicle owners. The survey provides information on problems experienced by owners after the first 60-90 days of ownership, as well as the resolution of problems at the dealership, to create a measure of overall customer satisfaction. The firm has found that customer satisfaction within the first 60-90 days of ownership correlates well with owner satisfaction after 12-15 months and after 4-5 years of ownership. "Nuts and Bolts: How IQS Works," The Power Report, July 1990, p. 5.

[58] The CSI is an index of customer satisfaction based on vehicle problems experienced by new vehicle purchasers, and their satisfaction with the dealership in resolving those problems. Thus, it is possible for customers to experience a relatively large number of vehicle problems, but be very satisfied with how the dealer resolves the problems, and thus provide a high CSI associated with the vehicle. It is also possible for relatively problem-free vehicles to be associated with a low CSI if the dealer fails to satisfy the buyers when resolving only a few problems.

[59] Representatives of J.D. Power and Associates declined to provide non-public information of vehicle quality data on below-average models of minivans. Also, there is no quality rating of the Toyota Previa publicly available from J.D. Power and Associates because of the recent introduction of the Previa. USITC staff telephone interviews, June 20, 1991.

[60] The Power Report, July 1990.

models (Lumina van, Trans Sport, Silhouette) and Chrysler's Town & Country version of the Caravan/Voyager."[61]

Additionally, among compact minivans, imported minivans were ranked higher (had fewer problems) than domestic compact minivans. Imports had 131 problems per 100 vehicles, while domestics had 222 problems per 100 vehicles. The average for the segment was 214 problems per 100 vehicles, indicating that domestic minivans had more problems than was average for the segment.[62]

In 1989, J.D. Power released CSI ratings for "compact vans." The vans were ranked in order of highest CSI rating: Toyota Van, Mitsubishi Van, Dodge Caravan, Plymouth Voyager, and GMC Safari. No other minivans were ranked, either because they had not been on the market for the 2 months necessary to be considered,[63] or because they were below the market segment average.

The CSI ratings tend to change considerably from year-to-year. For example, in the 1988 CSI ratings in descending order were: Toyota Van, Plymouth Voyager, Mitsubishi Van, Dodge Caravan, and Dodge Mini Ram Van.[64] In the 1987 CSI ratings in descending order were: Plymouth Voyager, Toyota Van, Dodge Caravan, Dodge Mini Ram Van, and Volkswagen Vanagon.[65]

U.S. producers perform a number of quality control checks during the manufacture of major component parts as well as during the assembly of the vehicles. Once the vehicle is completed, most producers perform a total vehicle inspection prior to shipment to complete their quality control system. The Commission requested U.S. producers to provide, by model and model year, the average number of defects per 1,000 vehicles that were discovered by their U.S. establishment(s) in the final vehicle inspection at the plant. Available information from questionnaire responses is presented in table 2.

Manufacturers provide warranties of varying degrees and durations to purchasers of new vehicles. To the extent that warranties are designed to repair certain defective parts and components of the vehicle at no or low cost to the owner, warranty expenses incurred by the producers may also reflect the quality of their vehicles.

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[61] "1990 New Compact Truck IQS," The Power Report, July 1990, p. 6. As noted earlier, however, overall customer satisfaction with a vehicle is also related to how well a dealer resolves vehicle problems. CSI ratings for these vehicles are not publicly available.

[62] The Power Report, July 1990, p. 7. Results of the 1991 IQS are due to be published in July 1991.

[63] A representative of J.D. Power and Associates stated that new models must have been on the market for 2 months to be considered in the survey. USITC staff telephone interview, June 21, 1991.

[64] The Power Report, July 1988.

[65] The Power Report, July 1987.

Table 2
Minivans, full-size vans, station wagons, and sport-utility vehicles: Defects per 1,000 vehicles, by types of vehicles and by makes and models, 1988-91 model years

Vehicle type, make and model	(Defects per 1,000 vehicles) 1988	1989	1990	1991
* * * * * * *				

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

Corporate Average Fuel Economy Standards

The 1975 Energy Policy and Conservation Act provided for the development of standards for improving the fuel economy of passenger cars and trucks through a mechanism known as "corporate average fuel economy" standards (CAFE standards). Today, these standards require that a manufacturer's 1991 passenger cars average 27.5 miles per gallon,[66] and that its trucks (including minivans, full-size vans, and sport-utility vehicles) average 20.5 miles per gallon. This is an average of all the passenger cars and trucks a company sells during a given year, its "fleets." CAFE further divides a manufacturer's fleet into domestic and imported vehicles and requires that each of these fleets meet the CAFE standard. A vehicle with 75 percent or more Canadian and/or U.S. content is considered part of a manufacturer's "domestic" fleet.[67] [68] If the corporate average of a producer's domestic or imported fleet falls below the standard, the company is fined $5 per vehicle for every tenth of a mile per gallon it falls short.[69]

The "imported-fleet" provision has encouraged U.S. automakers to lower the domestic content of their large and generally less fuel efficient cars so that they are considered an import for CAFE standards and can be averaged with their smaller, more fuel-efficient imports. Ford, for example, imports the Festiva, a small 45 mile-per-gallon subcompact, from Korea. Moreover, because the domestic content of Ford's 1992 Canadian built Crown Victoria and Grand Marquis (average fuel economy of 24 miles per gallon) is 73 percent, they are considered imported vehicles and are averaged with the Festiva.[70]

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[66] This compares with an average of 14 miles per gallon in 1975.

[67] As mentioned above, the petition alleges that the U.S. content of Chrysler's Canadian-produced minivans is *** percent. For additional information, see section of the report entitled "Raw Materials and Supplies."

[68] In the event of a U.S.-Mexico free-trade zone, cars assembled in Mexico would also be considered "domestic" for CAFE purposes.

[69] Mercedes-Benz, for example, paid over $20.4 million in fines for 1989 (Alex Taylor III, "Do You Know Where Your Car Was Made?," Fortune, June 17, 1991, p. 53.).

[70] Ford purposely lowered the domestic content of its redesigned 1992 Crown Victoria and Grand Marquis to 73 percent from the 94 percent of their 1991

(continued...)

Lawmakers are currently considering a number of bills to toughen CAFE standards. Among them is a controversial bill sponsored by Senator Richard Bryan which would force automakers to boost the fuel economy of their passenger cars by 40 percent by the year 2001. That would require U.S. automakers' fleets to average 39 mile per gallon and could require Japanese companies, for example, to average 45 miles per gallon. U.S. automakers recently approached the White House to ask President Bush for help in defeating the proposed stricter CAFE standards.

Table 3 presents the overall (combined city and highway driving) fuel economy ratings of selected 1991 models of minivans, full-size vans, station wagons, and sport-utility vehicles.

Manufacturing Processes

Minivans are produced in essentially the same way as light trucks and passenger autos.[71] The production process in the assembly plant begins with the welding together of a number of steel stampings to create a platform or underbody to which body stampings and other parts are attached.[72] Generally, the stampings are produced away from the assembly plant at a stamping plant. Some auto plants have integrated stamping facilities at the assembly plant, a feature that improves the efficiency of the assembly process.[73]

Once the underbody of the vehicle is welded together, body panels are then welded to the underbody. What is essentially a shell of the vehicle is then painted with primer and the appropriate color of paint. The paint drys quickly by being moved through a large oven for approximately 15 minutes. Various parts are then added to the vehicle as it moves down the assembly line.[74] The assembly line is more complicated than simply consisting of a line of workers adding parts to the vehicle. The vehicle may follow a circuitous route through the plant pulled by a chain running under the vehicle, held on a platform, or suspended by a large clamp attached to an overhead rail. The vehicle may be lifted high above the assembly line and transported to other parts of the plant. At various stages in the process components such as engines and transmissions are fed into the main assembly line from smaller assembly lines where some major components are assembled to varying degrees. Often these components must arrive at the assembly line at a

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[70] (...continued)
predecessors by sourcing high-value components outside the United States (Ibid., p. 52).

[71] This does not mean that assembly plants can produce any type of vehicle. While assembly plants have varying degrees of flexibility with regard to what types of vehicles they can produce, they are not designed to change from one vehicle type to another at random without varying degrees of retooling and reorganization of the assembly line.

[72] Some vehicles use a traditional frame to which certain body panels and other parts are attached.

[73] U.S. minivan plants do not have integrated stamping facilities, and stamping is performed at a different location.

[74] One industry representative described the assembly process as building the vehicle from the outside in, meaning that the exterior of the vehicle is largely assembled and then other parts are attached.

Table 3
Minivans, full-size vans, station wagons, and sport-utility vehicles: Overall fuel economy of U.S.-produced and imported vehicles, by types of vehicles and by makes and models, 1991 model year.

Vehicle type, make and model	Overall fuel economy
	Miles per gallon
Minivans:	
Chevrolet Lumina APV	17 1/
Dodge Caravan	20 2/
Ford Aerostar	18 2/
Mazda MPV	19 2/
Toyota Previa	20 3/
Full-size vans:	
Chevy Sport Van	4/
Ford	4/
Dodge	4/
Station wagons:	
Honda Civic	27 5/
Ford Escort	28 6/
Toyota Camry	22 7/
Ford Taurus	22 2/
Chevrolet Caprice	18 8/
Sport-utility vehicles:	
Chevrolet S-10 Blazer	17 9/
Ford Explorer	16 10/
Geo Tracker	27 11/
Isuzu Rodeo	4/
Jeep Cherokee	4/
Toyota 4Runner	16 2/
Nissan Pathfinder	18 2/

1/ Equipped with a 3.1-liter V6 engine and automatic transmission.
2/ Equipped with a 3-liter V6 engine and automatic transmission.
3/ Equipped with a 2.4-liter 4 cylinder engine and automatic transmission.
4/ Not available.
5/ Equipped with a 1.6-liter 4 cylinder engine and manual transmission.
6/ Equipped with a 1.9-liter 4 cylinder engine and automatic transmission.
7/ Equipped with a 2.5-liter V6 engine and automatic transmission.
8/ Equipped with a 5-liter V8 engine and automatic transmission.
9/ Equipped with a 4.3-liter V6 engine and automatic transmission.
10/ Equipped with a 4-liter V6 engine and automatic transmission.
11/ Equipped with a 1.6-liter 4 cylinder engine and manual transmission.

Source: Consumer Reports.

very specific time so that the correct optional component will be allocated to the proper vehicle.[75] Timing the arrival of parts to the assembly line is also becoming increasingly important as assembly plants attempt to reduce parts inventories in the effort to adopt a "lean production" system.

[75] Vehicles are built to order, so that all the vehicles have a specific combination of optional features, requiring that workers have the proper part available when the vehicle arrives at their station on the assembly line.

Certain processes on the assembly line are automated, requiring relatively little, if any, human participation. For example, welding and painting processes are typically highly automated. Certain automated machinery is designed to perform a task on a particular part, while other automated machinery has enough flexibility to be reprogrammed to perform its task even if the characteristics of the part change. Industry representatives refer to the less flexible machinery as dedicated machinery or "hard tooling," and the flexible machinery as robots. The mix between dedicated machinery and robots affects the overall flexibility of the assembly line. A very high proportion of hard tooling makes changes in the vehicle difficult to accommodate on the assembly line without a certain amount of investment in new machinery. Thus, new models with changed exterior styling can require costly retooling in the assembly plant. Robots, however, are designed so that they can be reprogrammed to accommodate changes in the part resulting from styling or other types of changes made to the vehicle.[76]

The flexibility of the assembly process is a critical competitive aspect of the automotive industry in general. Customers demand frequent styling changes, preferring to purchase relatively new-looking models.[77] Japanese competitive advantages stem partly from the ability of Japanese-owned assembly plants to accommodate model changes more easily than U.S.-owned assembly plants.[78]

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[76] Extensive use of automation does not necessarily lead to the greatest flexibility of an assembly line, nor does extensive use of automation necessarily increase efficiency. A critical element of both flexibility and efficiency involves the organization of the entire labor process within an assembly plant. For example, Toyota is widely regarded as perhaps the most flexible and efficient automaker in the world. The firm achieves this position largely as a result of the way it organizes its labor process rather than through extensive automation. An important element of production flexibility, however, is flexible machinery.

[77] In traditional mass-production systems, producers seek to avoid changes in the product in order to avoid retooling and to be able to reap the benefits of economies of scale. U.S. minivan assembly plants produce only minivans, and have much dedicated machinery that cannot accommodate significant changes in the vehicle without substantial retooling (USITC staff interviews, Detroit, MI, and St. Louis, MO, June 12-13, 1991; Transcript, pp. 39-40).

Traditional mass production is widely viewed as inappropriate in the auto industry, which increasingly requires that producers have the ability to make relatively frequent changes in the products, and to generally maintain a high degree of flexibility in the entire production system. This issue is discussed at length in James P. Womack, and others, in The Machine that Changed the World, Rawson Associates, New York, 1990.

[78] It is possible that this factor is less critical in the minivan industry, where customers may be less concerned with frequent styling changes (Transcript, pp. 12 and 117-19). However, there is some indication that frequent styling changes are, in fact, important, or becoming more important in the minivan industry. For example, GM's unusually-styled APV (and counterparts) is made of composite plastic, at least partly because plastic body panels require less expensive tooling changes when restyling a vehicle. GM reportedly will introduce a redesigned APV in 1993-94, with greater styling differentiation between the APV and its counterparts, the Silhouette and Trans

(continued...)

GM's Lumina APV minivan (and its Oldsmobile and Pontiac counterparts) is a unique minivan in its use of composite body panels, a "space frame" cage, and large amounts of glass.[79] Many industry officials consider the APV to be a technological bellwether that is being closely watched and may lead the way to greater use of similar technology in the auto industry.[80] The body panels are bonded to the space frame, resembling a bird cage, with advanced adhesives that are applied by robots. Many of the composite panels are the largest ever produced. The plastic body panels allow more frequent model changes because the tooling for plastic body panels is cheaper than the tooling for steel panels. The APV represents a major investment for parts suppliers who agreed to supply the composite panels, adhesives, and glass for the vehicle.[81]

U.S. Tariff Treatment

Minivans are not specifically provided for in the HTS, but are imported under HTS headings 8703 ("motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702) including station wagons and racing cars") and 8704 ("motor vehicles for the transport of goods").[82] If a minivan is imported under HTS heading 8703, it would be classified under HTS subheading 8703.23.00 if the engine has a cylinder capacity exceeding 1.5 liters but not exceeding 3.0 liters, or HTS subheading 8703.24.00 if the engine has a cylinder capacity exceeding 3.0 liters.[83] If a minivan is imported under HTS heading 8704, it may be classified under HTS subheading 8704.31.00 as a vehicle designed for the transport of goods (cargo minivan), and having a spark-ignition engine and gross vehicle weight not exceeding 5 metric tons.[84]

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[78] (...continued)
Sport, in anticipation that the minivan market will break into niches (Michelle Krebs, "GM Assigns Major Job to Minivan," Automotive News, June 5, 1991, p. 1; Transcript, pp. 117-119).

[79] The APV uses a new type of glass to reduce the absorption of ultraviolet and infrared rays from the sun, while allowing visible light to enter the vehicle. This glass technology reduces interior heating of the vehicle.

[80] At the same time, some consider the APV to be a high-risk venture that could generate large losses if it is not successful.

[81] See Jon Lowell, "GM's Moon Shot," Ward's Auto World, August 1989, p. 26; and Michelle Krebs, "GM Assigns Major Job to Minivan," Automotive News, June 5, 1989, p. 1.

[82] If a minivan were designed for public transport by having seating for at least 10 people, it would be classified under HTS 8702.10.00 or 8702.90.00, depending on the type of engine.

[83] Minivans would be classified under HTS subheading 8703.32.00 or 8703.33.00 if they were equipped with diesel engines, or under HTS subheading 8703.90.00 if they were powered by electric motors. Minivans with these types of engines are not sold in the United States.

[84] Minivans with diesel engines would be classified under HTS item 8704.21.00 as a vehicle for the transport of goods, and having a gross vehicle weight not exceeding 5 metric tons. No minivans with diesel engines are sold in the U.S. market. Minivans with electric engines would be classified under HTS subheading 8704.90.00, although such minivans are also not sold in the United States.

The column 1-general or most-favored-nation (MFN) rate of duty under both HTS subheadings 8703.23.00 and 8703.24.00 is 2.5 percent ad valorem, and the column 2 rate for each is 10 percent ad valorem.

The column 1-general rate of rate of duty for HTS subheading 8704.31.00 is 8.5 percent ad valorem, and the column 2 rate is 25 percent. However, the column 1-general rate of duty has been temporarily increased to 25 percent ad valorem.[85] Imports subject to the Automotive Products Trade Act of 1965 (APTA),[86] the United States-Canada Free-Trade Agreement, the Caribbean Basin Economic Recovery Act, and the United States-Israel Free-Trade Area enter the United States free of duty.

APTA and the United States-Canada Free-Trade Agreement are particularly relevant since Chrysler produces minivans in Canada and because the U.S. and Canadian automotive (including parts) industries are highly integrated. Under APTA, motor vehicles and certain original equipment therefor of Canadian origin enter the United States duty free. APTA implements an agreement between the United States and Canada to accord duty-free entry to specified motor vehicles and original motor-vehicle equipment shipped between the two countries.[87]

The obligation to accord duty-free entry to imports from Canada applies to three situations.[88] First, duty-free entry applies to motor vehicles, with the exception of certain "special purpose" vehicles such as electric trolley buses, three-wheeled vehicles, trailers accompanying truck tractors, and motor vehicles specially constructed and equipped for special services and functions (e.g., fire engines). Second, duty-free entry applies to fabricated components for use as original equipment in the manufacture of the specified motor vehicles (but not to replacement parts or accessories). Trailers, tires, and tubes are specifically excluded. Finally, the products of Canada specified in the agreement may not contain more than a certain percentage of "foreign" content--that is, content of materials produced in countries other than the United States or Canada. For any article, the measure of such foreign content is the percentage of the appraised customs value of the article upon entry into the United States accounted for by the aggregate value of such imported materials contained in the article. The maximum permissible foreign content is 50 percent for both motor vehicles and chassis and parts. This requirement thus provides that up to 50 percent of the content may come from third countries and the article will still be entitled to duty-free entry when imported into the United States. Consequently, original-equipment parts manufactured in third countries may be assembled into complete vehicles in Canada and imported into the United States and no duty will be payable on said components as long as the maximum permissible foreign content (50 percent) is not exceeded.

The U.S.-Canada Free-Trade Agreement was signed on January 2, 1988, and became effective January 1, 1989. Thus, while the APTA was applicable to

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[85] In 1963, as a result of a Presidential proclamation which withdrew previously proclaimed tariff concessions, the articles provided for under this item became subject to duty under item 945.69 in the Appendix to the former Tariff Schedules of the United States (TSUS) and dutiable at an MFN rate of duty of 25 percent ad valorem.

[86] Pub. Law 89-283; 79 Stat. 1016 (1965).

[87] "Agreement Concerning Automotive Products Between the Government of the United States and the Government of Canada," signed Jan. 16, 1965.

[88] See general note 3(c)(iii) to the HTS.

certain motor vehicles and certain original equipment parts, the U.S.-Canada Free-Trade Agreement is applicable to all motor vehicles and auto parts, including those parts used for replacement and repair. The agreement is very comprehensive and contains the central provision of phasing out all tariffs on all goods originating in the two countries by 1998. However, tariff elimination of certain products can be implemented faster than scheduled by mutual agreement. Motor vehicles under HTS headings 8703 and 8704 enter the United States free of duty under the agreement, as do chassis for these vehicles (HTS subheadings 8706.00.10 and 8706.00.15). Rules of origin contained within the agreement are based primarily on enumerated changes in tariff classification; to qualify, goods of headings other than headings 8703 and 8704, processed in the United States or Canada so as to fall under one of these headings when imported to the United States or Canada, receive preferential tariff treatment based on North American materials and direct costs of processing. As with the APTA, under the U.S.-Canada Free-Trade Agreement, at least half the materials and direct costs of processing for any article imported free of duty under the agreement must be attributable to either the United States or Canada even when a change of classification occurs.[89]

While the U.S.-Canada Free-Trade Agreement is broader than the APTA, the APTA continues to remain in effect. Furthermore, the APTA is still extensively used by automakers to import autos into the United States from Canada. The APTA has the advantage of requiring that less extensive information be provided for the process of importing the vehicles from Canada, and represents a lower administrative burden.[90] ***.[91]

Also of considerable relevance to the U.S. automotive industry is the Mexican "in-bond" or maquiladora industry, where most U.S. imports under HTS subheadings 9802.00.60 and 9802.00.80 are produced using U.S. materials. The maquiladora industry was established in 1965 by the Mexican Government in an effort to attract foreign manufacturing operations. Imported materials are not subject to Mexican duties as long as they are used for exports. U.S. auto and auto parts firms have used the maquiladora program to establish low-cost parts production sites in Mexico to supply the U.S., Canadian, and other markets. The mid-1980s were characterized by a large increase in the number of maquiladoras operating in Mexico. For example, in 1986 GM decided to shift almost all of its wiring harness and upholstery cut-and-sew operations, as well as significant subassembly operations, to Mexico to supply its U.S. and Canadian assembly plants.

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[89] Customs has cited Honda for violation of the provisions relating to the U.S./Canadian content of vehicles assembled in Canada. Customs alleges that the Ohio-assembled engines that are used in the vehicles Honda assembles in Canada do not contain sufficient U.S./Canadian content. As a result, Customs contends that the U.S./Canadian content of the vehicles assembled by Honda in Canada is 25 to 30 percent less than the amount claimed by the company, and such vehicles do not qualify for duty-free entry. Customs has initiated action to collect $20 million in duties from Honda. See "U.S. Says Honda Skirted Customs Fees," New York Times, June 17, 1991, sec 4, p. D1, and "U.S. Customs Cites Honda Over Duties, In Move Reflecting Harder Line on Trade," Wall Street Journal, June 18, 1991, sec. 1, p. A.

[90] USITC staff telephone interviews with U.S. automotive industry official and official from the U.S. Department of Commerce, June 24 and 25, 1991.

[91] ***.

THE NATURE AND EXTENT OF ALLEGED SALES AT LTFV

Petitioners have alleged that minivans are being imported from Japan at prices that are LTFV. Petitioners estimated dumping margins for both Toyota and Mazda, which they believe accounted for the majority of minivans imported from Japan during the past 12 months. They compared ex-factory prices for representative Toyota Previa and Mazda MPV models sold in the United States with the ex-factory price of the most similar Toyota and Mazda models sold in Japan. In selecting U.S. models of minivans that most closely match the Japanese models, petitioners utilized the following five criteria (in order of importance): (1) platform style; (2) body style; (3) engine size; (4) type of wheel drive; and (5) transmission type.[92] Petitioners did not include equipment and option specifications among their five criteria because the range of available options is extensive and there are few, if any, exact matches between the models sold in the United States and Japan in terms of equipment and options specifications. Using the five criteria, petitioners first chose the best possible model matches. From those they selected those closest in terms of overall equipment and options specifications. Petitioners adjusted for differences that still existed on the basis of the estimated cost of the equipment and options. From these comparisons, petitioners arrived at alleged dumping margins ranging from 5.4 percent to 30.5 percent for the Toyota Previa and from 14.8 percent to 27 percent for the Mazda MPV.[93]

THE DOMESTIC MARKET[94]

Apparent U.S. Consumption[95]

Apparent U.S. consumption of minivans, full-size vans, station wagons and sport-utility vehicles is presented in table 4 and shown in figure 5. The data show that consumption of minivans increased from *** vehicles in 1988 to *** in 1990, or by over 8 percent. During January-March 1991 consumption of minivans fell to *** vehicles from *** vehicles during the year-earlier period, representing over a 30 percent decline.

Consumption of full-size vans fell by 24 percent during 1988-90, from 485,112 vehicles to 369,880 vehicles. Consumption continued to decline during January-March 1991 when compared with the corresponding period of 1990, falling by 36 percent.

Consumption of station wagons fell to 385,815 units in 1990 from 591,594 units in 1988, or by 35 percent. During January-March 1991, however, consumption increased by 10 percent when compared with the corresponding

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[92] Petition, p. 17.

[93] Ibid., p. 19.

[94] Data on U.S. and Canadian production of all passenger cars (including station wagons) and all trucks and buses (including minivans, full-size vans, and sport-utility vehicles), by firms, are presented in app. D. U.S. retail sales of passenger cars, by firms, are presented in app. E.

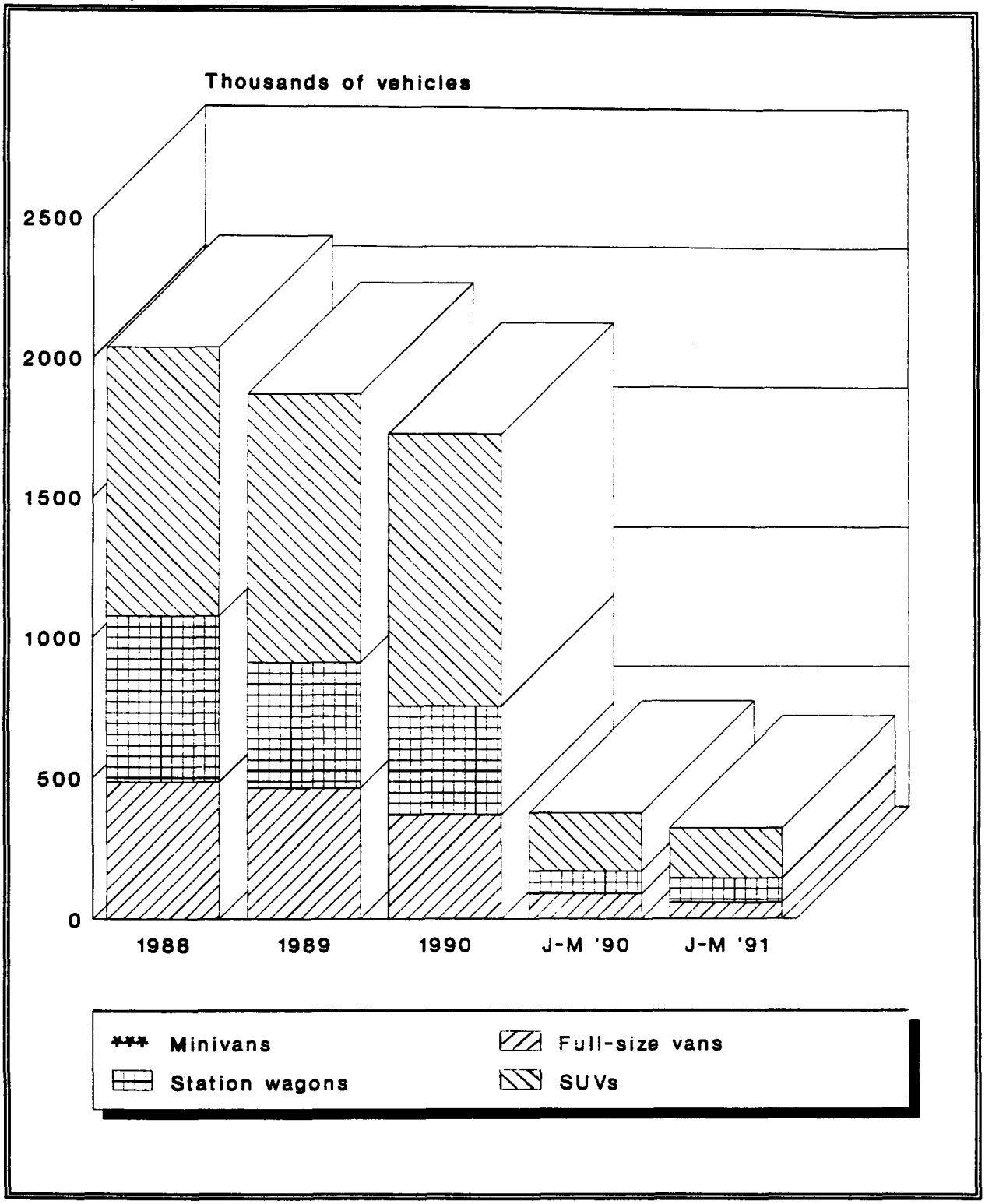
[95] The Commission received questionnaire responses from all U.S. producers of minivans, full-size vans, station wagons, and sport-utility vehicles. Staff estimates that the Commission received questionnaire responses from U.S. importers accounting for nearly 100 percent of U.S. imports of these vehicles.

Table 4
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. shipments of domestic products, U.S. imports, and apparent U.S. consumption, by types of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Quantity (vehicles)				
Minivans:					
Producers' U.S. shipments..	560,341	592,274	622,091	163,465	94,783
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	0	0	0	0	0
Total.....	***	***	***	***	***
Apparent consumption.....	***	***	***	***	***
Full-size vans:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	0	0	0	0	0
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	485,112	464,588	369,880	89,757	57,649
Station wagons:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	591,594	444,695	385,815	80,403	88,700
Sport-utility vehicles:					
Producers' U.S. shipments..	689,272	707,403	694,468	139,712	122,101
U.S. imports from--					
Japan.....	202,927	162,028	182,391	46,669	36,664
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	269,878	253,799	277,974	66,682	54,785
Apparent consumption.....	959,150	961,202	972,442	206,394	176,886
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Producers' U.S. shipments..	1,919,565	1,819,924	1,765,643	408,977	306,719
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	***	***	***	***	***

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

Figure 5
Minivans, full-size vans, station wagons, and sport-utility vehicles: Apparent U.S. consumption, by types of vehicles, 1988-90, January-March 1990, and January-March 1991



Note.--SUVs denotes sport-utility vehicles.

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

period of 1990. Station wagons were the only type of vehicles considered by the Commission whose consumption increased during the January-March 1991 period.

As with minivans, U.S. consumption of sport-utility vehicles increased during 1988-90, from 959,150 vehicles to 972,442 vehicles, representing an increase of just over 1 percent. During January-March 1991, consumption of sport-utility vehicles fell by 14 percent compared with the year-earlier period.

Total consumption of minivans, full-size vans, station wagons, and sport-utility vehicles fell from *** million vehicles in 1988 to *** million vehicles in 1990, or by 8 percent. Total consumption of these vehicles continued to decline during January-March 1991, falling by approximately 20 percent when compared with the corresponding period of 1990.

U.S. Producers[96]

There are three U.S.-owned automakers: Chrysler, Ford, and GM. All three of these companies produce minivans. In addition to minivans, Chrysler, Ford, and GM produce full-size vans,[97] station wagons,[98] and sport-utility vehicles, as well as a full range of other types of passenger cars and trucks. Honda of America Manufacturing, Inc. and Subaru-Isuzu Automotive, Inc. produce station wagons and other types of passenger cars in the United States. Subaru-Isuzu also produces sport-utility vehicles in the United States. The names of U.S. producers of minivans, full-size vans, station wagons, and sport-utility vehicles, the locations of their plants, and each producer's share of U.S. production of such vehicles are presented in table 5.

GM, Ford, and Chrysler have extensive linkages to Japanese automakers.[99] In qualitative terms, industry sources state that the cooperation between Japanese automakers and U.S. automakers is considered to be a "learning situation" for the U.S. companies. This is not to imply that Japanese firms have not also learned from U.S. automakers. However, competitiveness of the U.S. auto industry is largely determined by the adoption and application of "lean production" systems as developed by Japanese automobile firms (primarily Toyota). Lean production is designed to eliminate waste in the production

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[96] The following histories of these automakers are derived primarily from information in The World Guide to Automobile Manufacturers, Nick Baldwin and others, Facts of File Publications, New York, 1987.

[97] Chrysler produces full-size vans in Canada; it does not produce any in the United States.

[98] Chrysler stopped producing station wagons in 1988. It does, however, import several station wagon models from Mitsubishi. These vehicles are manufactured in Japan.

[99] The major production linkages between the three U.S.-owned automakers and Japanese companies are described below. There are numerous other linkages between the automakers as well, involving component purchases, marketing and distribution arrangements, and technology arrangements. A fairly comprehensive overview of these increasingly complicated relationships is found in How the World's Automakers are Related, Ward's Automotive International, Detroit, 1991.

Table 5
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. producers, the locations of their plants, and share of U.S. production, by types of vehicles and by firms, 1988-90

Type of vehicle and firm	Location of plant(s)	Firms' share of U.S. production of type of vehicle-- 1988	1989	1990
		----------	Percent	----------
Minivans:				
Chrysler	Fenton, MO	***	***	***
Ford	Hazelwood, MO . . .	***	***	***
GM	Baltimore, MD . . .	***	***	***
	North Tarrytown, NY			
Full-size vans:				
Ford	Lorain, OH 1/ . . .	***	***	***
GM	Lordstown, OH . . .	***	***	***
Station wagons: 2/				
Chrysler	Newark, DE 3/ . . .	4/	5/	5/
Ford	Hapeville, GA . . .	***	***	***
	Chicago, IL			
	Wayne, MI			
GM	Ypsilanti, MI . . .	***	***	***
	Lordstown, OH			
	Oklahoma City, OK			
	Arlington, TX			
	Janesville, WI			
Honda	Marysville, OH . . .	5/	5/	***
Subaru-Isuzu	Lafayette, IN . . .	5/	5/	***
Sport-utility vehicles: 6/				
Chrysler	Toledo, OH	***	***	***
	Detroit, MI			
Ford	Louisville, KY . . .	***	***	***
	Wayne, MI			
GM	Shreveport, LA . . .	***	***	***
	Flint, MI			
	Pontiac, MI			
	Dayton, OH			
Subaru-Isuzu	Lafayette, IN . . .	5/	5/	***

1/ ***.
2/ ***.
3/ Chrysler stopped producing station wagons in 1988.
4/ Not available.
5/ Not applicable.
6/ ***.

Note.--Because of rounding, percentages may not add to 100.

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

system, and has the advantages of increasing organizational and production flexibility and improving product quality. All three U.S.-owned automakers are striving to adopt lean production, and their cooperative relationships with Japanese firms are facilitating this difficult transition.[100]

CHRYSLER CORP.

Chrysler is the smallest of the three U.S.-owned automakers. The company was formed in 1925 by Walter P. Chrysler. In 1928, the firm developed the Plymouth model and acquired Dodge. In 1987, Chrysler purchased American Motors Corp. (AMC). Chrysler products are sold through its Chrysler-Plymouth Division, Dodge Division, and Jeep-Eagle Division.

Chrysler produces minivans in Fenton, MO. Its wholly-owned subsidiary, Chrysler Canada, Ltd., produces minivans in Windsor, Ontario.[101] Chrysler is also in the process of building a minivan plant in Graz, Austria. Chrysler owns a 50-percent share in the Austrian venture named Eurostar, which is scheduled to begin production of minivans in 1992. Chrysler also produces sport-utility vehicles in Brampton, Ontario, Canada; Lago Alberto, Mexico (1985); Beijing, China (1985); and Valencia, Venezuela (1962). Chrysler owns 12.5 percent of Mitsubishi Motors Corp. The two automakers each own 50 percent of Diamond-Star Motors Corp., an assembly plant in Normal, IL. The autos produced in the plant are engineered mainly by Mitsubishi Motors Corp. and sold under different names by both companies. Chrysler sells the Diamond-Star-produced Eagle Talon, Plymouth Laser, and Eagle Summit. Mitsubishi Motors Corp. builds the Dodge Stealth in Japan, which was designed by Chrysler and engineered by Mitsubishi. Mitsubishi Motors Corp. supplies Chrysler with the 3.0-liter V-6 that Chrysler uses in some of its minivans.

FORD MOTOR CO.

Ford is the second largest U.S. automaker. In 1902, Henry Ford and Alexander Malcomson formed the Ford and Malcomson Co., which was reorganized in 1903 to become the Ford Motor Co. Early in the company's history it began making all its engines, chassis, and bodies for its autos. In 1907, Ford began producing the Model T, the automobile with which Henry Ford applied mass-production methods with renowned success. Although smaller than GM, Ford has a substantial international manufacturing and sales presence.

Ford produces minivans in its plant in Hazelwood, MO. Ford ***.

Ford owns 25 percent of Mazda Motor Corp. (Hiroshima, Japan). In its U.S. producers' questionnaire, Ford reported that it ***. Ford and Mazda produce certain types of vehicles for each other in their U.S. production facilities. For example, the Ford Probe is built by Mazda in Mazda's Flat Rock, MI, assembly plant, where Mazda also assembles the Mazda MX-6 and the Mazda 626. Ford supplies the engines for the Probe and the MX-6. Ford

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[100] Lean production and its implications for the U.S. auto industry are discussed in detail in James P. Womack, and others, in The Machine that Changed the World, Rawson Associates, New York, 1990.

[101] Chrysler Canada, Ltd. has its own board of directors and operates independently of Chrysler Corp. in the United States (staff telephone interview with ***, July 2, 1991).

supplies Mazda with the Navajo, a sport-utility vehicle based on the Ford Explorer, which is built in Ford's Louisville, KY, assembly plant. Ford does not import sport-utility vehicles from any source. Mazda engineered the Korean-built Ford Festiva subcompact car that is sold in the United States. Mazda also supplies Ford with certain transmissions, including the manual transmission used in the Ford Aerostar. In addition to minivans and sport-utility vehicles, Ford produces full-size vans and station wagons in the United States. Ford also produces full-size vans in wholly-owned subsidiaries in Belgium and England. The vehicles produced at these locations are not exported to the United States. During the period of investigation, Ford also produced station wagons in St. Thomas, Ontario, Canada, and Hermosillo, Mexico. A portion of the production of station wagons at these locations is exported to the United States.

GENERAL MOTORS CORP.

GM is the largest U.S.-owned auto company. The company was founded in 1908 by William Crapo Durant, who subsequently purchased a number of other auto companies including Buick, Oldsmobile, Oakland (later Pontiac), Cadillac, and Chevrolet. GM's newest division, Saturn, produces passenger cars in Spring Hill, TN. GM has an extensive global production and sales presence.

GM produces autos in a joint effort with Toyota Motor Corp. (Japan) in Fremont, CA, at New United Motor Manufacturing, Inc. (NUMMI). NUMMI produces Toyota Corollas and Geo Prizms.[102] GM owns *** percent of Isuzu Motors, Ltd. (Japan) and *** percent of Suzuki (Japan). Isuzu Motors, Ltd. produces passenger cars, minivans, sport-utility vehicles, and pickup trucks in Japan. It exports all of these vehicles except minivans. GM imports passenger cars made by Isuzu (the Geo Storm). GM and Suzuki produce passenger cars (the Sprint, Metro, and Firefly) and sport-utility vehicles (the Tracker and Sidekick) in Ingersoll, Ontario, Canada in a 50/50 joint venture assembly plant, CAMI Automotive, Inc.

GM produces minivans in Baltimore, MD, and North Tarrytown, NY. GM currently produces station wagons in Saint Therese, Canada, Germany, Brazil, and the United States.[103] Although GM imports some of the station wagons produced in Canada, it does not import station wagons from its European or Brazilian operations. GM also produces full-size vans in its plants in Ontario, Canada, and Lordstown, OH.

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[102] Geo brand automobiles are sold through Chevrolet dealers. All Geo products are made by, or in cooperation with, Japanese auto companies, and are produced in Japan, the United States, or Canada.

[103] During the period of investigation, GM also produced station wagons in Leeds, Framingham, and Oshawa, Canada. GM has ceased production of station wagons at these locations.

HONDA OF AMERICA MANUFACTURING, INC.

Honda of America Manufacturing, Inc. (HAM) began producing station wagons at its vehicle assembly plant in Marysville, OH, in November 1990. It did not produce minivans during the period of investigation nor does it have any known plans to do so. HAM has been producing other types of passenger cars (sedans, coupes, and hatchbacks) in Marysville and nearby East Liberty, OH, since 1982. HAM is a wholly-owned subsidiary of Honda Motor Co. (Honda), Tokyo, Japan. A related company, American Honda Motor Co., Inc., imports passenger cars from Canada and Japan. Honda produces passenger cars in Japan and Ontario, Canada for export to the United States. ***.

SUBARU-ISUZU AUTOMOTIVE, INC.

Subaru-Isuzu Automotive, Inc. (SIA) did not produce minivans or full-size vans during the period of investigation. Located in Lafayette, IN,[104] SIA is a joint venture between Fuji Heavy Industries, Ltd. (*** percent ownership) and Isuzu Motors Limited (*** percent ownership), both of Tokyo, Japan. SIA began producing station wagons (and sedans) in 1989 and sport-utility vehicles in 1990. The station wagons and sedans are marketed by Subaru under the Legacy model name and the sport-utility vehicles are marketed by Isuzu under the Rodeo model name. SIA produces sedans on the same equipment and machinery it uses to produce station wagons. SIA produces sport-utility vehicles on the same equipment and machinery it uses in the production of pickup trucks. Pickup trucks account for approximately 40 percent of total production. ***.

U.S. PRODUCERS OF OTHER PASSENGER CARS AND TRUCKS

As mentioned above, there are other firms that produce passenger cars and trucks other than minivans, full-size vans, station wagons, and sport-utility vehicles in the United States. These include Diamond-Star Motors Corp. (Diamond-Star), Mazda Motor Manufacturing (USA) Corp. (MMUC), Nissan Motor Manufacturing Corp. U.S.A. (NMMC), New United Motor Manufacturing, Inc. (NUMMI), and Toyota Motor Manufacturing U.S.A., Inc. (TMM).[105] These firms were not surveyed by the Commission.

Diamond-Star is a joint venture between Mitsubishi Motors Corp., Tokyo, Japan, and Chrysler Corp. Diamond Star began producing passenger cars in August 1988. MMUC in Flat Rock, MI, is a wholly-owned subsidiary of Mazda Motor Corp., Hiroshima, Japan. MMUC was launched in 1987. NMMC is a wholly-owned subsidiary of Nissan Motor Co., Ltd., Tokyo, Japan. Its Symrna, TN, plant produces the subcompact Nissan Sentra and Nissan pickup trucks. NMMC began producing pickup trucks in 1983 and added the Sentra model several years later. As mentioned earlier, NMMC has an agreement with Ford to supply metal stampings for a new minivan that will be assembled at a Ford plant in Avon Lake, OH. NMMC will also build a 3-liter V6 engine for the minivan. NUMMI is a GM-Toyota Motor Corp. joint venture located in Fremont, CA. NUMMI began production in 1985. TMM opened its $650 million plant in Georgetown, KY, in 1988. A wholly-owned subsidiary of Toyota Motor Corp., Toyota City, Japan, TMM produces the Toyota Camry sedan.

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[104] SIA is located in a sub-zone of Foreign Trade Zone No. 72 in Indianapolis, IN.

[105] Volkswagen of America stopped producing passenger cars in the United States in 1988.

U.S. Importers

There are 17 importers of minivans, full-size vans, station wagons and/or sport-utility vehicles.[106] Table 6 presents a list of U.S. importers, the country origin of their imports and shares of imports, by types of vehicles.

CHRYSLER CORP.

During the period of investigation, Chrysler imported station wagons and sport-utility vehicles produced by Mitsubishi Motors Corp., in Japan.[107] Chrysler also imported, and continues to import, minivans and full-size vans from plants in Canada and sport-utility vehicles from a plant in Mexico. Chrysler is the only importer of minivans from Canada. Beginning in the fall of 1991, Chrysler will import a vehicle from Japan which it considers to be a minivan. Mitsubishi Motors Corp., the vehicle's manufacturer, argues that the vehicle is a station wagon. Mitsubishi Motor Sales of America, Inc. will also begin importing a similar vehicle which it will market as a station wagon.

DAIHATSU AMERICA, INC.

Daihatsu America, Inc. (Daihatsu) is a wholly owned subsidiary of Daihatsu Motor Co., Ltd., Osaka Prefecture, Japan. Daihatsu began importing sport-utility vehicles from Japan in November 1989. Daihatsu also imports new passenger cars produced by its parent company in Japan.[108]

FORD MOTOR CO.

In 1990, Ford discontinued the importation of full-size station wagons (LTD Crown Victoria and Grand Marquis) that were produced at its St. Thomas, Ontario, Canada, plant. Ford continues to import small station wagons from its plant in Hermosillo, Mexico. It also imports other types of passenger vehicles from Germany and South Korea.

GENERAL MOTORS CORP.

GM imports full-size vans, station wagons, sport-utility vehicles, and other types of passenger cars. Its full-size vans and station wagons are produced in its assembly plants in Canada. GM imported sport-utility vehicles (Geo Tracker) from Suzuki Motor Co., Ltd., (Japan) from September 1988 until mid-1989. Beginning in 1989, it imported its Geo Tracker from Canada, where GM had entered into a joint venture operation with Suzuki of Japan for the production of sport-utility vehicles. GM is a 50-percent partner in the joint-venture company, CAMI Automotive, Inc.

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[106] There are approximately 15 other firms that import passenger vehicles other than minivans, full-size vans, station wagons, and sport-utility vehicles.

[107] As noted above, Chrysler owns 12.5 percent of Mitsubishi Motors Corp. Chrysler stopped importing sport-utility vehicles from Mitsubishi in 1989. Importation of station wagons from Mitsubishi ended in 1991.

[108] Daihatsu Motor Co., Ltd. does not produce minivans.

Table 6
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. importers and country of origin of imports, by types of vehicles and by firms, 1988-90

Type of vehicle and firm	Country of origin of imports	Share of total quantity of U.S. imports of type of vehicle-- 1988	1989	1990
		Percent		
Minivans:				
Chrysler	Canada 1/	***	***	***
Mazda	Japan	***	***	***
Mitsubishi	Japan	***	***	2/
Nissan	Japan	***	2/	***
Toyota (TMS)	Japan	***	***	***
Full-size vans:				
Chrysler	Canada	***	***	***
GM	Canada	***	***	***
Volkswagen	Germany	***	***	***
Station wagons:				
Chrysler	Japan	***	***	***
Ford	Mexico, Canada	***	***	***
GM	Canada	***	***	***
American Honda	Japan	***	***	***
Mercedes-Benz	Germany	***	***	***
Nissan	Japan	***	***	2/
Peugeot	France	***	***	***
Subaru	Japan	***	***	***
Toyota (TMS)	Japan	***	***	***
Volkswagen	Brazil, Germany	***	***	***
Volvo	Belgium, Canada, Sweden	***	***	***
Sport-utility vehicles:				
Chrysler	Japan, 3/ Canada, Mexico	***	***	***
Daihatsu	Japan	***	***	***
GM	Canada, Japan	***	***	***
Isuzu	Japan, Taiwan	***	***	***
Mitsubishi	Japan	***	***	***
Nissan	Japan	***	***	***
Range Rover	Great Britain	4/	4/	4/
Suzuki	Canada, Japan	***	***	***
Toyota (TMS)	Japan	***	***	***

1/ Beginning in the fall of 1991, Chrysler plans to import a vehicle from Japan which it argues is a minivan.
2/ ***.
3/ Chrysler stopped importing sport-utility vehicles from Japan in 1989.
4/ Not available. Company did not respond to the Commission's questionnaire in sufficient time for inclusion in this report.

Note.--Because of rounding, percentages may not add to 100.

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

AMERICAN HONDA MOTOR CO., INC.

American Honda Motor Co., Inc. (American Honda) imports station wagons and other types of passenger cars from its parent company in Japan. It also imports passenger cars from a related company in Alliston, Ontario, Canada.

ISUZU MOTORS AMERICA, INC.

Isuzu Motors America, Inc. (Isuzu) is the importer of record of sport-utility vehicles produced by its parent company Isuzu Motors, Ltd., Tokyo, Japan and by Sanfu Motors, Ltd. in Taiwan. Isuzu imports two models of sport-utility vehicles, the Trooper (from Japan and Taiwan) and the Amigo (from Japan). In addition, Isuzu imports other types of new passenger cars and trucks from Japan.[109]

MAZDA MOTORS OF AMERICA, INC.

Mazda Motors of America, Inc. (Mazda) imports new passenger cars and trucks from Japan. Mazda introduced its MPV minivan in the fall of 1988. In addition, as mentioned above, MMUC, a related company, produces passenger cars in Flat Rock, MI. As noted previously, Mazda began purchasing a sport-utility vehicle (the Navajo) from Ford in 1990.

MERCEDES-BENZ OF NORTH AMERICA, INC.

Mercedes-Benz of North America, Inc. (Mercedes-Benz) is the importer of record of station wagons and other types of passenger cars built by Daimler-Benz A.G., Stuttgart, Germany.[110] Although Daimler-Benz produces a sport-utility vehicle (the Gaelendawagen) in Austria, it does not export the vehicle to the United States. Mercedes-Benz imports approximately *** station wagons a year.

MITSUBISHI MOTOR SALES OF AMERICA, INC.

Mitsubishi Motor Sales of America, Inc. (Mitsubishi) imported minivans[111] and sport-utility vehicles from its parent company, Mitsubishi Motors Corp., Tokyo, Japan. Mitsubishi is expected to begin importing station wagons in August 1991.[112] It projects importing *** station wagons during the 1992 model year. Chrysler will also import an essentially identical vehicle, which it considers a minivan.

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[109] Although Isuzu Motors, Ltd. produces minivans in Japan, it does export them to the United States.

[110] Daimler-Benz A.G. does not produce minivans.

[111] Mitsubishi contends that ***.

[112] Although Mitsubishi considers the vehicles station wagons, Autoweek described them as "tall station wagons, or--for the lack of better nomenclature--mini minivans" ("Mitsubishi to Introduce Two New 'Mini' Minivans," Autoweek, May 6, 1991, p. 5). Furthermore, Chrysler, which will import a nearly identical vehicle from Mitsubishi, considers them minivans. The new vehicle will replace the Colt Vista, which petitioners do not consider to be a minivan. For the specifications of this vehicle, see Mitsubishi's postconference brief.

NISSAN MOTOR CORP. IN U.S.A.

During the period of investigation, Nissan Motor Corp. in U.S.A. (Nissan) imported minivans, station wagons, sport-utility vehicles, and other types of passenger cars and trucks that were produced by its parent company, Nissan Motor Co., Ltd., in Japan. Nissan stopped importing minivans in mid-1989. For purposes of the Commission's importers' questionnaire, Nissan classified imports of its vehicle called the Axxess as station wagons. The petitioners maintain that the Axxess is a minivan.[113] Road & Track magazine describe the Nissan Axxess as "bigger-than-a-miniwagon-smaller-than-a-minivan."[114] When Nissan introduced the Axxess, Motor Trend magazine said that the "Axxess is pioneering a new vehicle class."[115] On the other hand, Ward's Automotive Weekly classifies the Axxess as a minivan. Unlike a minivan or a station wagon, the Axxess has sliding side doors on both sides of the vehicle. Furthermore, the EPA classifies the Axxess as a passenger vehicle for CAFE purposes, whereas it classifies minivans as trucks. In addition, the Department of Transportation requires that the Axxess meet the safety standards established for passenger cars, not those for trucks. For purposes of the staff report, the Axxess has been classified as an imported station wagon. Nissan stopped importing the Axxess in late 1989.[116]

PEUGEOT MOTORS OF AMERICA, INC.

Peugeot Motors of America, Inc. (Peugeot) imports station wagons from its parent company, Automobiles Peugeot, Paris, France. During the period of investigation, Peugeot imported less than *** station wagons per year. All of its station wagons are equipped with 4 cylinder engines and have front-wheel or rear-wheel drive configurations. In 1990, all of its shipments of station wagons were to dealers. Peugeot also imports other types of new passenger cars from France.

RANGE ROVER OF NORTH AMERICA

Range Rover of North America (Range Rover) imports sport-utility vehicles from Great Britain. The vehicles retail for approximately $40,000. Range Rover did not respond to the Commission's questionnaire.

SUBARU OF AMERICA, INC.

Subaru of America, Inc. (Subaru) imports station wagons from its parent company, Fuji Heavy Industries of Japan. Most of Subaru's station wagons are 4-wheel drive vehicles.

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[113] Conference exhibit 1 (petitioners' exhibits).

[114] John Lamm, "Nissan Axxess, A People-mover With Panache," Road & Track, May 1989, p. 146.

[115] Jack R. Nerad, "Nissan Axxess, The Class of a New Class," Motor Trend, April 1989, p. 79.

[116] Nissan only imported the Axxess in 1989. During that year, it imported *** units valued at $***.

AMERICAN SUZUKI MOTOR CORP.

American Suzuki Motor Corp. (Suzuki) imports sport-utility vehicles and passenger cars from Japan and sport-utility vehicles from Canada. Suzuki is a subsidiary of Suzuki Motor Corp., Hamamatsu City, Japan, from which it imports its Japanese-made vehicles. The sport-utility vehicles which it imports from Canada are assembled by CAMI Automotive, Inc. As mentioned above, CAMI is a joint venture between Suzuki Motor Corp. (Japan) and GM.

TOYOTA MOTOR SALES, U.S.A., INC.

During the period of investigation, Toyota Motor Sales, U.S.A., Inc. (TMS) imported minivans, station wagons, sport-utility vehicles, and other types of passenger cars and trucks from Japan. These vehicles were produced by its parent company, Toyota Motor Corp. TMS imported two models of minivans, the Toyota Van, which was terminated in December 1990, and the Toyota Previa, which was introduced in January 1990.

VOLKSWAGEN NORTH AMERICA CORP.

Volkswagen North America Corp. (Volkswagen) is the importer of Volkswagen and Audi automobiles. Volkswagen and Audi market station wagons produced in Germany. Volkswagen also imports station wagons from Brazil. Volkswagen imports a van known as the Vanagon. In its importers' questionnaire response, Volkswagen classified the Vanagon as a full-size van although others consider it a minivan. For purposes of the staff report, the Vanagon has been classified as an imported full-size van.

VOLVO NORTH AMERICA CORP.

Volvo North America Corp. (Volvo) imports station wagons from Sweden, Belgium, and Canada. Volvo is a wholly-owned subsidiary of A.B. Volvo, Gothenburg, Sweden. In its response to the Commission's importers' questionnaire, Volvo reported that ***. Volvo's North American plant is located in Halifax, Nova Scotia, Canada.

Channels of Distribution

Over 95 percent of U.S. producers' combined U.S. shipments of minivans, full-size vans, and sport-utility vehicles were made to dealers in 1990 (table 7). The following tabulation presents the number of retail dealerships to which U.S. producers shipped vehicles during 1988-90, as compiled from questionnaire responses:

	1988	1989	1990
Minivans	15,999	22,048	21,744
Full-size vans	***	***	***
Station wagons	***	***	***
Sport-utility vehicles	14,273	14,245	17,195

Table 7
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. producers' and U.S. importers' U.S. shipments 1/ to dealers, government, and other end users, 2/ by types of vehicles, 1990

Type of company and vehicle	Dealers	Government	Other end users
	Number of vehicles		
U.S. producers:			
Minivans	579,313	***	***
Full-size vans	***	***	***
Station wagons	3/	3/	3/
Sport-utility vehicles	***	***	***
Total	1,485,369	***	***
U.S. importers:			
Minivans	247,879	***	***
Full-size vans	***	***	***
Station wagons	3/	3/	3/
Sport-utility vehicles	***	***	***
Total	619,941	***	***
	Share of U.S. shipments (percent)		
U.S. producers:			
Minivans	93.1	***	***
Full-size vans	***	4/	***
Station wagons	3/	3/	3/
Sport-utility vehicles	***	***	***
Total	95.3	***	***
U.S. importers:			
Minivans	86.6	***	***
Full-size vans	***	***	***
Station wagons	3/	3/	3/
Sport-utility vehicles	***	***	***
Total	91.7	***	***

1/ U.S. shipments equal domestic shipments plus company transfers.
2/ May include company transfers and vehicles for company use in testing, evaluation, and pool transportation.
3/ Not available.
4/ ***.

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

Sales to rental fleets (fleet sales) account for nearly 10 percent of all new passenger car sales. This segment is so important to automobile companies that some have rental car subsidiary companies. For example, Pentastar Transportation Group, a subsidiary of Chrysler Corp., includes Thrifty Rent-A-Car System, Inc., Snappy Rental, Inc., and Dollar Rent-A-Car Systems, Inc. Automobile companies are hoping people fall in love with their rental car and decide to buy one of their own. Based on this rationale, auto companies offer steep discounts to fleet buyers and allow rental-car companies to restock as often as every four months. This practice, however, adds more

than 1 million low mileage used cars to the market each year.[117] Chrysler, Ford, GM, and Toyota buy back part of the rental fleets and then auction them to dealers. Such fleet buybacks can be profitable for dealers since margins on used cars are typically higher than those on new cars. These nearly new cars, however, tend to undercut the car companies' new car sales to dealers.[118] Many of the rental cars that are not bought back by the manufacturer are sold through used car sales operations of rental companies.

Table 8 presents data on the quantity of minivans, full-size vans, station wagons, and sport-utility vehicles that were sold to fleet customers by U.S. producers and U.S. importers during 1988-90. The data show that U.S. producers generally rely more heavily on fleet sales than do importers, although a greater share of imported minivans went to that market in 1989.

[redacted]

[redacted]

[117] James B. Treece, "Detroit Could Use an Air Bag Itself," Business Week, Jan. 14, 1991, p. 67.

[118] Ibid.

Table 8
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. producers' and U.S. importers' fleet sales, by types of vehicles, 1988-90

Item	1988	1989	1990
	Quantity (vehicles)		
U.S. producers' fleet sales:			
Minivans	111,748	104,173	128,139
Full-size vans	***	***	***
Station wagons	1/	1/	1/
Sport-utility vehicles	60,003	54,776	***
Total	***	***	***
U.S. importers' fleet sales:			
Minivans	***	***	***
Full-size vans	***	***	***
Station wagons	1/	1/	1/
Sport-utility vehicles	2,460	5,108	6,003
Total	***	***	***
	Share of U.S. shipments 2/ (percent)		
U.S. producers' fleet sales:			
Minivans	19.9	17.6	20.6
Full-size vans	***	***	***
Station wagons	1/	1/	1/
Sport-utility vehicles	8.7	7.7	***
Total	***	***	***
U.S. importers' fleet sales:			
Minivans	***	***	***
Full-size vans	***	***	***
Station wagons	1/	1/	1/
Sport-utility vehicles	.9	2.0	2.3
Total	***	***	***

1/ Not available.
2/ U.S. shipments equal domestic shipments plus company transfers.

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

CONSIDERATION OF ALLEGED MATERIAL INJURY TO AN INDUSTRY IN THE UNITED STATES[119]

U.S. Capacity, Production, and Capacity Utilization

As noted above, U.S. producers assemble minivans on totally dedicated assembly lines. However, some producers' lines that assemble full-size vans, station wagons, and sport-utility vehicles also assemble other vehicles. Capacity, production, and capacity utilization rates of U.S. producers of minivans, full-size vans, station wagons, and sport-utility vehicles are presented in table 9.

U.S. producers reported that average-of-period capacity to produce minivans increased from 614,397 vehicles in 1988 to nearly 900,000 vehicles in 1990, representing an increase of 46 percent. During January-March 1991, capacity fell by 2 percent compared with the corresponding period of 1990. U.S. production of minivans increased by 12 percent during 1988-90, but fell by 38 percent during January-March 1991 when compared with the year-earlier period. Because the increase in capacity to produce minivans outpaced the increase in production during 1988-90, capacity utilization rates fell; from over 100 percent to 77 percent. Capacity utilization also fell during January-March 1991 compared with the corresponding period of 1990; from 79 percent to 50 percent.

U.S. producers' capacity to produce full-size vans remained unchanged during 1988-90 and fell only slightly during January-March 1991 from the year earlier period. Production of full-size vans fell by *** percent during 1988 90, and fell by *** percent during January-March 1991 compared with the corresponding period of 1990. Capacity utilization rates for full-size van producers in the United States fell from nearly *** percent in 1988 to less than *** percent in 1990. During January-March 1991, capacity utilization was *** percent; down from *** percent during the year-earlier period.

U.S. capacity to produce station wagons fell irregularly from *** million vehicles in 1988 to *** million vehicles in 1990, or by *** percent.[120] Station wagon capacity fell during January-March 1991 compared with the corresponding period of 1990. Production of station wagons in the United States fell by *** percent during 1988-90. Station wagons were, however, the only vehicles examined by the Commission that reported an increase in

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[119] Selected trade, employment, and financial data for U.S. producers' U.S. and Canadian locations, by types of vehicles, by locations, and by firms, are presented in app. F. Canadian producers, such as Volvo (station wagons), were not surveyed by the Commission. For purposes of like product considerations, certain salient data involving different combinations of vehicles have been prepared. These data for U.S. producers' U.S. assembly plants are presented in app. G and for U.S. producers' U.S. and Canadian assembly plants combined are presented in app. H.

[120] Station wagons are generally produced on assembly lines that produce other types of passenger cars--usually sedan versions of the station wagon model. In its questionnaire response, GM reported its total assembly line capacity to produce station wagons and other passenger cars. As a result, U.S. capacity to produce station wagons is overstated and derived capacity utilization rates were quite low during the period of investigation.

Table 9
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. capacity, production, and capacity utilization, by types of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Average-of-period capacity (vehicles)				
Minivans	614,397	739,511	897,633	236,587	230,879
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	861,301	889,153	1,098,866	262,676	288,221
Total	3,618,758	3,619,962	4,009,848	1,029,600	1,022,765
	Production (vehicles)				
Minivans	621,032	668,434	694,454	186,207	116,295
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	768,876	793,919	773,920	162,661	139,344
Total	2,084,297	2,026,564	1,940,041	464,488	360,429
	Capacity utilization (percent)				
Minivans	101.1	90.4	77.4	78.7	50.4
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	89.3	89.3	70.4	61.9	48.3
Average	57.6	56.0	48.3	45.1	35.2

Note.--Capacity utilization is calculated using data of firms providing both capacity and production information.

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

production during January-March 1991 compared with the corresponding period of 1990--showing nearly a ***-percent increase.[121]

U.S. capacity to produce sport-utility vehicles increased during 1988-90 and again during January-March 1991. Production of sport-utility vehicles reached 793,919 vehicles in 1989 before falling to 773,920 vehicles in 1990. Production fell by 14 percent during January-March 1991 compared with the corresponding period of 1990. Capacity utilization of U.S. sport-utility vehicle producers fell from 89 percent in 1988 and 1989 to 70 percent in 1990.

[121] As noted above, Chrysler stopped producing station wagons in 1988. Subaru-Isuzu and Honda began producing station wagons in the United States in 1990.

Raw Materials and Supplies

U.S producers supplied the Commission with data on the value of specific imported and U.S.-produced raw materials and supplies used in the production of minivans, full-size vans, station wagons, and sport-utility vehicles. These data are presented in tables 10-13.

Table 10
Minivans: Raw materials and supplies used in U.S production, 1/ 1988-90, January-March 1990, and January-March 1991

Raw materials and supplies used	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

1/ Excluding direct labor.

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

Table 11
Full-size vans: Raw materials and supplies used in U.S production, 1/ 1988-90, January-March 1990, and January-March 1991

Raw materials and supplies used	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

1/ Excluding direct labor.

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

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station wagons: Raw materials and supplies used in U.S production, 1/ 1988-90, January-March 1990, and January-March 1991

Raw materials and supplies used	1988	1989	1990	January-March-- 1990	1991

* * * * * * *

1/ Excluding direct labor.

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

Table 13
Sport-utility vehicles: Raw materials and supplies used in U.S production, 1/ 1988-90, January-March 1990, and January-March 1991

w materials and supplies used	1988	1989	1990	January-March-- 1990	1991

* * * * * * *

1/ Excluding direct labor.

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

As noted previously, petitioners argue that because the content of Chrysler's Canadian-produced minivans is predominately of U.S. origin, those vehicles should be treated as U.S. production. The following tabulation presents data on the total value of U.S.-produced raw materials and supplies and those materials and supplies of non-U.S. origin which are used in Chrysler's Canadian production of minivans (in millions of dollars):

Source of raw materials and supplies	1988	1989	1990	January-March-- 1990	1991
U.S. origin	***	***	***	***	***
Non-U.S. origin	***	***	***	***	***
Total	***	***	***	***	***

The data show that in 1990, *** percent of the total raw materials and supplies of Chrysler's Canadian production of minivans was of U.S. origin, ***. This compares with an average of *** percent for all U.S. producers of minivans in 1990. Chrysler's U.S. content of its Canadian built minivans, as measured by raw materials and supplies, ***. As with the data on the origin of raw material and supplies used by U.S. producers in the production of minivans, data on Chrysler's Canadian production exclude labor costs.

U.S. Producers' Shipments[122] [123]

U.S. producers' shipments of minivans, full-size vans, station wagons, and sport-utility vehicles are presented in table 14. U.S. producers' U.S. shipments[124] of minivans increased from 560,341 vehicles in 1988 to 622,091 vehicles in 1990, representing an increase of 11 percent. During January-March 1991, U.S. shipments fell by 42 percent compared with the corresponding period of 1990. Unit values of minivans increased by 8 percent during 1988-90. As a result, the total value of U.S. shipments of minivans during 1988-90 registered a greater increase than did total quantities; increasing by 20 percent. U.S. producers' exports of minivans increased by *** percent during 1988-90 and fell by *** percent during January-March 1991 compared with the corresponding period of 1990. U.S. producers listed Canada, Mexico, France, and Germany as primary export markets for minivans.

U.S. shipments and exports of full-size vans fell *** and *** percent, respectively, during 1988-90. During January-March 1991, U.S. shipments of full-size vans fell by over *** percent compared with the corresponding period of 1990. Unit values of full-size vans *** during every period of the Commission's investigative period.

Producers' U.S. shipments of station wagons fell from *** vehicles in 1988 to *** vehicles in 1990, or by *** percent. During January-March 1991, U.S. producers shipped *** station wagons, representing an increase of *** percent compared with the corresponding period of 1990. The value of U.S. shipments of station wagons followed a similar trend to that of quantity.[125]

Sport-utility vehicle shipments increased from 689,272 vehicles in 1988 to 707,403 vehicles in 1989, or by 3 percent. In 1990, U.S. shipments of sport-utility vehicles fell by 2 percent from 1989 levels. During January-March 1991, U.S. shipments of sport-utility vehicles fell by 13 percent compared with the corresponding period of 1990. U.S. producers exported sport-utility vehicles to Canada, Europe, and the Middle East. Such export shipments increased by 9 percent from 1988 to 1989, before falling by 15 percent in 1990. As with the other vehicles, the unit values of U.S. and export shipments rose throughout the period of investigation.

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[122] Data on U.S. producers' and U.S. importers' shipments of minivans, full-size vans, station wagons, and sport-utility vehicles, by selected types of features, are presented in app. I.

[123] Quarterly data on U.S. producers' and U.S. importers' U.S. shipments of minivans, full-size vans, station wagons, and sport-utility vehicles, are presented in app. J.

[124] U.S. shipments equal domestic shipments plus company transfers.

[125] ***.

Table 14
Minivans, full-size vans, station wagons, and sport-utility vehicles: Shipments by U.S. producers, by types of vehicles and by types of shipments, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Quantity (vehicles)				
Minivans:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	560,341	592,274	622,091	163,465	94,783
Exports	***	***	***	***	***
Total	***	***	***	***	***
Full-size vans:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	***	***	***	***	***
Exports	***	***	***	***	***
Total	***	***	***	***	***
Station wagons:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	***	***	***	***	***
Exports	***	***	***	***	***
Total	***	***	***	***	***
Sport-utility vehicles:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	689,272	707,403	694,468	139,712	122,101
Exports	***	***	***	***	***
Total	***	***	***	***	***
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	1,919,565	1,819,924	1,765,643	408,977	306,719
Exports	***	***	***	***	***
Total	***	***	***	***	***

Table continued on next page.

Table 14--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: Shipments by U.S. producers, by types of vehicles and by types of shipments, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Value (million dollars) 1/				
Minivans:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	7,546	8,413	9,057	2,387	1,413
Exports	***	***	***	***	***
Total	***	***	***	***	***
Full-size vans:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	***	***	***	***	***
Exports	***	***	***	***	***
Total	***	***	***	***	***
Station wagons:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	***	***	***	***	***
Exports	***	***	***	***	***
Total	***	***	***	***	***
Sport-utility vehicles:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	10,862	11,388	11,898	2,366	2,119
Exports	***	***	***	***	***
Total	***	***	***	***	***
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	26,940	26,938	27,097	6,250	4,829
Exports	***	***	***	***	***
Total	***	***	***	***	***

See footnote at end of table.

Table 14--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: Shipments by U.S. producers, by types of vehicles and by types of shipments, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Unit value (per vehicle)				
Minivans:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Average	$13,466	$14,205	$14,558	$14,605	$14,906
Exports	***	***	***	***	***
Average	***	***	***	***	***
Full-size vans:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Average	***	***	***	***	***
Exports	***	***	***	***	***
Average	***	***	***	***	***
Station wagons:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Average	***	***	***	***	***
Exports	***	***	***	***	***
Average	***	***	***	***	***
Sport-utility vehicles:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Average	15,759	16,099	17,133	16,938	17,354
Exports	***	***	***	***	***
Average	***	***	***	***	***
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Average	14,034	14,802	15,347	15,283	15,745
Exports	***	***	***	***	***
Average	***	***	***	***	***

1/ Values are f.o.b. assembly plant.

Note.--Because of rounding, figures may not add to the totals shown. Unit values are calculated from the unrounded figures, using data of firms supplying both quantity and value information.

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

U.S. Producers' Inventories

U.S. producers typically do not keep large inventories of finished vehicles. Once a vehicle is assembled it is often shipped within a short period of time. As a share of production, U.S. producers' inventories of minivans, station wagons, and sport-utility vehicles were less than 2 percent (table 15). Inventories of full-size vans reached a high of *** percent of annualized production during January-March 1990.

Table 15
Minivans, full-size vans, station wagons, and sport-utility vehicles: End-of-period inventories of U.S. producers, by types of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information. January-March ratios are based on annualized production data.

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

U.S. Employment, Wages, Compensation, and Productivity

The United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) represents nearly all production and related workers at vehicle assembly plants in the United States.[126] The exceptions to union representation are the production and related workers producing station wagons at Honda's Marysville, OH, plant, and those producing station wagons and sport-utility vehicles at SIA.

Under a 3-year collective bargaining agreement between the UAW and Chrysler, Ford, and GM (which took effect in November 1990), workers whose jobs are made redundant through productivity improvement continue to be employed and receive full wages and benefits. These workers are assigned to a "jobs bank" and may perform a variety of production-related or non production-related tasks within the plant. Workers on temporary or indefinite layoff

[126] Production and related workers at Chrysler's Windsor, Ontario, Canada minivan and full-size van assembly plants, Chrysler's Brampton, Ontario, Canada sport-utility vehicle assembly plant, and GM's Scarborough, Ontario, Canada full-size van assembly plant are represented by the Canadian Automobile Workers (CAW) and are covered by the same or similar collective bargaining agreements.

receive 95 percent of their standard after-tax take-home pay for 36 weeks over the duration of the collective bargaining agreement. Beyond 36 weeks, they collect full wages and benefits. Petitioners have argued that because of the collective bargaining agreement, a large portion of labor costs associated with the production of minivans have become more like fixed costs.[127]

Chrysler has an agreement with the UAW at its Fenton, MO, assembly plant producing minivans which permits a three-crew/three-shift work schedule should market conditions warrant. Implementation of this alternative work schedule would allow 1,000 workers who lost their jobs at an adjacent Chrysler passenger car plant to return to work. Chrysler reports that the alternative work schedule, which was to begin in the fall of 1991, has been delayed until January 1992. Chrysler adds that the January target date is highly unlikely unless current market conditions improve.

Table 16 presents data on U.S. employment, wages, compensation, and productivity. The number of production and related workers producing minivans increased from 9,534 in 1988 to 12,658 in 1989, or by 33 percent. The number fell by 3 percent in 1990 to 12,282. During January-March 1991, the number of production and related workers fell to 10,781 from 13,018 during the corresponding period of 1990, representing a decline of 17 percent. Hours worked in the production of minivans increased by 16 percent from 1988 to 1989 and increased an additional 2 percent in 1990. Hours worked fell during January-March 1991 to a level 34 percent below that of the corresponding period of 1990. Hourly compensation paid to production and related workers of minivans increased in every period of the investigation. During January-March 1991, hourly compensation reached $31.94. Productivity declined irregularly from 30.7 vehicles per 1,000 manhours in 1988 to 29.0 vehicles in 1990, or by nearly 6 percent.[128] Productivity declined during January-March 1991 by 5 percent compared with the corresponding period of 1990. Unit labor costs increased during every period of investigation, from $911 per vehicle in 1988 to $1,135 per vehicle during January-March 1991, representing an increase of 25 percent.

The number of production and related workers, the hours worked, and wages and total compensation paid to such workers producing full-size vans declined in every period of the investigation.

The number of production and related workers, the hours worked, and wages and total compensation paid to such workers producing station wagons fell from 1988 to 1989, before increasing in 1990. The number of workers, hours worked, and wages and total compensation paid increased during January-March 1991 compared with the corresponding period of 1990. Productivity of workers producing station wagons fell during 1988-90.

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[127] Petition, p. 3.

[128] GM advises caution in the calculation of productivity based on the data on production and hours worked collected by the Commission in its producers' questionnaires. GM states that ***.

Table 16
Average number of U.S. production and related workers producing minivans, full-size vans, station wagons, and sport-utility vehicles, hours worked, 1/ wages and total compensation paid to such employees, and hourly compensation, productivity, and unit labor costs, 2/ by types of vehicles, 1988-90, January-March 1990, and January-March 1991 3/

Item	1988	1989	1990	January-March-- 1990	1991
	Number of production and related workers (PRWs)				
Minivans	9,534	12,658	12,282	13,018	10,781
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	14,126	14,723	15,158	14,432	11,828
Total	32,508	34,686	35,265	34,332	29,760
	Hours worked by PRWs (1,000 hours)				
Minivans	20,254	23,442	23,948	6,292	4,133
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	28,816	30,192	26,987	6,417	5,095
Total	66,093	67,489	62,865	15,458	11,471
	Wages paid to PRWs (million dollars)				
Minivans	397	483	530	130	90
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	547	579	527	119	83
Total	1,305	1,360	1,320	313	219
	Total compensation paid to PRWs (million dollars)				
Minivans	566	686	737	192	132
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	788	831	762	180	142
Total	1,833	1,912	1,844	460	338
	Hourly total compensation paid to PRWs				
Minivans	$27.95	$29.26	$30.78	$30.51	$31.94
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	27.35	27.52	28.24	28.05	27.87
Average	27.73	28.33	29.33	29.76	29.47

See footnotes at end of table.

Table 16--Continued
Average number of U.S. production and related workers producing minivans, full-size vans, station wagons, and sport-utility vehicles, hours worked, 1/ wages and total compensation paid to such employees, and hourly compensation, productivity, and unit production costs, 2/ by types of vehicles, 1988-90, January-March 1990, and January-March 1991 3/

Item	1988	1989	1990	January-March-- 1990	1991
	Productivity (vehicles per 1,000 manhours)				
Minivans	30.7	28.5	29.0	29.6	28.1
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	26.7	26.3	28.1	25.3	25.9
Average	29.4	28.7	29.2	29.0	28.3
	Unit labor costs (per vehicle)				
Minivans	$911	$1,026	$1,061	$1,031	$1,135
Full-size vans	***	***	***	***	***
Station wagons	***	***	***	***	***
Sport-utility vehicles	1,025	1,047	1,006	1,107	1,076
Average	948	988	1,006	1,026	1,042

1/ Includes hours worked plus hours of paid leave time.
2/ On the basis of total compensation paid.
3/ Firms providing employment data accounted for 100 percent of reported production of minivans and full-size vans in 1990, *** percent of station wagons, and *** percent of sport-utility vehicles.

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information.

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

The number of production and related workers producing sport-utility vehicles increased from 14,126 in 1988 to 15,158 in 1990, or by 7 percent. During January-March 1991, the number of production and related workers fell to 11,828. Hours worked in the production of sport-utility vehicles increased by 5 percent from 1988 to 1989 before falling by 11 percent in 1990. Hours worked fell by 21 percent during January-March 1991 compared with the corresponding period of 1990. Wages and total compensation followed a similar pattern. Productivity increased irregularly during 1988-90, from 26.7 vehicles per 1,000 manhours in 1988 to 28.1 in 1990, or by 5 percent. Productivity increased by 2 percent during January-March 1991 compared with the corresponding period of 1990.

In its producers' questionnaire, the Commission requested U.S. producers to provide detailed information concerning reductions in the number of production and related workers producing minivans, full-size vans, station wagons, and sport-utility vehicles during January 1988 through March 1991, if such reductions involved at least 5 percent of the workforce, or 50 workers. The reported reductions are shown in table 17. During the period of investigation, Ford and GM reported a number of layoffs which permanently reduced their minivan workforce by *** workers. Ford and GM also reported permanent layoffs of *** workers producing full-size vans. GM reported *** separate layoffs of production and related workers producing sport-utility vehicles. These layoffs totalled *** workers.

Table 17
Minivans, full-size vans, station wagons, and sport-utility vehicles: Reductions in the number of production and related workers, by types of vehicles, by locations, and by dates, January 1, 1988, through March 31, 1991

Type of vehicle, name of firm, and plant location	Date	Number of workers	Duration	Reason
*	*	*	*	*

1/ No data provided. During 1990 and Jan-Mar 1991, ***.
2/ On June 24, 1991, production and related workers at GM's Baltimore, MD. minivan assembly plant went on strike over alleged unsafe working conditions (Washington Post, June 25, 1991, sec. C, p. C1).
3/ ***.

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

Financial Experience of U.S. Producers

Financial information was provided on minivan operations by the three U.S. producers,[129] but not on full-size vans, station wagons, or sport-utility vehicles. The minivan data, representing 100 percent of 1990 U.S. production of minivans, are presented in this section. Meaningful income-and-loss presentation on the other products could not be made without the major producers' financial data.

[129] Chrysler, Ford, and GM.

OVERALL ESTABLISHMENT OPERATIONS

Income-and-loss data on the U.S. producers' overall establishment operations are identical to the minivan income-and-loss. For this reason, separate overall and minivan financial results are not presented.

MINIVAN OPERATIONS

Aggregate income-and-loss data on the domestic producers' operations producing minivans in the United States are presented in table 18. A corresponding table including Chrysler's Canadian operations is presented in appendix H, table H-7. Selected income-and-loss and per-unit data are presented in tables 19 and 20 for each of the respective U.S. producers. Corresponding tables with Chrysler's Canadian operations are presented in appendix F, tables F-5 and F-6.

The U.S. producers indicated in their respective 1990 annual statements that the economic downturn and worldwide overcapacity have affected the total automobile and truck market. These conditions have caused reduced volume and revenues as the producers have attempted to maintain market share by increasing marketing incentives such as rebates, discounts, and other price-reducing measures. *** the U.S. producers' assertions of forced price reductions, the average unit sales value of minivans *** in every period from *** (table 20).

Components of cost-of-goods-sold on a per-unit basis are presented for the respective U.S. producers in the following tabulation (in dollars per vehicle):

Item	1988	1989	1990	January-March- 1990	1991
Raw materials:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Average	$7,021	$7,517	$8,277	$8,156	$8,736
Direct labor:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Average	628	635	613	580	725
Other factory costs:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Average	2,983	3,504	3,436	3,444	4,792

Petitioners report that identical costs are submitted in accordance with governmental CAFE regulations, which, according to the petitioners, gives them confidence in the accuracy of the minivan income-and-loss amounts for the questionnaire response. Additionally, computation of manufacturing costs for minivans is relatively straightforward since the production is performed in plants dedicated solely to producing minivans; i.e., all costs incurred by the respective plants are costs directly attributable to minivans. Such is not the case, however, with station wagons, sports-utility vehicles, and full-size vans, which share assembly lines with other automotive or truck products.

Table 18
Income-and-loss experience of U.S. producers 1/ on their minivan operations, fiscal years 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March- 1990	1991
	Value (million dollars)				
Net sales	8,342	9,356	9,924	2,663	1,671
Cost of goods sold	6,604	7,748	8,545	2,246	1,612
Gross profit	1,738	1,608	1,379	417	59
General, selling, and administrative expenses	389	474	591	160	121
Operating income or (loss)	1,349	1,134	788	257	(62)
Shutdown expenses	1	71	13	8	2
Interest expense	4	8	19	6	7
Other income or (loss), net	12	11	1	0	0
Net income or (loss) before income taxes	1,356	1,066	757	243	(71)
Depreciation and amortization included above	219	324	382	96	81
Cash flow 2/	1,575	1,390	1,139	339	10
	Ratio to net sales (percent)				
Cost of goods sold	79.2	82.8	86.1	84.3	96.5
Gross profit	20.8	17.2	13.9	15.7	3.5
General, selling, and administrative expenses	4.7	5.1	6.0	6.0	7.2
Operating income or (loss)	16.2	12.1	7.9	9.7	(3.7)
Net income or (loss) before income taxes	16.3	11.4	7.6	9.1	(4.2)
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	3	3	3	3	3

1/ Chrysler, Ford, and GM. All have fiscal periods ending December 31. Excludes Chrysler's Canadian operations.

2/ Cash flow is defined as net income or loss plus depreciation and amortization.

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

Table 19
Selected minivan income-and-loss data, by U.S. producers, 1/ fiscal years 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Value (million dollars)				
Net sales:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Total	8,342	9,356	9,924	2,663	1,671
Cost of sales:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Total	6,604	7,748	8,545	2,246	1,612
Operating income or (loss):					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Total	1,349	1,134	788	257	(62)
	Ratio to net sales (percent)				
Operating income or (loss):					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Average	16.2	12.1	7.9	9.7	(3.7)

1/ Excludes Chrysler's Canadian operations.

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

Table 20
Selected minivan per-unit income-and-loss experience, by U.S. producers, 1/ fiscal years 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Quantities				
Net sales:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Total	621,174	664,742	693,288	184,401	113,098
	Value (per vehicle)				
Net sales:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Average	$13,429	$14,075	$14,314	$14,441	$14,775
Cost of sales:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Average	10,631	11,656	12,325	12,180	14,253
Operating income:					
Chrysler	***	***	***	***	***
Ford	***	***	***	***	***
GM	***	***	***	***	***
Average	2,172	1,706	1,137	1,394	(548)

1/ Excludes Chrysler's Canadian operations.

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

Chrysler, the generally acknowledged innovator of the minivan concept and *** producer, with approximately *** of the U.S. market when its Canadian-produced models are included, produces the *** of its minivans in Windsor, Ontario, just across the border from Detroit. The shorter wheelbase models are produced in Canada while the longer wheelbase models, which have ***, are produced in the United States. (As indicated previously, financial tables with Chrysler's Canadian operations included are presented in appendix tables F-5, F-6, and H-7).

Since their introduction in 1983, Chrysler has *** (when Canadian-produced models are included) of all minivans marketed in the United States, but *** made *** in the market with the introduction of its ***. Chrysler sold *** U.S-produced units, or *** percent of the total sales of U.S.-made minivans by domestic producers in 1988, and *** units, or *** percent, in 1990 (table 20). GM's sales, on the other hand, *** from *** units to *** units, or from *** percent in 1988 to *** percent of total U.S.-produced minivan sales by domestic producers in 1990. Ford's units sold *** from *** in 1988 to *** in 1990, or from *** percent to *** percent of sales by U.S. producers. Chrysler's standard air bag feature since 1989 has apparently contributed to

its ***; however, GM has been able to create product differentiation with its car-like exterior styling and composite body material that does not dent or rust.

INVESTMENT IN PRODUCTIVE FACILITIES

The value of property, plant, and equipment for the U.S. producers is presented in table 21.[130] The return on total assets for the producers could not be presented since those assets related to upstream operations and other corporate financial assets could not be determined specifically for minivans.

Table 21
Value of property, plant, and equipment of U.S. producers of minivans, 1/ fiscal years 1988-90, as of March 31, 1990, and as of March 31, 1991

(In millions of dollars)

Item	As of the end of fiscal year-- 1988	1989	1990	As of March 31- 1990	1991
Fixed assets:					
Original cost	1,729	2,391	2,651	1,295	1,387
Book value	1,082	1,311	1,367	760	798

1/ Excludes Chrysler's Canadian operations.

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

Although the return on total assets for minivans could not be calculated, the following tabulation compares operating income margins for all products (as derived from annual statements) and minivans (as compiled from questionnaire responses) for the respective producers:

[130] Petitioners state that "since 1981, the U.S. industry has invested a total of over $6 billion dollars in dedicated minivan design, engineering, tooling and production," and that "because the Commission's questionnaire requests information on capital expenditures for only the past three years, much of this investment is not reported in the data submitted by the domestic industry." Petitioners add that "the asset value information sought in the questionnaire does not capture fixed design and engineering costs associated with minivan production," (Petitioners' postconference brief, p. 9).

Item	1988	1989	1990
Chrysler:			
All products 1/	5.2	1.8	0.5
Minivans 2/	***	***	***
Ford:			
All products 3/	8.0	5.1	.4
Minivans	***	***	***
GM:			
All products 4/	4.2	4.3	(3.1) 5/
Minivans	***	***	***

1/ Includes financing subsidiary, CFC, and Pentastar on equity basis.
2/ U.S.-produced minivans.
3/ Excludes financial subsidiary.
4/ Includes financing subsidiary, GMAC, on equity basis.
5/ Includes special provision for scheduled plant closings and other restructurings, $3.4 billion.

RESEARCH AND DEVELOPMENT EXPENSES

The research and development expenses reported by the U.S. producers are presented in table 22.

Table 22
Research and development expenses of U.S. producers of minivans, fiscal years 1988-90, January-March 1990, and January-March 1991

(In millions of dollars)

Item	1988	1989	1990	January-March-- 1990	1991
Minivans	202	253	231	***	***

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

CAPITAL EXPENDITURES

The capital expenditures reported by the U.S. producers are presented in table 23.

Table 23
Capital expenditures by U.S. producers of minivans, fiscal years 1988-90, January-March 1990, and January-March 1991

(In millions of dollars)

Item	1988	1989	1990	January-March-- 1990	1991
Land and land improvements	1	4	4	***	***
Building or leasehold improvements	15	14	4	***	***
Machinery, equipment, and fixtures	296	466	428	***	***
Total	312	484	436	***	***

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

CAPITAL AND INVESTMENT

The Commission requested the U.S. producers to describe any actual or potential negative effects of imports of minivans from Japan on their existing development and production efforts, growth, investment, and ability to raise capital. Their responses are shown in appendix K.

CONSIDERATION OF THE QUESTION OF THREAT OF MATERIAL INJURY

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. § 1677(7)(F)(i)) provides that--

> In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant factors[131]--
>
> (I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),
>
> (II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,
>
> (III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,
>
> (IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,
>
> (V) any substantial increase in inventories of the merchandise in the United States,
>
> (VI) the presence of underutilized capacity for producing the merchandise in the exporting country,
>
> (VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,
>
> (VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to final orders under section 736, are also used to produce the merchandise under investigation,

---

[131] Section 771(7)(F)(ii) of the act (19 U.S.C. § 1677(7)(F)(ii)) provides that "Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition."

> (IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and
>
> (X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.[132]

Subsidies (item (I)) and agricultural products (item (IX)) are not issues in this investigation; information on the volume, U.S. market penetration, and pricing of imports of the subject merchandise (items (III) and (IV) above) is presented in the section of the report entitled "Consideration of the causal relationship between imports of the subject merchandise and the alleged material injury;" and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts (item (X)) is presented in the section entitled "Consideration of alleged material injury to an industry in the United States." Available information on U.S. inventories of the subject products (item (V)); foreign producers' operations, including the potential for "product-shifting" (items (II), (VI), and (VIII) above); any other threat indicators, if applicable (item (VII) above); and any dumping in third-country markets, follows.

Inventories of U.S. Importers

U.S. importers' end-of-period inventories of minivans from Japan fell from *** vehicles in 1988 to *** vehicles in 1989, or by *** percent (table 24).[133] In 1990, such inventories ***. End-of-period-inventories in 1990 accounted for *** percent of 1990 imports. During January-March 1991, inventories of minivans from Japan ***, or *** percent of annualized imports during the same period.

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[132] Section 771(7)(F)(iii) of the act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

[133] Chrysler does not keep inventories of its Canadian produced minivans in the United States. Shipments of these minivans are made to end users in the United States directly from Chrysler's Windsor plant.

Table 24
Minivans, full-size vans, station wagons, and sport-utility vehicles: End-of-period inventories of U.S. importers, by types of vehicles and by sources, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Quantity (vehicles)				
Minivans:					
Japan	***	***	***	***	***
Canada	1/	1/	1/	1/	1/
Mexico	2/	2/	2/	2/	2/
Other sources	2/	2/	2/	2/	2/
Total	***	***	***	***	***
Full-size vans:					
Japan	2/	2/	2/	2/	2/
Canada	1/	1/	1/	1/	1/
Mexico	2/	2/	2/	2/	2/
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Station wagons:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	6,821	13,301	11,802	10,847	13,919
Sport-utility vehicles:					
Japan	***	***	***	***	***
Canada	1/	***	***	***	***
Mexico	1/	1/	1/	1/	1/
Other sources	***	***	***	***	***
Total	15,984	12,578	27,710	16,386	35,730
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Japan	26,599	24,598	38,814	24,558	53,104
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	30,710	29,514	48,741	33,049	63,404

See footnotes at end of table.

Table 24--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: End-of-period inventories of U.S. importers, by types of vehicles and by sources, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Ratio to imports (percent)				
Minivans:					
Japan	***	***	***	***	***
Canada	1/	1/	1/	1/	1/
Mexico	2/	2/	2/	2/	2/
Other sources	2/	2/	2/	2/	2/
Total	***	***	***	***	***
Full-size vans:					
Japan	2/	2/	2/	2/	2/
Canada	1/	1/	1/	1/	1/
Mexico	2/	2/	2/	2/	2/
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Station wagons:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	2.9	6.4	8.1	7.8	10.8
Sport-utility vehicles:					
Japan	***	***	***	***	***
Canada	1/	***	***	***	***
Mexico	1/	1/	1/	1/	1/
Other sources	***	***	***	***	***
Total	7.7	6.9	12.5	7.1	19.6
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Japan	6.5	6.9	10.7	7.3	15.3
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	6.3	6.7	10.2	7.5	14.9

1/ Not available.
2/ Not applicable.

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information. January-March ratios are based on annualized import data.

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

As a share of imports, inventories of full-size vans from other sourc (Germany) ***. During 1988-90, inventories of imported station wagons and sport-utility vehicles from all sources increased by over 75 percent. In 1990, inventories of station wagons and sport-utility vehicles represented 8 and 12 percent, respectively, of 1990 imports.

Ability of Foreign Producers to Generate Exports and the Availability of Export Markets Other Than the United States

THE INDUSTRY IN JAPAN

The Commission requested certain information from counsel for the Japanese producers. The Commission received information from counsel on behalf of Mazda Motor Corp, Mitsubishi Motors Corp., Nissan Motor Co., and Toyota Motor Corp. The Commission also requested additional information from the U.S. Embassy in Tokyo. The embassy supplied information on production of minivans by Isuzu Motors Ltd. (Isuzu). Isuzu does not export minivans to the United States and it was not represented by counsel in this investigation.

* * * * * * *

Table 25 presents data on total minivan production in Japan. These data include total production by Isuzu and Toyota, but exclude production of Mazda's Bongo. Table 26 presents data on production of only those minivans that are exported to the United States. That is, it excludes production by Isuzu and production of narrow body minivans by Toyota. Exports to the United States are the same in both tables.

The data submitted for total Japanese minivan production indicate that capacity, production, and capacity utilization increased during the period 1988-90 and are expected to increase further in 1991 and 1992. Capacity utilization rose irregularly from *** percent in 1988 to *** percent in 1990. Total exports of minivans to the United States increased from *** units in 1988 to *** units in 1989, or by *** percent. In 1990, exports to the United States increased to *** units, or by *** percent from the year earlier. During January-March 1991, exports to the United States increased by *** percent compared with the corresponding period of 1990. Japanese producers, however, expect that exports to the United States during full-year 1991 and 1992 will fall from the level attained in 1990.

* * * * * * *

Table 25
Minivans: Japanese capacity, production, capacity utilization, shipments, and end-of-period inventories, by firms, 1988-90, January-March 1990, and January-March 1991

(Number of vehicles, except as noted)

Item and firm	1988	1989	1990	January-March-- 1990	January-March-- 1991	Projected-- 1991	Projected-- 1992

* * * * * * *

Source: Compiled from data supplied by counsel for Mazda Motor Corp., Mitsubishi Motors Corp., Nissan Motor Co., and Toyota Motor Corp., and from data submitted by the U.S. Embassy in Tokyo, Japan (Isuzu data).

Table 26
Minivans: 1/ Selected Japanese capacity, production, capacity utilization, shipments, and end-of-period inventories, by firms, 1988-90, January-March 1990, and January-March 1991

(Number of vehicles, except as noted)

Item and firm	1988	1989	1990	January-March-- 1990	January-March-- 1991	Projected-- 1991	Projected-- 1992
Capacity:							
Mazda Motor Corp. 2/	***	***	***	***	***	***	***
Mitsubishi Motors Corp. 3/	***	***	***	***	***	***	***
Nissan Motor Co. 4/	***	***	***	5/	5/	***	***
Toyota Motor Corp. 6/	***	***	***	***	***	***	***
Total	298,400	319,800	370,200	61,610	63,800	375,500	351,796
Production:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	5/	5/	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total	230,778	237,032	353,319	47,879	67,376	366,620	344,120
Capacity utilization:							
Mazda Motor Corp. (percent)	***	***	***	***	***	***	***
Mitsubishi Motors Corp. (percent)	***	***	***	***	***	***	***
Nissan Motor Co. (percent)	***	***	***	5/	5/	***	***
Toyota Motor Corp. (percent)	***	***	***	***	***	***	***
Total (percent)	77.3	74.1	95.4	77.7	105.6	97.6	97.8
Shipments:							
Home market:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	5/	5/	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
Exports to the United States:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	***	***	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
Exports to third countries:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	5/	5/	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

See footnotes at end of table.

Table 26--Continued
Minivans: 1/ Selected Japanese production capacity, production, capacity utilization, shipments, and end-of-perio inventories, by firms, 1988-90, January-March 1990, and January-March 1991

(Number of vehicles, except as noted)

Item and firm	1988	1989	1990	January-March-- 1990	January-March-- 1991	Projected-- 1991	Projected-- 1992
Shipments:--Continued							
Total exports:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	5/	5/	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total	104,570	113,043	189,395	36,888	52,678	198,300	177,758
Total shipments:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	5/	5/	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total	228,339	235,259	350,475	49,781	69,661	364,700	345,958
End-of-period inventories:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	5/	5/	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total	6,041	7,762	10,451	5,291	6,279	8,539	6,674
Exports to the United States as a share of--							
Production:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	***
Nissan Motor Co.	***	***	***	***	***	***	***
Toyota Motor Corp.	***	***	***	***	***	***	***
Total (percent)	***	***	***	***	***	***	***
Total exports:							
Mazda Motor Corp.	***	***	***	***	***	***	***
Mitsubishi Motors Corp.	***	***	***	***	***	***	
Nissan Motor Co.	***	***	***	***	***	***	
Toyota Motor Corp.	***	***	***	***	***	***	
Total (percent)	***	***	***	***	***	***	***

1/ These companies have exported minivans to the United States during the period of investigation and data include only those minivans that were exported to the United States. ***.
2/ Based on operating ***.
3/ Based on operating ***.
4/ Based on operating ***.
5/ Not available.
6/ Based on operating ***.

Source: Compiled from data supplied by counsel for Mazda Motor Corp., Mitsubishi Motors Corp., Nissan Motor Co., and Toyota Motor Corp.

Voluntary Restraint Agreement

In the late 1970s and early 1980s, the U.S. auto industry underwent a major sales downturn. U.S auto companies' market share dropped from 82.2 percent in 1978 to 71.2 percent in 1981. By early 1981, legislation to restrict Japanese car imports to 1.6 million units was gaining support in the U.S. Congress. In April 1981, the Japanese Ministry of International Trade and Industry (MITI), following meetings with U.S. trade officials, presented a proposal for a voluntary restraint of 1.6 million to 1.7 million units annually to be enforced by MITI through administrative guidance. Despite opposition from Japan's automakers, on May 1, 1981, MITI announced a voluntary restraint agreement (VRA) on Japanese auto exports to the United States. The VRA reduced Japan's U.S. car sales from 1.82 million units in 1980 to 1.68 million units in 1981. Restraints were also announced on exports of four-wheel-drive station wagons and "jeep"-type vehicles, limiting Japanese export of these vehicles to 70,000 units. In total, 1981 Japanese exports to the United States were limited to 1,832,500 units. These restraints remained in place during Japan's fiscal years 1982-83. In Japan's fiscal year 1984, the total VRA limit was raised to 2,017,931 million automobiles.

On March 1, 1985, President Reagan announced that the United States would not ask the Japanese Government to renew the VRA for 1985. According to an Administration official, the domestic automakers were now strong enough to compete with Japanese auto companies. On March 28, 1985, the Japanese Government told the Administration that it would limit annual auto exports to the United States to 2.3 million units.[134] The VRA has remained in effect, with Japanese exports to the United States still limited to 2.3 million units. However, as Japanese auto companies have shifted increasing amounts of production to the United States, their need to serve the U.S. market with Japanese production has decreased, and Japanese exports fail to meet the limits set by the VRA. In Japan's fiscal year 1990, the United States imported 1,911,828 passenger autos from Japan. In Japan's fiscal year 1989, U.S. imports of passenger autos from Japan totaled 2,015,920 units. In Japan's fiscal year 1988, U.S. imports of passenger autos from Japan totaled 2,115,304.[135]

Minivans are included in the VRA.[136] In the mid-1980s, Japanese automakers were reportedly slow to enter the minivan market partly as a result of the VRA.[137] Toyota may have offset this limitation in the mid-1980s by making over half of its minivan sales in the form of cargo vans, which are not subject to the VRA.[138]

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[134] The Internationalization of the Automobile Industry and its Effects on the U.S. Automobile Industry, June 1985, USITC Publication 1712.

[135] The U.S. Automobile Industry Monthly Report on Selected Economic Indicators, May 1991 and May 1990, USITC Publications 2393 and 2287. Since the Japanese automakers do not meet the VRA limit, the VRA is now viewed by many industry analysts as irrelevant, and consider its renewal a political gesture.

[136] USITC staff telephone interview with official of the Japan Automobile Manufacturers Association, June 27, 1991.

[137] They were also slow to enter the U.S. market because they did not have products that were particularly suited to the U.S. market. The Power Report, July 1986, p. 2.

[138] Ibid.

CONSIDERATION OF THE CAUSAL RELATIONSHIP BETWEEN IMPORTS OF THE SUBJECT MERCHANDISE AND THE ALLEGED MATERIAL INJURY

U.S. Imports

Imports of minivans, full-size vans, station wagons, and sport-utility vehicles are presented in table 27. Imports of minivans from Japan increased from *** vehicles in 1988 to *** vehicles in 1990, representing an increase of over *** percent. During January-March 1991, *** minivans were imported from Japan, an increase of *** percent from the corresponding period of 1990. Chrysler's imports of minivans from Canada *** from *** vehicles in 1988 to *** vehicles in 1990, or by *** percent. During January-March 1991, imports from Canada *** by *** percent from the year-earlier period. Unit values of imports from Japan were higher than those from Canada in every period except 1988.

Total imports of full-size vans *** from *** vehicles in 1988 to *** vehicles in 1990, or by *** percent. Such imports *** by *** percent during January-March 1991 compared with the corresponding period of 1990.

Imports of station wagons from Japan fell from *** vehicles in 1988 to *** vehicles in 1990, or by *** percent. Imports of station wagons from Japan increased by *** percent during January-March 1991 compared with the year-earlier period. During 1988-90, imports of station wagons from Canada increased by *** percent and imports of station wagons from Mexico increased by *** percent. A majority of these imports were from *** plants in Canada and Mexico. Unit values of imports of station wagons from Japan were consistently lower than those for imports from Canada.

Sport-utility vehicle imports from Japan fell irregularly from 202,927 vehicles in 1988 to 182,391 vehicles in 1990, or by 10 percent. Imports of sport-utility vehicles from Canada nearly **** from 1988 to 1990. Unit values of imports of sport-utility vehicles from Japan were higher than those from Canada and Mexico in every period except 1988 and January-March 1991.

As noted previously, petitioners claim that the Nissan Axxess and the Volkswagen Vanagon are minivans, whereas Nissan reported the Axxess as a station wagon and Volkswagen reported the Vanagon as a full-size van. These vehicles have been presented as reported by Nissan and Volkswagen, respectively, in their importers' questionnaire responses. The following tabulation presents the quantity and value of imports of the Nissan Axxess and the Volkswagen Vanagon:

Vehicle	1988	1989	1990	January-March--1990	January-March--1991
	Quantity (vehicles)				
Nissan Axxess	0	***	0	0	0
Volkswagen Vanagon	***	***	***	***	***
Total	***	***	***	***	***
	Value (million dollars)				
Nissan Axxess	0	***	0	0	0
Volkswagen Vanagon	***	***	***	***	***
Total	***	***	***	***	***

Table 27
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. imports, by types of vehicles and by sources, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Quantity (vehicles)				
Minivans:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	0	0	0	0	0
Other sources	0	0	0	0	0
Total	***	***	***	***	***
Full-size vans:					
Japan	0	0	0	0	0
Canada	***	***	***	***	***
Mexico	0	0	0	0	0
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Station wagons:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Sport-utility vehicles:					
Japan	202,927	162,028	182,391	46,669	36,664
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	269,878	253,799	277,974	66,682	54,785
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***

Table continued on next page.

Table 27--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. imports, by types of vehicles and by sources, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Value (million dollars) 1/				
Minivans:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	0	0	0	0	0
Other sources	0	0	0	0	0
Total	***	***	***	***	***
Full-size vans:					
Japan	0	0	0	0	0
Canada	***	***	***	***	***
Mexico	0	0	0	0	0
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Station wagons:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	**
Total	***	***	***	***	**
Sport-utility vehicles:					
Japan	2,104	2,003	2,338	598	496
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	2,866	3,007	3,346	805	687
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***

See footnote at end of table.

Table 27--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. imports, by types of vehicles and by sources, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Unit value (per vehicle)				
Minivans:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	2/	2/	2/	2/	2/
Other sources	2/	2/	2/	2/	2/
Total	***	***	***	***	***
Full-size vans:					
Japan	2/	2/	2/	2/	2/
Canada	***	***	***	***	***
Mexico	2/	2/	2/	2/	2/
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Station wagons:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	2/	***
Other sources	***	***	***	***	***
Average	***	***	***	***	***
Sport-utility vehicles:					
Japan	$10,366	$12,364	$12,816	$12,805	$13,535
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Average	10,620	11,849	12,036	12,080	12,544
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Japan	***	***	***	***	***
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Other sources	***	***	***	***	***
Average	***	***	***	***	***

1/ Landed, duty-paid value at U.S. port of entry.
2/ Not applicable.

Note.--Because of rounding, figures may not add to the totals shown. Unit values are calculated from the unrounded figures, using data of firms supplying both quantity and value information.

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

Petitioners' Imports

Imports of minivans, full-size vans, station wagons, and sport-utility vehicles by petitioners are presented in table 28. As noted above, Chrysler imports minivans produced at its assembly plant in Windsor, Ontario, Canada. Chrysler and GM import full-size vans from Canada. Chrysler imports station wagons from Japan. Ford and GM import station wagons from Canada. Ford also imports station wagons from Mexico. Chrysler and GM import (or have imported) sport-utility vehicles from Canada and Japan. Chrysler also imports sport-utility vehicles from Mexico.

In 1990, petitioners accounted for *** percent of total imports of minivans; *** percent of total imports of full-size vans; *** percent of total imports of station wagons; and *** percent of total imports of sport-utility vehicles.

Table 28
Minivans, full-size vans, station wagons, and sport-utility vehicles: Imports by Chrysler, Ford, and GM, by types of vehicles and by sources, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

Market Penetration of Alleged LTFV Imports[139]

U.S. shipments of domestic vehicles, imports, apparent consumption, and market penetration by imports are presented in table 29 and figures 6-9.[140]

[139] Retail sales and retail market share data on minivans are presented in app. L.

[140] App. M presents data on apparent consumption and market penetration by different combinations of vehicles.

Table 29
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. shipments of domestic products, U.S. imports, and apparent U.S. consumption, by types of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Quantity (vehicles)				
Minivans:					
Producers' U.S. shipments..	560,341	592,274	622,091	163,465	94,783
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	0	0	0	0	0
Total.....	***	***	***	***	***
Apparent consumption.....	***	***	***	***	***
Full-size vans:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	0	0	0	0	0
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	485,112	464,588	369,880	89,757	57,649
Station wagons:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	591,594	444,695	385,815	80,403	88,700
Sport-utility vehicles:					
Producers' U.S. shipments..	689,272	707,403	694,468	139,712	122,101
U.S. imports from--					
Japan.....	202,927	162,028	182,391	46,669	36,664
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	269,878	253,799	277,974	66,682	54,785
Apparent consumption.....	959,150	961,202	972,442	206,394	176,886
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Producers' U.S. shipments..	1,919,565	1,819,924	1,765,643	408,977	306,719
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	***	***	***	***	***

Table continued on next page.

Table 29--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. shipments of domestic products, U.S. imports, and apparent U.S. consumption, by types of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Value (million dollars)				
Minivans:					
Producers' U.S. shipments..	7,546	8,413	9,057	2,387	1,413
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	0	0	0	0	0
Total.....	***	***	***	***	***
Apparent consumption.....	***	***	***	***	***
Full-size vans:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	0	0	0	0	0
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	6,604	6,569	5,218	1,284	86.
Station wagons:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	6,809	5,488	4,954	1,065	1,177
Sport-utility vehicles:					
Producers' U.S. shipments..	10,862	11,388	11,898	2,366	2,119
U.S. imports from--					
Japan.....	2,104	2,003	2,338	598	496
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	2,866	3,007	3,346	805	687
Apparent consumption.....	13,728	14,396	15,244	3,172	2,806
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Producers' U.S. shipments..	26,940	26,938	27,097	6,250	4,829
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	**
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Apparent consumption.....	***	***	***	***	***

Table continued on next page.

Table 29--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. shipments of domestic products, U.S. imports, and apparent U.S. consumption, by types of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Share of the quantity of U.S. consumption (percent)				
Minivans:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Full-size vans:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	0	0	0	0	0
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Station wagons:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Sport-utility vehicles:					
Producers' U.S. shipments..	71.9	73.6	71.4	67.7	69.0
U.S. imports from--					
Japan.....	21.2	16.9	18.8	22.6	20.7
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	28.1	26.4	28.6	32.3	31.0
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***

Table continued on next page.

Table 29--Continued
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. shipments of domestic products, U.S. imports, and apparent U.S. consumption, by types of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
	Share of the value of U.S. consumption (percent)				
Minivans:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Full-size vans:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	0	0	0	0	0
Canada.....	***	***	***	***	***
Mexico.....	0	0	0	0	0
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Station wagons:					
Producers' U.S. shipments..	***	***	***	***	
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***
Sport-utility vehicles:					
Producers' U.S. shipments..	79.1	79.1	78.1	74.6	75.5
U.S. imports from--					
Japan.....	15.3	13.9	15.3	18.8	17.7
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	20.9	20.9	21.9	25.4	24.5
Minivans, full-size vans, station wagons, and sport-utility vehicles:					
Producers' U.S. shipments..	***	***	***	***	***
U.S. imports from--					
Japan.....	***	***	***	***	***
Canada.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
Other sources.....	***	***	***	***	***
Total.....	***	***	***	***	***

Note.--Because of rounding, figures may not add to the totals shown; shares are computed from the unrounded figures.

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

Figure 6
Minivans: U.S. market shares, by sources, 1988-90

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

Figure 7
Full-size vans: U.S. market shares, by sources, 1988-90

* * * * * * *

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

Figure 8
Station wagons: U.S. market shares, by sources, 1988-90

* * * * * * *

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

Figure 9
Sport-utility vehicles: U.S. market shares, by sources, 1988-90

* * * * * * *

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

Prices

Prices of minivans depend on several factors, including product specifications,[141] optional equipment features,[142] and styling. Prices also vary with discounts and other incentives offered by U.S. producers and importers to their dealers and directly to consumers. In addition, prices of minivans are likely influenced by prices of related vehicles, such as station wagons, full-size vans, and sport-utility vehicles.[143]

MARKETING PRACTICES

U.S. producers and importers usually sell their minivans on a delivered price basis, shipping their vehicles throughout the United States to their dealers. Although destination and delivery charges differ among producers and importers,[144] each firm usually charges a single rate in shipping their minivans to various locations.

The responding U.S. producers and importers use price lists in selling to their dealers. The price lists offer an up-to-date list of minivan models and factory-installed optional equipment at both the dealer cost level and manufacturer's suggested retail price (MSRP) level. ***.

Discounts and Other Incentive Programs of U.S. Producers and Importers

The three reporting U.S. minivan producers (GM, Chrysler, and Ford) and the four reporting importers of Japanese minivans (Mazda, Mitsubishi, Nissan, and Toyota) offer cash and other sales incentives to dealers and consumers.[145] The major dealer/consumer incentives are divided into two categories: those offered on a permanent basis and those available on a temporary basis. Floorplan assistance and holdbacks, which are discussed in detail shortly, are available regularly, whereas dealer trips/prizes, discounts and cash

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[141] Product specifications include overall body dimensions (length, width, and height), wheel base, weight, seating and cargo space, engine rating (displacement, horsepower, torque, and fuel efficiency), and number of seats. Alternative specification figures are frequently available, either in a given minivan model or in a companion model.

[142] Typical optional equipment includes AM/FM stereo and cassette, air conditioning (dual or single), antilock braking system (2-wheel or 4-wheel), automatic transmission, intermittent front wipers and a rear wiper, power windows and door locks, rear-window defroster, speed control, tilt wheel, and 4-wheel drive.

[143] Sales of used minivans also affect the price of new minivans. Toyota asserts that resales of used minivans retired from fleet operations typically are low-mileage vehicles that suppress prices of new minivans to a greater extent than resales of used minivans of households that generally have higher mileage. U.S. producers supply a majority of the domestic fleet demand for new minivans and sell a significant share of these used vehicles, usually in fleet-sale auctions.

[144] In 1991, U.S. minivan destination and delivery charges of U.S. producers are $*** per vehicle for GM, $*** for Chrysler, and $*** for Ford. For the importers these charges are $*** per vehicle for Mazda, $*** for Misubishi, $*** for Nissan, but vary by destination for Toyota.

[145] U.S. producers also reported ***.

payments,[146] and low interest-rate financing[147] are available for specified periods.[148] Domestic producers offer all of the above incentives, while importers reported that they did not offer floorplan or low interest-rate financing programs.[149] The following tabulation shows the annual per-vehicle expenditure for the group of programs identified above by responding firms during 1988-90:

Company	1988	1989	1990
*	*	*	*
*	*	*	*
*	*	*	*

As shown, such expenditures per vehicle have risen substantially during this period.

Floorplan Assistance

The three U.S. producers offer floorplan assistance to their dealers, ***.[150] [151]

Holdback Programs

The U.S. producers and two importers, Mazda and Nissan, reported holdback programs.[152] ***.

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[146] Includes special-value package programs. These are limited-term programs that typically follow new model introduction and offer dealers price reductions on vehicles ordered with specified trim and/or option packages. ***.

[147] Such financing offered by the U.S. minivan producers is referred to as annualized percentage rate programs (APR).

[148] The temporary incentives are offered to increase sales during periods of sluggish demand, to introduce a new model, or to eliminate inventories of previous-year models.

[149] ***.

[150] ***.

[151] ***.

[152] U.S. producers have had holdbacks during the full investigation period, whereas holdbacks for Mazda began on Apr. 1, 1990 and for Nissan on May 1, 1989.

Discounts And Cash Payments

U.S. producers offer discounts and cash payments to dealers and to consumers for specified periods on all or individual minivan models, including current-year and leftover previous-year models.[153] Importers reported offering such discounts and cash payments directly to dealers only. The following tabulation shows the per-vehicle minivan discounts and cash payments offered by responding firms during October 1987-March 1991;[154] the discounts/cash payments were not always available during a full quarter or on all minivan models sold by the particular U.S. producer or importer. In addition, it is not known how many vehicles were sold with these discounts.

* * * * * * *

MINIVAN SALES BY PRICE-RANGE CATEGORIES

The Commission requested in its producer questionnaire that total annual quantity data be provided by price-range categories for each minivan model sold to dealers by the supplying firms. The annual quantities were for the responding suppliers' sales of minivans as equipped.

The following tabulations show the percentage shares of U.S. and imported Japanese minivans sold to U.S. dealers by price-range categories, annually, during 1988-90 and January-March 1991. Also shown in the tabulations are the percentage shares of domestic and imported Japanese minivans sold with antilock brakes (ABS) and with air conditioning (AC).

* * * * * * *

During the period of investigation, *** percent of U.S.-produced minivans were sold to dealers at prices below $16,000; *** percent of total domestic minivans sold were equipped with antilock brakes and *** percent were sold with air conditioning.[155] On the other hand, *** percent of imported Japanese minivans were sold to dealers at prices below $16,000, *** percent of total imported minivans sold were equipped with antilock brakes, and *** percent were sold with air conditioning.

Trends in sales of both the domestic and imported Japanese minivans have been toward sales prices above $16,000, but the shift has occurred more rapidly for the imported vehicles than for the domestic vehicles. During 1988, *** percent of U.S.-produced minivans were sold at prices above $16,000,

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[153] Cash payments to dealers can be made as a flat payment for each vehicle sold, based on a specified minimum number of vehicles sold, or based on each dealer's sales level above his historical level.

[154] Chrysler and Mitsubishi did not report the per-vehicle expenditures for discounts and cash payments as requested.

[155] Including Chrysler's U.S. sales of its Windsor-produced minivans with total domestic sales of U.S.-produced minivans would result in *** percent of such minivans sold at prices below $16,000, *** percent of all such minivans sold with ABS, but the same share sold with air conditioning.

but by 1990 this share increased to *** percent and by January-March 1991 it stood at *** percent.[156] In comparison, *** percent of the imported Japanese minivans were sold at prices above $16,000 during 1988, *** percent in 1990, and *** percent in January-March 1991.

PRICE RANGES OF DIFFERENT TYPES OF VEHICLES

The producer's questionnaire requested annual net delivered prices of U.S.-produced station wagons, full-size vans, and sport-utility vehicles that were most similar to the reported minivans. Although U.S. minivan producers reported in their questionnaire responses that no other vehicles were similar to minivans, they provided some price data for the other vehicles. The following tabulation shows the range of reported selling price data (average price per vehicle) for minivans and these other vehicles for sales during 1990. Insufficient data were provided to allow a meaningful consideration of price trends.

* * * * * * *

QUESTIONNAIRE PRICE DATA

The Commission requested pricing data for the imported Japanese minivans described below and for U.S.-produced minivans most similar to these imported vehicles.[157]

> PRODUCT 1: Two-wheel drive base-model minivan most similar to the following two-wheel drive base-model imported Japanese minivans--Toyota Previa Deluxe, Model 51-22, Toyota Van Deluxe, Nissan Van XE, Mitsubishi Wagon, and the Mazda MPV, without any equipment package. All these base-model imported minivans accomodate 5 passengers and are equipped with automatic transmission and air conditioning. The base model would typically have a 4-cylinder or small 6-cylinder engine; standard, not long, wheel base; no power windows, etc.
>
> PRODUCT 2: Two-wheel drive minivan having the options listed below and otherwise most similar to the following two-wheel drive imported Japanese minivans--Toyota Previa Deluxe, Model 51-22, Toyota Van Deluxe, Nissan Van XE, Mitsubishi Wagon, and the Mazda MPV with value package A. The comparably-equipped imported minivans would typically have a 4-cylinder or small 6-cylinder engine and standard, not long, wheel base. Equipment features, if available, are:

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[156] Including Chrysler's U.S. sales of its Windsor-produced minivans with total domestic sales of U.S.-produced minivans changes the figures as follows: *** percent of U.S.-produced minivans were sold at prices above $16,000 during 1988, *** percent in 1990, and *** percent in January-March 1991.

[157] Toyota's counsel indicated to Commission staff that ***. In its questionnaire response, however, Toyota reported that it did not sell any minivans specified as products 1 or 3.

--7-passenger seating
--automatic transmission
--air conditioning (dual air if available; single air, if not)
--power windows and door locks
--AM/FM stereo and cassette
--a conventional spare tire
--tilt wheel
--rear-window defroster
--speed control
--intermittent front wipers and a rear wiper.

PRODUCT 3: Two-wheel drive base-model minivan most similar to the following two-wheel drive base-model imported Japanese minivans--Toyota Previa LE, Model 51-32, Toyota Van LE, Nissan Van GXE, Mitsubishi Wagon LS, and the Mazda MPV with value package B. All these base-model imported minivans accomodate 7 passengers and are equipped with automatic transmission and air conditioning. The base model would typically have a 4-cylinder or small 6-cylinder engine; standard, not long, wheel base; no power windows, etc.

PRODUCT 4: Two-wheel drive minivan having the options listed below and otherwise most similar to the following two-wheel drive imported Japanese minivans--Toyota Previa LE, Model 51-32, Toyota Van LE, Nissan Van GXE, Mitsubishi Wagon LS, and the Mazda MPV with value package B. The comparably-equipped imported minivans would typically have a 4-cylinder or small 6-cylinder engine and standard, not long, wheel base. Equipment features, if available, are:

--7-passenger seating
--automatic transmission
--air conditioning (dual air if available; single air, if not)
--power windows and door locks
--AM/FM stereo and cassette
--anti-lock braking system
--captain's chair
--tilt wheel
--rear-window defroster
--speed control
--intermittent front wipers and a rear wiper
--a conventional spare tire
--aluminum wheels

The Commission requested U.S. producers and importers to provide quarterly price and quantity data between October 1987 and March 1991 for the specified minivan products sold to dealers. The price data were requested on a net delivered basis for sales of current-year minivan models.[158]

Three U.S. minivan producers, GM, Chrysler, and Ford, and four importers, Mazda, Mitsubishi, Nissan, and Toyota, provided price data for domestic and imported Japanese vehicles.[159] The domestic producers indicated that they sold few if any of the requested minivans just with the specified equipment. GM and Chrysler were not able to report actual sales quantities, but did provide constructed net delivered selling prices of what they would charge for their minivans as specified in product categories 1-4, taking into consideration discounts that they offered on the minivans they actually sold.

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[158] The requested prices include destination and delivery charges but are net of **regular** and **special** program discounts offered to dealers. Regular program discounts to dealers include regularly offered discounts, allowances, rebates, cash incentives, advertising association collections, holdbacks, and floorplanning. Special-program discounts to dealers include cash rebates or discounts, special financing, and option-package discounts.

[159] App. N shows principal product specifications for the minivans for which prices were reported.

Ford reported net delivered prices and actual sales quantities of its minivan models most similar to those specified, but not necessarily including all the features identified or restricted only to the specified features.

For the importers, Mitsubishi and Nissan reported prices of their minivans most similar to those specified, but not necessarily including all the features identified or restricted to only those features. Nissan reported prices of its minivans specified as products 2 and 4, reporting quarterly quantities for its models; Mitsubishi was unable to report the quarterly quantities. Mazda and Toyota reported actual sales prices and quantities of the products specified, but Toyota reported constructed prices of products 1 and 3 as they had no sales of the specified products.

The reported pricing data should be viewed with caution. Year-to-year model changes, which encompass both feature and, sometimes, styling changes, may mask actual price trends. In addition, variations in the way prices of minivans were reported, as indicated above, suggest that the reported price data may not always be directly comparable.[160]

Price Trends

Trends of weighted-average prices of U.S.-produced and imported Japanese minivans, based on the net delivered selling prices reported in questionnaire responses, are shown by company in tables 30 and 31.[161] Prices of the domestic and imported minivans fluctuated but generally rose during the period of investigation. Price increases for the domestic models ranged from *** percent for the Ford minivans equipped as model 2 to *** percent for the GM Astro and Safari minivans equipped as product 3. Price increases for the Japanese models ranged from *** percent for the Mazda MPV equipped as product 2 to *** percent for the Toyota Previa/Van equipped as product 3. Price increases should be viewed with caution, however, because such increases resulted, at least partially, from year-to-year feature changes in established minivan models. This is true for all the domestic and imported models reported. In addition, Toyota introduced the Previa in January 1990, while discontinuing its Van model. Such model changeover also resulted in higher prices for Toyota.

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[160] U.S. producers and importers did not always agree on the models each represented as competing. In addition, certain product features may vary significantly in complexity and cost among minivan producers and importers. For instance, the antilock brakes specified in product 4 range in price from ***.

[161] App. table O-1 shows reported U.S. selling prices of Chrysler's Canadian-produced minivans.

Table 30
Net U.S. delivered selling prices of U.S.-produced passenger minivans sold to dealers, by responding firms and by quarters, October 1987-March 1991

Period	GM's Astro and Safari			
	Product 1	Product 2	Product 3	Product 4
	*	*	*	*	*	*	*

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

Table 31
Net U.S. delivered selling prices of imported Japanese passenger minivans sold to dealers, by responding firms and by quarters, October 1987-March 1991

Period	Mazda			
	Product 1	Product 2	Product 3	Product 4
	*	*	*	*	*	*	*

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

U.S. Producers

GM's reported quarterly prices for its Astro and Safari minivans rose faster than the other U.S. producers' reported minivan prices; increases ranged from *** percent for these GM models equipped as product 2 to *** percent for those equipped as product 3 during October 1987-March 1991. During this period, prices of Chrysler's U.S.-produced minivans increased in a range from *** percent for product 1 to *** percent for product 3,[162] while prices of Ford's minivans increased in a range from *** percent for product 2 to *** percent for product 1.

Prices of new minivan models introduced by GM in July-September 1989--the Lumina, Silhouette, and Transport--were reported separately, and are discussed apart from the firm's more-established Astro and Safari minivan models. GM's prices of its Lumina, Silhouette, and Transport, which were reported during July 1989-March 1991, also rose faster during this period than price increases of Chrysler's minivan products 2-4; prices of Chrysler's product 1 and of the Ford minivans actually fell during this period.

[162] U.S. selling prices of Chrysler's Canadian-produced minivans increased in a range from *** percent for product 1 to *** percent for product 3.

Minivan prices reported by GM generally continued to rise during January-March 1991, but those reported by Ford and Chrysler (both its U.S.- and Canadian-produced minivans) fell somewhat during this final quarter of the investigation period.

U.S. Importers

Toyota's quarterly minivan prices rose faster than prices of the other imported minivans, ranging from *** percent for the firm's minivans equipped as product 1 to *** percent for its minivans equipped as product 3 during October 1987-March 1991. Prices of Mazda's minivans increased by *** percent for product 1 and *** percent for product 2 during July 1988-March 1991, the period for which price data were reported. Prices of its products 3 and 4, ***. Prices of Mitsubishi's minivans ***. Prices of Nissan's minivans ***.

Mazda's reported minivan prices fell somewhat during January-March 1991, whereas minivan prices of the other three importers continued to rise during the final quarter.

Price Comparisons

Quarterly price comparisons of U.S.-produced and imported minivans were developed from net delivered selling prices to dealers reported in Commission questionnaires. Margins of under/overselling are shown by U.S. manufacturer and Japanese importer, with comparisons involving GM's minivans[163] shown in table 32 and comparisons involving Chrysler and Ford minivans shown in table 33. Margins of under/overselling on U.S. sales of Chrysler's Canadian-produced minivans and imported Japanese minivans are shown in table O-2. The price comparisons should be viewed with caution; the responding firms did not always agree on which models were directly competitive. In addition, minivan prices reported by General Motors and Chrysler and prices of products 1 and 3 reported by Toyota were constructed prices rather than prices based on actual sales.

On an individual U.S. producer basis, 630 quarterly price comparisons were possible between the U.S.-produced and imported Japanese minivans during October 1987-March 1991. Of the total 630 price comparisons, 468 showed underselling by the imported products, with an average margin of *** percent, and 161 showed the imported products to be priced higher than the domestic products, by an average margin of *** percent. One price comparison showed the domestic and imported products to be about equal in price.[164]

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[163] GM's minivans were aggregated for price comparison purposes into two groups, one involving the firm's established models, the Astro and Safari, and the other involving its more recently-introduced APV line of minivans--the Lumina, Silhouette, and Transport.

[164] Of a total of 178 price comparisons between U.S. sales of Chrysler's Canadian-produced minivans and those imported from Japan, 125 showed underselling by the Japanese products and 53 showed the Japanese products to be priced higher than Chrysler's minivans. Underselling by the Japanese minivans averaged *** percent, whereas overselling averaged *** percent.

Table 32
Margins of under/(over)selling between GM's U.S.-produced minivans and minivans imported from Japan for sales to U.S. dealers, by quarters, October 1987-March 1991

* * * * * * *

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

Table 33
Margins of under/(over)selling between Chrysler and Ford's U.S.-produced minivans and minivans imported from Japan for sale to U.S. dealers, by quarters, October 1987-March 1991

* * * * * * *

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

Certain patterns of under/overselling are shown in tables 32, 33, and app. table O-2. Underselling by the imported Japanese minivans tended to be more pronounced or overselling less extensive for the higher-priced products 3 and 4 compared with under/overselling shown for the lower-priced products 1 and 2. By U.S. manufacturer, price comparisons involving Chrysler's U.S.-produced minivans tended to show a greater degree of underselling by the Japanese vehicles than price comparisons involving GM or Ford minivans.[165] [166] By Japanese importer, price comparisons involving Mitsubishi and Nissan minivans tended to show a greater degree of underselling than comparisons involving Mazda and Toyota minivans.[167]

[165] About 90 percent of the total number of price comparisons involving the U.S.-produced Chrysler minivans showed underselling by the imported Japanese vehicles, averaging *** percent. In comparison, about 63 percent of the price comparisons involving GM minivans and 75 percent involving Ford minivans showed underselling by the imported Japanese vehicles, averaging about *** percent for each manufacturer. Margins of overselling by the imported vehicles averaged *** percent for price comparisons involving the Chrysler minivans, but averaged *** percent in price comparisons involving the GM and Ford minivans, respectively.

[166] Under/overselling involving Chrysler's Canadian-produced minivans, however, was similar to that involving GM or Ford minivans.

[167] Almost all the price comparisons involving the imported Mitsubishi minivans and 94 percent involving the imported Nissan minivans resulted in underselling by the imported Japanese vehicles, averaging *** percent,

(continued...)

Exchange rates

Quarterly data reported by the International Monetary Fund indicate that during January 1988-March 1991,[168] the nominal value of the Japanese yen fluctuated somewhat but generally depreciated overall, falling by about 4 percent relative to the U.S. dollar by the end of this period (table 34). A lower rate of inflation of 5.5 percent in Japan compared to 12.7 percent in the United States during this period resulted in greater depreciation of the Japanese yen in real terms than in with nominal terms. In real terms, the Japanese yen depreciated against the U.S. dollar by about 10 percent.

Table 34
Exchange rates:[1] Indexes of the nominal and real exchange rates between the U.S. dollar and the Japanese yen, and indexes of producer prices in Japan and the United States,[2] by quarters, January 1988-March 1991

Period	Nominal exchange rate index	Japanese producer price index	Real exchange rate index[3]	U.S. producer price index
1988:				
January-March.....	100.0	100.0	100.0	100.0
April-June.....	101.9	99.7	100.0	101.6
July-September.....	95.7	100.6	93.4	103.1
October-December....	102.2	99.8	98.4	103.5
1989:				
January-March.....	99.6	100.2	94.4	105.8
April-June.....	92.7	102.9	88.6	107.7
July-September.....	90.0	103.7	86.9	107.3
October-December....	89.5	103.5	86.0	107.7
1990:				
January-March.....	86.5	103.9	82.3	109.3
April-June.....	82.4	104.7	79.2	109.1
July-September.....	88.1	104.7	83.1	111.0
October-December....	97.9	105.4	90.2	114.4
1991:				
January-March.....	95.6	105.5	89.6	112.7[4]

[1] Exchange rates expressed in U.S. dollars per Japanese yen.
[2] Producer price indexes--intended to measure final product prices--are based on period-average quarterly indexes presented in line 63 of the International Financial Statistics.
[3] The real exchange rate is derived from the nominal rate adjusted for relative movements in producer prices in the United States and Japan.
[4] Derived from U.S. price data reported for January-February only.

Note.--January-March 1988 = 100.

Source: International Monetary Fund, International Financial Statistics, May 1991.

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[167] (...continued)
respectively. In comparison, about 61 percent of the price comparisons involving imported Mazda minivans and 53 percent involving imported Toyota minivans showed underselling by the imported vehicles, averaging about *** percent, respectively. Margins of overselling by the imported products averaged *** percent for price comparisons involving the imported Mitsubishi and Nissan minivans, respectively, but averaged *** percent in price comparisons involving the imported Mazda and Toyota minivans, respectively.

[168] International Financial Statistics, May 1991.

Lost Revenues/Lost Sales

Information concerning price reductions on U.S.-produced minivans or lost sales of U.S.-produced minivans, both resulting from competition with the imported Japanese minivans, were not available from U.S. producers. Such competition is reflected in dealer sales to the consumer, as U.S. producers and importers sell their minivans directly to their dealers,[169] who, in turn, compete among themselves for sales to consumers.

Dealers ultimately decide final minivan sales prices through a combination of the prices they initially paid, discounts and other sales incentives/programs offered by their suppliers, and the dealers' willingness to accept higher or lower profit margins. Discounts offered by the U.S. producers and importers to dealers and directly to consumers partially affect prices and sales quantities of the domestic and imported minivans. Table 35 shows reported domestic and imported quarter-by-quarter per-vehicle minivan discounts/cash payments by U.S. producers and importers to dealers and directly to consumers, and quarterly minivan sales volumes during January 1988-March 1991.

Fluctuations in quarterly sales of minivans are influenced by many factors, including seasonality in demand, growth in the economy, fluctuations in interest rates, and changes in the relative price of minivans. As a result, it is difficult to determine precisely the impact of various factors on minivan sales. As shown in table 35, during July-September 1989 and the same period in 1990,[170] U.S. minivan sales fell significantly while sales of imported Japanese minivans fell less drastically from their levels in the previous quarter. But during the intervening three quarters, October 1989-June 1990, shipments of both domestic and imported minivans increased substantially. Throughout the 5-quarter period, U.S. producers offered substantial discounts, while importers' discounts during this period were largely offered by Toyota on its Van. The firm asserts that its discounts were for declining sales of this model, which they were discontinuing.[171] During January-March 1991 sales of domestic and imported Japanese minivans plummeted, despite substantial discounts offered by both producers and some importers.

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[169] U.S. producers and importers sell most of their minivans to their own established networks of independent dealers, who typically do not consider competing minivan suppliers when sourcing their minivans. Some large dealers sell more than one make of minivan to appeal to differences in consumer tastes. Consumers tend to develop brand loyalties, favoring a particular styling and set of features identified with a specific make of minivan.

[170] New minivan models are typically introduced during the third quarter of each year.

[171] Toyota reported that it has not offered any discounts or incentives for sales of its Previa, which it introduced in January 1990.

Table 35
Discounts/cash payments by U.S. minivan producers and importers to dealers and directly to consumers and the number of minivans sold to dealers, by quarters, January 1988-March 1991

Period	Discounts/cash payments		Units sold		
			United States		Japanese
	United States	Japanese	Excludes Windsor	Includes Windsor	
	------Per/vehicle------		-Number of minivans in units-		
	*	*	*	*	*	*	*

Note: Ranges indicate discounts/cash payments for current-year and previous-year models. In addition, the discounts/cash payments were not always available during a full quarter or on all minivan models sold by particular U.S. producers or importers.

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

[redacted]

APPENDIX A

THE COMMISSION'S FEDERAL REGISTER NOTICE

[redacted]

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-522 (Preliminary)]

Minivans From Japan

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of a preliminary antidumping investigation.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigation No. 731-TA-522 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Japan of minivans, provided for in headings 8703 and 8704 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value. The Commission must complete preliminary antidumping investigations in 45 days, or in this case by July 15, 1991.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201, as amended by 56 FR 11918, Mar. 21, 1991), and part 207, subparts A and B (19 CFR part 207, as amended by 56 FR 11918, Mar. 21, 1991).

EFFECTIVE DATE: May 31, 1991.

FOR FURTHER INFORMATION CONTACT: Brian Walters (202-252-1198), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-252-1810. 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

This investigation is being instituted in response to a petition filed on May 31, 1991, by counsel on behalf of General Motors Corp., Detroit, MI, Ford Motor Co., Dearborn, MI, and Chrysler Motors Corp., Detroit, MI.

Participation in the Investigation and Public Service List

Persons (other than petitioners) wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in §§ 201.11 and 207.10 of the Commission's rules, not later than seven (7) days after publication of this notice in the **Federal Register**. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this preliminary investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than seven (7) days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference

The Commission's Director of Operations has scheduled a conference in connection with this investigation for 9:30 a.m. on June 21, 1991, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Brian Walters (202-252-1198) not later than June 19, 1991, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

Written Submissions

As provided in §§ 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before June 26, 1991, a written brief containing information and arguments pertinent to the subject matter of the investigation. Parties may file written testimony in connection with their presentation at the conference no later than three (3) days before the conference. If briefs or written testimony contain BPI, they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules.

Issued: June 5, 1991.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 91-13779 Filed 6-7-91; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

CALENDAR OF THE PUBLIC CONFERENCE

United States International Trade Commission

Calendar of the Public Conference

Minivans from Japan

Inv. No. 731-TA-522 (Preliminary)

DATE AND TIME

June 21, 1991 - 9:30 a.m.

LOCATION

Sessions were held in connection with the investigation in the Main Hearing Room 101 of the United States International Trade Commission, 500 E Street, S.W., Washington, D.C.

WITNESS LIST

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

In Support of Imposition of Antidumping Duties:

Wilmer, Cutler & Pickering--Counsel
Washington, DC
On behalf of

Chrysler Corp., Detroit, MI.
Ford Motor Co., Dearborn, MI.
General Motors Corp., Detroit, MI.

Thomas C. Gale, Vice President, Product Design and General Manager, Minivan Operations
Chrysler Corp.
William F. Finan, President
Technecon Analytic Research, Inc.
Thomas J. Webb, Manager, Financial Studies, Finance Staff
Ford Motor Co.
G. Mustafa Mohatarem, General Director, Product Planning and Economics Staff
General Motors Corp.

John D. Greenwald)--OF COUNSEL

In Opposition to the Imposition of Antidumping Duties:

Squire, Sanders & Dempsey--Counsel
Washington, DC
On behalf of

Toyota Motor Sales, U.S.A., Inc.
Toyota Motor Corporation

George E. Borst, Vice President, Strategic and Product Planning
Toyota Motor Sales, U.S.A., Inc.
Bruce P. Malashevich, President,
Economic Consulting Services, Inc.

Robert H. Huey
Ritchie T. Thomas
)--OF COUNSEL

Akin, Gump, Strauss, Hauer & Feld
Washington, DC
On behalf of
Mazda Motor Corporation
Mazda Motor of America, Inc.

Ms. Janet Thompson, Vice President, Marketing
Mazda Motor of America, Inc.

Warren Connelly
Valerie A. Slater
)--OF COUNSEL

[redacted]

[redacted]

APPENDIX C

COMMERCE'S FEDERAL REGISTER NOTICE

[A-588-820]

Initiation of Antidumping Duty Investigation: New Minivans From Japan

AGENCY: Import Administration, International Trade Administration, Commerce.

EFFECTIVE DATE: June 26, 1991.

FOR FURTHER INFORMATION CONTACT: David Binder, Office of Antidumping Investigations, Import Administration, U.S. Department of Commerce, room B099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-1779.

on

Petition

On May 31, 1991, Chrysler Corporation, Ford Motor Company, and General Motors Corporation filed with the Department of Commerce (the Department) an antidumping duty petition on behalf of the United States industry producing minivans. In accordance with 19 CFR 353.12, the petitioners allege that imports of new minivans from Japan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are materially injuring, or threatening material injury to, a U.S. industry. The petitioners supplemented the petition on June 17, 1991.

The petitioners have stated that they have standing to file the petition because they are interested parties, as defined in 19 CFR 353.2(k), and because they have filed the petition on behalf of the U.S. industry producing minivans. If any interested party, as described in 19 CFR 353.2(k) (3), (4), (5), or (6), wishes to register support for, or opposition to, this investigation, please file written notification with the Assistant Secretary for Import Administration.

United States Price and Foreign Market Value

Petitioners base their estimates of United States price (USP) on published dealer prices for Toyota and Mazda minivans. Petitioners have based USP on exporter's sales price because both Toyota and Mazda sell their minivans through their U.S. subsidiaries. Petitioners adjusted USP, as appropriate, for foreign inland freight and handling, ocean freight, marine insurance, pipeline financing, advertising, U.S. selling and administrative expenses, import duties, and sales incentives.

Petitioners base their estimates of Foreign Market Value (FMV) on published dealer retail prices for Toyota and Mazda minivans. Petitioners adjusted FMV for dealer discounts, inland freight, pipeline financing, advertising, selling and administrative expenses, and differences in merchandise.

Petitioners allege dumping margins ranging from 5.4 to 30.5 percent.

Initiation of Investigation

Under 19 CFR 353.13(a), the Department must determine, within 20 days after a petition is filed, whether the petition probably alleges the basis on which an antidumping duty may be imposed under section 731 of the Act, and whether the petition contains information reasonably available to the petitioners supporting the allegations. We have examined the petition on new minivans from Japan and find that it meets the requirements of 19 CFR 353.13(a). Therefore, we are initiating an antidumping duty investigation to determine whether imports of new minivans from Japan are being, or are likely to be, sold in the United States at less than fair value.

In accordance with 19 CFR 353.13(b), we are notifying the International Trade Commission (ITC) of this action.

Any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

Scope of Investigation

The products covered by this investigation are new minivans. Minivans are on-highway motor vehicles, with a gross vehicle weight that is generally less than 6,000 pounds, a height that is generally between 62 and 75 inches, having a single, box-like structure that envelopes both the space for the driver and front-seat passenger and the rear space (which has flat or nearly flat floors and is usable for carrying passengers and cargo), a hood that is generally sloping and a short distance from the cowl to the front bumper relative to the overall length of the vehicle, a seat configuration that permits passengers to walk from the front area to the rear area of the vehicle, and a rear side access door (or doors) and a rear door (or doors) that provide wide and level access to the rear area. During this investigtion, we will continue to consider this definition of the scope and will refine it if necessary. Minivans are currently classified under either subheading 8703 or subheading 8704 of the Harmonized Tariff Schedule (HTS). Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Preliminary Determination by ITC

The ITC will determine by July 15, 1991 whether there is a reasonable indication that imports of new minivans from Japan are materially injuring, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will be terminated. If affirmative, the Department will make its preliminary determination on or before November 7, 1991, unless the investigation is terminated pursuant to 19 CFR 353.17 or the preliminary determination is extended pursuant to 19 CFR 353.15.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: June 19, 1991.

Eric L. Garfinkel,

Assistant Secretary for Import Administration.

[FR Doc. 91-15225 Filed 6-25-91; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX D

U.S. AND CANADIAN PRODUCTION AND FACTORY SALES OF PASSENGER CARS AND TRUCKS AND BUSES

Table D-1
Passenger cars: U.S. and Canadian production, by firms, 1988-90, January-March 1990, and January-March 1991

Company	Quantity (vehicles)				
				January-March--	
	1988	1989	1990	1990	1991
U.S. production:					
Chrysler	1,072,845	915,899	726,742	(1)	(1)
Ford	1,805,741	1,677,081	1,377,351	(1)	(1)
GM	3,501,124	3,213,752	2,755,284	(1)	(1)
Subtotal	6,379,710	5,806,732	4,859,377	(1)	(1)
CAMI	-	-	-	-	-
Diamond Star	2,409	90,727	148,379	(1)	(1)
Honda	368,354	362,274	435,437	(1)	(1)
Hyundai	-	-	-	-	-
Mazda	163,289	216,501	184,428	(1)	(1)
Nissan	109,897	115,584	95,844	(1)	(1)
Subaru	-	-	32,461	(1)	(1)
Toyota	55,480	231,279	321,523	(1)	(1)
VW of America	35,988	-	-	-	-
Volvo Corp	-	-	-	-	-
Subtotal	733,427	1,016,365	1,218,072	(1)	(1)
Total	7,113,137	6,823,097	6,077,449	1,390,000	1,265,750
Canadian production:					
Chrysler	59,068	33,904	25,278	(1)	(1)
Ford	501,813	435,518	385,149	(1)	(1)
GM	409,610	416,856	414,400	(1)	(1)
Subtotal	970,491	886,278	824,827	(1)	(1)
CAMI	-	660	46,606	(1)	(1)
Diamond Star	-	-	-	-	-
Honda	50,430	86,447	104,582	(1)	(1)
Hyundai	-	43,250	27,409	(1)	(1)
Mazda	-	-	-	-	-
Nissan	-	-	-	-	-
Subaru	-	-	-	-	-
Toyota	200	20,859	60,793	(1)	(1)
VW of America	-	-	-	-	-
Volvo Corp	6,572	8,004	8,064	-	-
Subtotal	57,202	159,220	247,454	(1)	(1)
Total	1,027,693	1,045,498	1,072,281	(1)	(1)
U.S./Canadian production:					
Chrysler	1,131,913	949,803	752,020	(1)	(1)
Ford	2,307,554	2,112,599	1,762,500	(1)	(1)
GM	3,910,734	3,630,608	3,169,684	(1)	(1)
Subtotal	7,350,201	6,693,010	5,684,204	(1)	(1)
CAMI	-	660	46,606	(1)	(1)
Diamond Star	2,409	90,727	148,379	(1)	(1)
Honda	416,784	448,721	540,019	(1)	(1)
Hyundai	-	43,250	27,409	(1)	(1)
Mazda	163,289	216,501	184,428	(1)	(1)
Nissan	109,897	115,584	95,844	(1)	(1)
Subaru	-	-	32,461	(1)	(1)
Toyota	55,680	252,138	382,316	(1)	(1)
VW of America	35,998	-	-	-	-
Volvo Corp	6,572	8,004	8,064	-	-
Subtotal	790,629	1,175,585	1,465,526	(1)	(1)
Total	8,140,830	7,868,595	7,149,730	(1)	(1)

[1] Not available.

Source: Motor Vehicle Manufacturers Association.

Table D-2
Trucks and buses: U.S. and Canadian production, by firms, 1988-90, January-March 1990, and January-March 1991

Company	Quantity (vehicles)				
				January-March--	
	1988	1989	1990	1990	1991
U.S. production:					
Chrysler	389,016	402,024	353,991	(1)	(1)
Jeep	266,099	257,493	180,195	(1)	(1)
Ford	1,518,619	1,497,095	1,381,509	(1)	(1)
Chevrolet	1,273,678	1,219,003	1,073,262	(1)	(1)
GMC	387,747	373,395	330,696	(1)	(1)
Isuzu	-	-	34,489	(1)	(1)
Mack	22,668	18,552	15,243	(1)	(1)
Mercedes-Benz	3,221	2,143	1,810	(1)	(1)
Navistar International	84,985	76,492	71,576	(1)	(1)
Nissan	95,919	123,057	139,404	(1)	(1)
Oldsmobile	-	4,270	29,336	(1)	(1)
Pontiac	-	8,136	41,582	(1)	(1)
Other	78,622	80,290	65,888	(1)	(1)
Total	4,120,574	4,061,950	3,718,781	851,250	642,250
Canadian production:					
Chrysler	380,679	375,507	308,696	(1)	(1)
Jeep	52,664	72,163	60,638	(1)	(1)
Ford	161,074	153,098	132,019	(1)	(1)
Chevrolet	223,865	226,011	213,729	(1)	(1)
GMC	101,329	97,592	80,189	(1)	(1)
Isuzu	-	-	-	(1)	(1)
Mack	4,580	3,007	1,843	(1)	(1)
Mercedes-Benz	-	-	-	(1)	(1)
Navistar International	10,931	10,344	8,312	(1)	(1)
Nissan	-	-	-	(1)	(1)
Oldsmobile	-	-	-	(1)	(1)
Pontiac	-	-	-	(1)	(1)
Other	10,164	10,596	9,233	(1)	(1)
Total	945,718	946,955	812,467	(1)	(1)
U.S./Canadian production:					
Chrysler	769,695	777,531	662,687	(1)	(1)
Jeep	318,763	329,656	240,833	(1)	(1)
Ford	1,679,693	1,650,193	1,513,528	(1)	(1)
Chevrolet	1,497,543	1,445,014	1,286,991	(1)	(1)
GMC	489,076	470,987	410,885	(1)	(1)
Isuzu	-	-	34,489	(1)	(1)
Mack	27,248	21,559	17,086	(1)	(1)
Mercedes-Benz	3,221	2,143	1,810	(1)	(1)
Navistar International	95,916	86,836	79,888	(1)	(1)
Nissan	95,919	123,057	139,404	(1)	(1)
Oldsmobile	-	4,270	29,336	(1)	(1)
Pontiac	-	8,136	41,582	(1)	(1)
Other	89,218	89,523	72,929	(1)	(1)
Total	5,066,292	5,008,905	4,531,248	(1)	(1)

[1] Not available.

Source: Motor Vehicle Manufacturers Association.

Table D-3
Passenger cars and trucks and buses: U.S. production and factory sales, 1988-90, January-March 1990, and January-March 1991

Item	Quantity (vehicles)				
				January-March--	
	1988	1989	1990	1990	1991
Production:					
Passenger cars	7,113,137	6,823,097	6,077,449	1,390,000	1,265,750
Trucks and buses	4,100,550	4,050,935	3,702,787	851,250	642,250
Total vehicles	11,213,687	10,874,032	9,780,236	2,241,250	1,908,000
Factory sales:					
Passenger cars	7,104,617	6,807,416	6,049,749	(1)	(1)
Trucks and buses	4,120,574	4,061,950	3,718,781	(1)	(1)
Total vehicles	11,255,191	10,869,366	9,768,530	(1)	(1)

[1] Not available.

Source: Motor Vehicle Manufacturers Association.

Table D-4
Passenger cars and trucks and buses: Factory sales from U.S. and Canadian plants, by destination, 1988-90

Item	Quantity (vehicles)		
	1988	1989	1990
U.S. plants:			
Passenger cars:			
U.S. domestic	6,436,681	6,181,094	5,501,871
Exports to Canada	565,741	501,250	416,459
Other exports	102,195	125,072	131,419
Total factory sales	7,104,617	6,807,416	6,049,749
Trucks and buses:			
U.S. domestic	3,795,314	3,751,910	3,448,214
Exports to Canada	259,164	246,175	207,559
Other exports	66,096	63,865	63,008
Total factory sales	4,120,574	4,061,950	3,718,781
Total vehicles:			
U.S. domestic	10,231,995	9,933,004	8,950,085
Exports to Canada	824,905	747,425	624,018
Other exports	168,291	188,937	194,427
Total factory sales	11,225,191	10,869,366	9,768,530
Canadian plants:			
Passenger cars:			
Canadian domestic	118,367	96,451	102,557
Exports to U.S	844,744	780,800	795,621
Other exports	7,792	5,181	3,725
Total factory sales	970,903	882,432	901,903
Trucks and buses:			
Canadian domestic	192,622	175,166	125,850
Exports to U.S	734,819	744,729	660,176
Other exports	18,277	27,060	26,441
Total factory sales	945,718	946,955	812,467
Total vehicles:			
Canadian domestic	310,989	271,617	228,407
Exports to U.S	1,579,563	1,525,529	1,455,797
Other exports	26,069	32,241	30,166
Total factory sales	1,916,621	1,829,387	1,714,370

Source: Motor Vehicle Manufacturers Association.

APPENDIX E

U.S. RETAIL SALES OF PASSENGER CARS AND TRUCKS AND BUSES

Table E-1
Passenger cars: U.S. retail sales, by firms, 1988-90, January-March 1990, and January-March 1991

Item	Quantity (vehicles)				
				January-March--	
	1988	1989	1990	1990	1991
North American produced:					
Chrysler	1,062,782	917,506	795,096	(1)	(1)
Ford	2,205,336	2,099,773	1,880,389	(1)	(1)
GM	3,641,542	3,276,941	3,141,157	(1)	(1)
Subtotal	6,909,660	6,294,220	5,816,642	(1)	(1)
Diamond Star	-	32,018	49,877	(1)	(1)
Honda	375,625	389,472	464,118	(1)	(1)
Hyundai	-	-	19,661	-	-
Mazda	31,331	41,584	72,657	(1)	(1)
Nissan	112,125	103,134	108,575	(1)	(1)
Subaru	-	86	15,818	(1)	(1)
Toyota	72,354	212,388	348,540	(1)	(1)
VW of America[2]	24,943	-	-	-	-
Volvo Corp	-	-	-	-	-
Subtotal	616,378	778,682	1,079,246	(1)	(1)
Total	7,526,038	7,072,902	6,895,888	1,754,000	1,499,000
Imports:					
Chrysler	128,512	102,187	65,738	(1)	(1)
Ford	84,428	78,093	63,214	(1)	(1)
GM	180,472	160,145	167,828	(1)	(1)
Subtotal	393,412	340,425	296,780	(1)	(1)
Other	2,610,280	2,359,939	2,107,638	(1)	(1)
Total imports	3,003,692	2,699,364	2,404,418	655,000	505,000
Total retail sales	10,529,730	9,772,266	9,301,306	2,408,000	2,004,000

[1] Not available.
[2] Mexican built units are included with imports.

Source: Motor Vehicle Manufacturers Association.

Table E-2
Passenger cars and trucks and buses: U.S. retail sales, 1988-90, January-March 1990, and January-March 1991

Item	Quantity (vehicles)				
				January-March--	
	1988	1989	1990	1990	1991
Passenger cars:					
North American produced	7,526,038	7,072,902	6,895,888	1,754,000	1,499,000
Imports	3,003,692	2,699,364	2,404,418	655,000	505,000
Total	10,529,730	9,772,266	9,301,306	2,408,000	2,004,000
Trucks and buses:					
North American produced	4,508,059	4,403,299	4,215,003	1,093,750	860,500
Imports	640,905	537,921	631,159	162,750	134,500
Total	5,148,964	4,941,220	4,846,162	1,256,500	995,000
Total vehicles:					
North American produced	12,034,097	11,476,201	11,110,891	2,847,750	2,359,500
Imports	3,644,597	3,237,285	3,035,577	817,750	639,500
Total	15,678,694	14,713,486	14,146,468	3,665,500	2,999,000

Source: Motor Vehicle Manufacturers Association.

[redacted]

APPENDIX F

MINIVANS, FULL-SIZE VANS, STATION WAGONS, AND SPORT-UTILITY VEHICLES: SELECTED TRADE, EMPLOYMENT, AND FINANCIAL DATA FOR U.S. PRODUCERS' U.S. AND CANADIAN ASSEMBLY PLANTS, BY TYPES OF VEHICLES, BY LOCATIONS, AND BY FIRMS

[redacted]

ible F-1
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. producers' U.S. and Canadian capacity, production, and capacity utilization, by types of vehicles, by locations, and by firms, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table F-2
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. producers' U.S. shipments from their U.S. and Canadian assembly plants, by types of vehicles, by locations, and by firms, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table F-3
Minivans, full-size vans, station wagons, and sport-utility vehicles: End-of-period inventories held by U.S. producers at their U.S. and Canadian assembly plants, by types of vehicles, by locations, and by firms, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table F-4
Average number of production and related workers producing minivans, full-size vans, station wagons, and sport-utility vehicles, hours worked,1/ wages and total compensation paid to such employees, and hourly wages, productivity, and unit labor costs,2/ at U.S. producers' U.S. and Canadian assembly plants, by types of vehicles, by locations, and by firms, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

Table F-5
Selected income-and-loss experience of U.S. producers' U.S. and Canadian minivan operations, by firms, fiscal years 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

Table F-6
Selected per-unit income-and-loss experience of U.S. producers' U.S. and Canadian minivan operations, by firms and by locations, fiscal years 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

[redacted]

APPENDIX G

MINIVANS, FULL-SIZE VANS, STATION WAGONS, AND SPORT-UTILITY VEHICLES: CERTAIN SALIENT DATA OF U.S. PRODUCERS' U.S. ASSEMBLY PLANTS

[redacted]

Table G-1
Minivans and full-size vans: Certain salient data of U.S. producers' U.S. assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

Table G-2
Minivans and station wagons: Certain salient data of U.S. producers' U.S. assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

Table G-3
Minivans, full-size vans, and station wagons: Certain salient data of U.S. producers' U.S. assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
Average-of-period capacity (vehicles)	***	***	***	***	***
Production (vehicles)	1,315,421	1,232,645	1,166,121	301,827	221,085
Average-of-period capacity utilization (percent)	***	***	***	***	***
U.S. shipments:					
Quantity (vehicles)	1,230,293	1,112,521	1,071,175	269,265	184,618
Value (million dollars)	16,078	15,550	15,198	3,884	2,710
Unit value (per vehicle)	$13,068	$13,977	$14,189	$14,424	$14,681
End-of period inventories (vehicles)	***	***	***	***	***
Ratio of inventories to production (percent)	***	***	***	***	***
Production and related workers (PRWs)	18,382	19,963	20,107	19,900	17,932
Hours worked by PRWs (1,000 hours)	37,277	37,297	35,878	9,041	6,376
Wages paid to PRWs (million dollars)	758	781	793	194	13[illegible]
Total compensation paid to PRWs (million dollars)	1,045	1,081	1,082	280	196
Hourly wages paid to PRWs	$20.33	$20.94	$22.10	$21.46	$21.33
Hourly total compensation paid to PRWs	$28.03	$28.98	$30.16	$30.97	$30.74
Productivity (vehicles per 1,000 manhours)	31.6	30.6	30.0	31.6	30.2
Unit labor costs (per vehicle)	$896	$947	$1,006	$981	$1,019

Note.--Unit values and other ratios are computed from the unrounded figures and are calculated using data of firms supplying both numerator and denominator information; part-year inventory ratios are annualized.

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

e G-4

Minivans and sport-utility vehicles: Certain salient data of U.S. producers' U.S. assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
Average-of-period capacity (vehicles)	1,475,698	1,628,664	1,996,499	499,263	519,100
Production (vehicles)	1,389,908	1,462,353	1,468,374	348,868	255,639
Average-of-period capacity utilization (percent)	94.2	89.8	73.5	69.9	49.2
U.S. shipments:					
Quantity (vehicles)	1,249,613	1,299,677	1,316,559	303,177	216,884
Value (million dollars)	18,408	19,801	20,955	4,754	3,532
Unit value (per vehicle)	$14,731	$15,236	$15,916	$15,680	$16,284
End-of period inventories (vehicles)	***	***	***	***	***
Ratio of inventories to production (percent)	***	***	***	***	***
Production and related workers (PRWs)	23,660	27,381	27,440	27,450	22,609
Hours worked by PRWs (1,000 hours)	49,070	53,634	50,935	12,709	9,228
Wages paid to PRWs (million dollars)	944	1,062	1,057	249	173
Total compensation paid to PRWs (million dollars)	1,354	1,517	1,499	372	274
Hourly wages paid to PRWs	$19.24	$19.80	$20.75	$19.59	$18.75
Hourly total compensation paid to PRWs	$27.59	$28.28	$29.43	$29.27	$29.69
Productivity (vehicles per 1,000 manhours)	28.3	27.3	28.5	27.5	26.9
Unit labor costs (per vehicle)	$974	$1,037	$1,033	$1,066	$1,103

Note.--Unit values and other ratios are computed from the unrounded figures and are calculated using data of firms supplying both numerator and denominator information; part-year inventory ratios are annualized.

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

Table G-5
Minivans, full-size vans, and sport-utility vehicles: Certain salient data of U.S producers' U.S. assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

Table G-6
Minivans, station wagons, and sport-utility vehicles: Certain salient data of U.S producers' U.S. assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

[redacted]

APPENDIX H

MINIVANS, FULL-SIZE VANS, STATION WAGONS, AND SPORT-UTILITY VEHICLES: CERTAIN SALIENT DATA OF U.S. PRODUCERS' U.S. AND CANADIAN ASSEMBLY PLANTS COMBINED

[redacted]

Table H-1
Minivans and full-size vans: Certain salient data of U.S. producers' U.S. and Canadian assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table H-2
Minivans and station wagons: Certain salient data of U.S. producers' U.S. and Canadian assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table H-3
Minivans, full-size vans, and station wagons: Certain salient data of U.S. producers' U.S. and Canadian assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table H-4
Minivans and sport-utility vehicles: Certain salient data of U.S. producers' U.S. and Canadian assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table H-5
Minivans, full-size vans, and sport-utility vehicles: Certain salient data of U.S. producers' U.S. and Canadian assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table H-6
Minivans, station wagons, and sport-utility vehicles: Certain salient data of U.S. producers' U.S. and Canadian assembly plants, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table H-7
Income and loss experience of U.S. producers' U.S. and Canadian minivan operations, fiscal years 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March- 1990	1991
	*	*	*	*	*	*	*

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

APPENDIX I

U.S. SHIPMENTS OF MINIVANS, FULL-SIZE VANS, STATION WAGONS, AND SPORT-UTILITY VEHICLES, BY SELECTED TYPES OF FEATURES

)le I-1
Minivans: U.S. producers' and U.S. importers' U.S. shipments, by selected types of features, 1988-90, January-March 1990, and January-March 1991

Feature and source	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table I-2
Full-size vans: U.S. producers' and U.S. importers' U.S. shipments, by selected types of features, 1988-90, January-March 1990, and January-March 1991

Feature and source	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table I-3
Station wagons: U.S. producers' and U.S. importers' U.S. shipments, by selected types of features, 1988-90, January-March 1990, and January-March 1991

Feature and source	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*

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

Table I-4
Sport-utility vehicles: U.S. producers' and U.S. importers' U.S. shipments, by selected types of features, 1988-90, January-March 1990, and January-March 1991

Feature and source	1988	1989	1990	January-March-- 1990	1991
*	*	*	*	*	*	*

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

APPENDIX J

U.S. SHIPMENTS OF MINIVANS, FULL-SIZE VANS, STATION WAGONS, AND SPORT-UTILITY VEHICLES, BY CALENDAR QUARTERS

Table J-1
Minivans: U.S. producers' and U.S. importers' U.S. shipments, by quarters and by sources, January 1988-March 1991

Period	U.S. producers' U.S. shipments	U.S. importers' U.S. shipments of product from-- Japan	Canada
	Quantity (number of vehicles)		
1988:			
January-March	152,824	***	***
April-June	128,953	***	***
July-September	140,860	***	***
October-December	137,704	***	***
1989:			
January-March	156,986	***	***
April-June	157,160	***	***
July-September	120,398	***	***
October-December	157,730	***	***
1990:			
January-March	163,465	***	***
April-June	199,341	***	***
July-September	135,834	***	***
October-December	123,451	***	***
1991:			
January-March	94,783	***	***
	Value (million dollars)		
1988:			
January-March	2,063	***	***
April-June	1,738	***	***
July-September	1,898	***	***
October-December	1,847	***	***
1989:			
January-March	2,237	***	***
April-June	2,246	***	***
July-September	1,704	***	***
October-December	2,226	***	***
1990:			
January-March	2,387	***	***
April-June	2,898	***	***
July-September	1,947	***	***
October-December	1,825	***	***
1991:			
January-March	1,413	***	***

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

Table J-2
Full-size vans: U.S. producers' and U.S. importers' U.S. shipments, by quarters and by sources, January 1988-March 1991

Period	U.S. producers' U.S. shipments	U.S. importers' U.S. shipments of product from-- Canada	Other sources
*	*	*	*	*	*	*

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

Table J-3
Station wagons: U.S. producers' and U.S. importers' U.S. shipments, by quarters and by sources, January 1988-March 1991

Period	U.S. producers' U.S. shipments	U.S. importers' U.S. shipments of product from-- Japan	Canada	Mexico	Other source
*	*	*	*	*	*	*

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

Table J-4
Sport-utility vehicles: U.S. producers' and U.S. importers' U.S. shipments, by quarters and by sources, January 1988-March 1991

Period	U.S. producers' U.S. shipments	U.S. importers' U.S. shipments of product from-- Japan	Canada	Mexico	Other sources
	Quantity (number of vehicles)				
1988:					
January-March.....	171,873	52,143	***	***	***
April-June.....	181,957	48,635	***	***	***
July-September....	153,956	47,154	***	***	***
October-December..	181,486	50,914	***	***	***
1989:					
January-March.....	205,301	43,191	***	***	***
April-June.....	209,319	32,566	***	***	***
July-September....	162,935	43,653	***	***	***
October-December..	129,848	47,142	***	***	***
1990:					
January-March.....	139,712	45,458	***	***	***
April-June.....	212,446	40,223	***	***	***
July-September....	183,919	40,656	***	***	***
October-December..	158,391	41,099	***	***	***
1991:					
January-March.....	122,101	29,032	***	***	***
	Value (million dollars)				
1988:					
January-March.....	2,710	572	***	***	***
April-June.....	2,867	604	***	***	***
July-September....	2,426	626	***	***	***
October-December..	2,859	674	***	***	***
1989:					
January-March.....	3,297	571	***	***	***
April-June.....	3,379	449	***	***	***
July-September....	2,633	651	***	***	***
October-December..	2,080	663	***	***	***
1990:					
January-March.....	2,366	689	***	***	***
April-June.....	3,677	614	***	***	***
July-September....	3,154	650	***	***	***
October-December..	2,701	635	***	***	***
1991:					
January-March.....	2,119	463	***	***	***

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

[redacted]

APPENDIX K

IMPACT OF IMPORTS ON U.S. MINIVAN PRODUCERS' GROWTH, INVESTMENT, ABILITY TO RAISE CAPITAL, AND EXISTING DEVELOPMENT AND PRODUCTION EFFORTS

[redacted]

[redacted]

[redacted]

Response of U.S. producers to the following questions:

1. Since January 1, 1988, has your firm experienced any actual negative effects on its growth, investment, ability to raise capital, or existing development and production efforts as a result of imports of minivans from Japan?

* * * * * * *

2. Does your firm anticipate any negative impact of imports of minivans from Japan?

* * * * * * *

3. Has the scale of capital investments undertaken been influenced by the presence of imports of minivans from Japan?

* * * * * * *

[redacted]

APPENDIX L

MINIVANS: RETAIL SALES AND RETAIL MARKET SHARE DATA

[redacted]

Table L-1 presents U.S. retail sales and retail market shares of minivans. Retail sales of minivans rose during 1988-90 from 837,163 to 933,630 units. In 1988, domestic minivan producers accounted for 95.2 percent of total U.S. retail minivan sales, while Japanese companies had 4.2 percent of the retail market. In 1989, U.S. producers' retail market share was 92.2 percent versus 7.2 percent for Japanese firms. Domestic market share dropped to 89.2 percent in 1990, and Japanese market share rose to 10.1 percent. In the first quarter of 1991, minivan sales totaled 197,893 units compared to 237,322 units in the first quarter of 1990, a decline of approximately 17 percent. During the first quarter 1991, U.S. companies' market shared dropped to 88.3 percent from 92.8 percent in the first quarter 1990.

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Table L-1
Minivans: U.S. retail sales and retail market shares, by firms and models, 1988-90, January-March 1990, and January March 1991

Firm and model	1988	1989	1990	January-March-- 1990	1991
	Quantity (number of vehicles)				
Chrysler:					
Voyager	192,273	184,943	171,527	50,755	39,573
Caravan	210,918	206,426	195,276	57,874	49,358
Mini Ram Van	19,222	13,150	10,680	2,858	1,751
Town & Country	0	1,812	2,891	894	890
Total	422,413	406,331	380,374	112,381	91,572
Ford, Aerostar	184,578	188,130	177,860	44,105	31,576
GM:					
Astro	156,833	143,941	121,168	33,033	24,271
Lumina APV	0	9,776	63,141	11,904	9,946
Safari	33,168	31,681	34,300	7,767	6,927
TranSport	0	3,226	29,875	6,315	4,709
Silhouette	0	2,122	26,075	4,808	5,708
Total	190,001	190,746	274,559	63,827	51,561
Total retail sales of domestic makes	796,992	785,207	832,793	220,313	174,709
Mazda, MPV	5,717	37,274	43,147	9,378	11,822
Toyota:					
Previa	0	4,702	42,199	3,385	8,015
Toyota Van	14,322[1]	5,373	232	205	1,93[illegible]
Total	14,322	10,075	42,431	3,590	9,95
Nissan:					
Axxess	0	9,776	7,815	2,268	208
Nissan Van	10,846	3,409	62	23	2
Total	10,846[1]	13,185	7,877	2,291	210
Mitsubishi Van/Wagon	3,870	910	739	249	47
Total retail sales of of Japanese makes	34,755	61,444	94,194	15,508	22,029
Volkswagen, Vanagon	5,416	5,146	6,643	1,501	1,155
Total retail sales	837,163	851,797	933,630	237,322	197,893
	Percent of total retail sales				
Chrysler	50.5	47.7	40.1	47.4	46.3
Ford	22.0	22.1	19.1	18.6	16.0
GM	22.7	22.4	29.4	26.9	26.1
Total domestic makes	95.2	92.2	89.2	92.8	88.3
Mazda	.7	4.4	4.6	4.0	6.0
Mitsubishi	.5	.1	.1	.1	0
Nissan	1.3	1.5	0.8	1.0	.1
Toyota	1.7	1.2	4.5	1.5	5.0
Total Japanese makes	4.2	7.2	10.1	6.5	11.1
Volkswagen	.6	.6	.7	.6	.6

[1] Data for 1988 are from Ward's Automotive Yearbook. Automotive News Market Data Book and Automotive News (source of other data) do not provide 1988 sales data for these models. There are slight differences between data from Ward's Automotive Yearbook compared to Automotive News Market Data Book and Automotive News.

Source: Automotive News Market Data Book, 1991 and 1990; Automotive News, April 8, 1991, p. 43; Ward's Automotive Yearbook, 1990, pp. 214-15 (as noted).

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APPENDIX M

MINIVANS, FULL-SIZE VANS, STATION WAGONS, AND SPORT-UTILITY VEHICLES: U.S. SHIPMENTS OF DOMESTIC PRODUCTS, U.S. IMPORTS, APPARENT CONSUMPTION, AND MARKET PENETRATION, BY DIFFERENT COMBINATIONS OF VEHICLES

[redacted]

Table M-1
Minivans, full-size vans, station wagons, and sport-utility vehicles: U.S. shipments of domestic products, U.S. imports, apparent U.S. consumption, and market penetration, by different combinations of vehicles, 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March-- 1990	1991

* * * * * * *

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

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APPENDIX N

MAJOR PRODUCT SPECIFICATIONS FOR SPECIFIC U.S.-PRODUCED AND IMPORTED JAPANESE MINIVAN MODELS

[redacted]

Table N-1
Major product specifications of U.S.-produced and the Chrysler Canadian-produced minivans

Item	GM			
	Astro	Astro extended	APV's[1]	Safari
Body dimensions:				
Overall length.ins..	176.8	186.8	194.2	176.8
Overall width..ins..	77.0	77.0	73.9	77.0
Overall height.ins..	73.7	73.7	65.2	73.7
Wheel base.....ins..	111.0	111.0	109.8	111.0
Curb weight....lbs..	3826(3939)	3913(4027)	3462(3507)	3826(3939)
Passenger seating space: (inches)				
Head room:				
Front row.....	39.2	39.2	35.7	39.2
Middle row.....	37.9	37.9	35.6	37.9
Rear row.....	38.4	38.6	33.9	38.4
Leg room:				
Front row.....	41.6	41.6	40.7	41.6
Middle row.....	36.5	36.5	33.1	36.5
Rear row.....	37.1	39.3	34.0	37.1
Cargo space: (inches)				
Length.....			83.1	-
Width.....			40.2	-
Height.....			45.3	-
Engine:				
Base:	4.3L V6	4.3L V6	3.1L V6	4.3L V6
HP/torque.....	150/230	150/230	120/175	150/230
MPG (A/T).....	16/21	16/21	18/23	16/21
Optional:	4.3L V6 HO	4.3L V6 HO	---	4.3L V6 HO
HP/torque.....	170/225	170/225	---	170/225
MPG (A/T).....	---	---	---	---
Seating (std/opt/opt)	5/7/8	5/7/8	5/6/7	5/7/8

See footnotes at the end of the table.

Table N-1--Continued
Major product specifications of U.S.-produced and the Chrysler Canadian-produced minivans

Item	Chrysler Dodge/Plymouth Caravan/ Voyager[2]	Chrysler Dodge/Plymouth Grand Caravan/Voyager[3]	Ford Aerostar	Ford Aerostar extended
Body dimensions:				
Overall length.ins.	178.1	192.8	174.9	190.3
Overall width..ins.	72.0	72.0	71.7	72.0
Overall height.ins.	64.2	64.8	72.3	72.4
Wheel base.....ins.	112.3	119.3	118.9	118.9
Curb weight....lbs.	3272(3509)	3667(3787)	3374(3758)	3478(3862)
Passenger seating space: (inches)				
Head room:				
Front row.....	39.1	39.1	39.5	39.5
Middle row.....	38.6	38.3	38.7	38.7
Rear row.....	37.6	37.6	-	-
Leg room:				
Front row.....	37.3	37.3	41.4	41.4
Middle row.....	37.7	37.0	39.5	40.5
Rear row.....	34.9	35.2	-	-
Cargo space: (inches)				
Length.....	82.0	96.9	-	-
Width.....	48.3	48.9	-	-
Height.....	45.3	45.3	-	-
Engine:				
Base:	2.5L I4 SOHC	3.3L V6 OHV	3.0L V6 OHV	3.0L V6 OHV
HP/torque.....	100/135	150/185	145/165	145/165
MPG (A/T).....	21/25	18/23	17/23	17/23
Optional:	3.0L V6	---	4.0L V6 OHV	4.0L V6 OHV
HP/torque.....	142/173	---	155/215	155/215
MPG (A/T).....	---	---	16/21	16/21
Seating (std/opt)....	5/7	7	5/7	5/7

[1] The APV minivans--Chevrolet Lumina, Oldsmobile Silhouette, and Pontiac Transport--have essentially the same product specifications.
[2] Produced in Canada.
[3] Produced in the United States.

Source: Reported by Toyota from a subscription data base of Access Dynamics, Inc., and from manufacturers' product brochures.

Table N-2
Major product specifications of imported Japanese minivans

	Toyota		Mazda	Nissan	Mitsubishi
	Previa	Van	MPV	Van	Van/Wagon
Body dimensions:					
Overall length.ins.	187.0	175.8	175.8	178.0	175.2
Overall width..ins.	70.9	66.3	71.9	66.5	66.5
Overall height.ins.	68.7	72.2	68.1	72.4	71.3
Wheel base.....ins.	112.8	88.0	110.4	92.5	88.0
Curb weight....lbs.	3455(3580)	2995(3050)	3558	3690	3285
Passenger seating space: (inches)					
Head room:					
Front row	39.4	39.6	40.0	39.0	38.6
Middle row.....	38.5	40.6	39.0	40.4	39.0
Rear row.....	37.8	40.2	37.7	-	-
Leg room:					
Front row.....	40.1	41.5	40.6	39.8	40.0
Middle row.....	36.6	32.3	34.8	31.1	41.1
Rear row.....	36.3	35.4	36.1	-	-
Cargo space: (inches)					
Length.....	97.2	92.7	79.4	96.5	-
Width.....	48.3	41.7	45.4	58.7	-
Height.....	48.4	48.2	40.6	47.8	-
Engine:					
Base:	2.4L I4 16V	2.2L I4 OHV	2.6L I4	2.4L I4 SOHC	2.4L I4 SOHC
HP/torque.....	138/154	101/133	121/149	106/137	107/132
MPG (A/T).....	18/22	21/23	20/25	18/21	18/21
Optional:			3.0L V6 16V	---	---
HP/torque.....	---	---	150/165	---	---
MPG (A/T).....	---	---	17/22	---	---
Seating (std/opt)....	5/7	7	5/7	7	7

Source: Reported by Toyota from a subscription data base of Access Dynamics, Inc., and from manufacturers' product brochures.

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APPENDIX O

NET U.S. DELIVERED SELLING PRICES OF CHRYSLER'S CANADIAN-PRODUCED MINIVANS AND PRICE COMPARISONS WITH THE IMPORTED JAPANESE MINIVANS

[redacted]

Table O-1
Net U.S. delivered selling prices of Chrysler's Canadian-produced passenger minivans sold to U.S. dealers, by quarters, October 1987-March 1991

Period	Product 1	Product 2	Product 3	Product 4
*	*	*	*	*	*	*

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

Table O-2
Margins of under/(over)selling between Chrysler's Canadian-produced minivans and minivans imported from Japan for sales to U.S. dealers, by quarters, October 1987-March 1991

*	*	*	*	*	*	*

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