

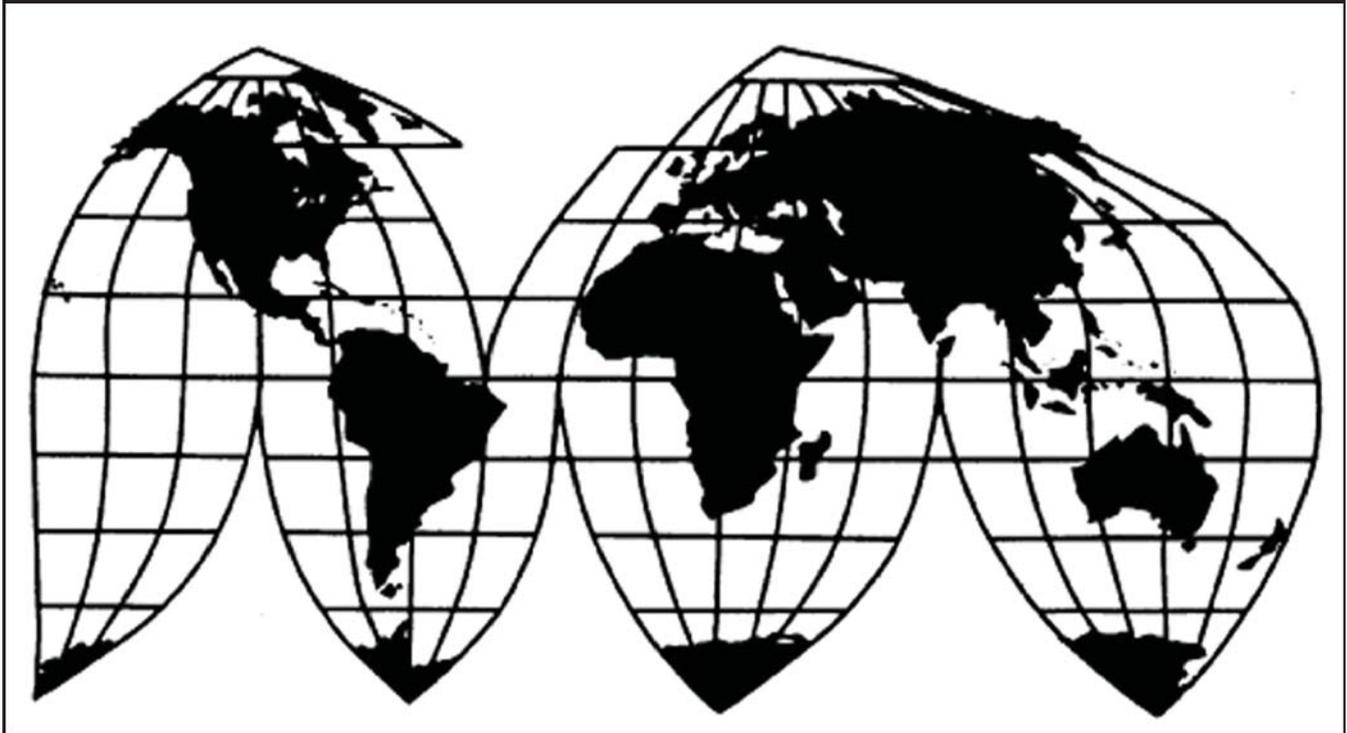
Tapered Roller Bearings from China

Investigation No. 731-TA-344 (Third Review)

Publication 4343

August 2012

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Director, Office of Operations

Staff assigned

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Deborah McNay, Industry Analyst

James Fetzer, Economist

Charles Yost, Accountant

David Fishberg, Attorney

Elizabeth Haines, Supervisory Investigator

Special assistance from

Steve Hudgens, Statistician

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-344 (Third Review)

TAPERED ROLLER BEARINGS FROM CHINA

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on tapered roller bearings from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on August 1, 2011 (76 F.R. 45853) and determined on November 4, 2011 that it would conduct a full review (76 F.R. 72213, November 22, 2011). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on February 29, 2012 (77 F.R. 12326). The hearing was held in Washington, DC, on June 19, 2012, 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 Deanna Tanner Okun did not participate in this five-year review.

IEWS OF THE COMMISSION¹

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on tapered roller bearings (“TRBs”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

A. Original Investigations

On January 23, 1975, the Commission determined that an industry in the United States was likely to be injured by reason of imports of TRBs, including inner race or cone assemblies and outer races or cups, exported to and sold in the United States, either as a unit or separately, from Japan, that were or were likely to be sold at less than fair value (“LTFV”) within the meaning of the Antidumping Act of 1921, as amended.² The Treasury Department (“Treasury”) published a dumping finding with respect to TRBs and certain components thereof from Japan on August 18, 1976,³ and on August 10, 1981, the Department of Commerce (“Commerce”) clarified that Treasury’s finding was limited to TRBs four inches or less in outside diameter and components thereof, excluding unfinished components.⁴

In June 1987, the Commission determined that an industry in the United States was being materially injured by reason of LTFV imports of TRBs and parts thereof from China, Hungary, and Romania.⁵ In September 1987, the Commission determined, pursuant to a petition that covered TRB imports from Japan not subject to the 1976 finding (i.e., TRBs over four inches in outside diameter and parts thereof, and all TRBs produced and sold by NTN), that an industry in the United States was being materially injured by reasons of imports of LTFV TRBs and parts thereof from Japan.⁶ Commerce published antidumping duty orders with respect to China on June 15, 1987, Hungary and Romania on June 19, 1987, and Japan on October 6, 1987.⁷

B. The Prior Reviews

In the first five-year reviews, the Commission conducted full reviews and made an affirmative determination with respect to one of the five antidumping duty orders on TRBs (China) and negative

¹ Commissioner Okun did not participate in this review.

² Tapered Roller Bearings and Certain Components Thereof From Japan, Inv. No. AA1921-143, USITC Pub. 714 at 2 (Jan. 1975).

³ 41 Fed. Reg. 34975 (Aug. 18, 1976).

⁴ 46 Fed. Reg. 40550 (Aug. 10, 1981). On June 15, 1982, Commerce revoked its antidumping finding on TRBs four inches or less in outside diameter from Japan that were produced and sold by NTN and NBCA. 47 Fed. Reg. 25757 (June 15, 1982).

⁵ Tapered Roller Bearings and Parts Thereof, and Certain Housings Incorporating Tapered Rollers From Hungary, The People’s Republic of China, and Romania, Inv. Nos. 731-TA-341, 344, 345 (Final), (“Original Determinations”) USITC Pub. 1983 (June 1987).

⁶ Tapered Roller Bearings and Parts Thereof, and Certain Housings Incorporating Tapered Rollers From Japan, Inv. No. 731-TA-343 (Final), USITC Pub. 2020 (Sept. 1987).

⁷ See Confidential Staff Report (“CR”) at I-3, Public Staff Report (“PR”) at I-2. References to the CR include the revisions identified in memorandum INV-JJ-123 (November 22, 2011).

determinations with respect to the remaining TRB orders (Hungary, Romania, and two on Japan).⁸ Commerce ordered the continuation of the antidumping duty order on China.⁹

In the second five-year review, covering only TRBs from China, the Commission conducted a full review¹⁰ and made an affirmative determination.^{11 12}

C. Third Five-Year Review

The Commission instituted this third five-year review on August 1, 2011.¹³ The Commission received a joint response to its notice of institution submitted by The Timken Company (“Timken”) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (“USW”) (collectively “Domestic Producers”).¹⁴ The Commission also received a joint response to the notice of institution on behalf of Peer Bearing Company, a U.S. importer of TRBs from China; SKF (Shanghai) Automotive Technology Co. Ltd., Beijing Nankou SKF Railway Bearing Co., SKF (Dalian) Bearings and Precision Technology Co. Ltd, Chinese producers of TRBs; and Changshan Peer Bearing Co., Ltd., a Chinese producer and exporter of TRBs.¹⁵ On November 4, 2011, the Commission found that both the domestic and respondent interested party group responses to its notice of institution were adequate and determined to conduct a full review.¹⁶

The Commission received prehearing and posthearing submissions from Domestic Producers, and from a coalition of exporters and importers of wheel hub assemblies from China (“Coalition”).¹⁷ Representatives of the Domestic Producers and the Coalition, as well as from Dana Holding Corporation (“Dana”), a U.S. purchaser of subject TRBs, appeared at the Commission’s hearing accompanied by counsel.

⁸ Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom, Inv. Nos. AA1921-143, 731-TA-341, 343-345, 391-397, and 399 (Review), USITC Pub. 3309 (June 2000) (“Certain Bearings First Review Determinations”) at 1-2 (with one or two Commissioners dissenting in each instance).

⁹ 65 Fed. Reg. 42665 (July 11, 2000).

¹⁰ 70 Fed. Reg. 31531 (June 1, 2005) (notice of institution); 70 Fed. Reg. 54568 (Sept. 15, 2006) (notice of decision to conduct full reviews).

¹¹ See Certain Bearings from China, France, Germany, Italy, Japan, Singapore, and the United Kingdom, Inv. Nos. 731-TA-344, 391-393, 396, and 399 (Second Review), USITC Pub. 3876 (Aug. 2006) (“Certain Bearings Second Review Determinations”) at 1-2. The other reviews in this proceeding concerned other types of antifriction bearings.

¹² Commissioner Pearson determined that revocation of the antidumping duty order on TRBs from China would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See “Dissenting Views of Chairman Daniel R. Pearson,” Certain Bearings Second Review Determinations at 59-72.

¹³ 76 Fed. Reg. 45778 (Aug. 1, 2011).

¹⁴ Timken’s Response to Notice of Institution, August 31, 2011.

¹⁵ SKF’s Response to Notice of Institution, August 31, 2011.

¹⁶ 76 Fed. Reg. 72,213 (Nov. 22, 2011). A copy of the Commission’s explanation of adequacy determinations appears in Appendix A to the staff report.

¹⁷ The Coalition includes Xinchang Kaiyan Automotive Bearings Co., Ltd., Xinchang Shuanglin Automotive Bearing, Zhejiang Changxing CTL Auto Parts, Zhejiang Zhaofeng Machinery Co. Ltd., Hangzhou Yonggu Auto Parts Co., Ltd., Zhejiang Sihe Machine Co. Ltd., Chinese foreign producers of subject merchandise; Bosda International USA LLC, GMB North America, Inc., IAP West, U.S. importers of subject merchandise; and Li Li Auto USA, a U.S. purchaser of subject merchandise.

U.S. industry data in this review are based on the questionnaire responses of seven U.S. producers¹⁸ of TRBs, which are believed to account for the great majority of domestic production of TRBs in 2011.¹⁹ U.S. import data and related information are based on Commerce's official import statistics²⁰ and the questionnaire responses of 19 U.S. importers of TRBs, which accounted for 122.1 percent of reported subject U.S. imports during 2011 and for 55.5 percent of U.S. imports of TRBs from nonsubject sources, by value.²¹ Foreign industry data and related information are based on the questionnaire responses of ten producers and exporters of TRBs in China, with reported exports to the United States accounting for *** percent of subject imports by quantity.²²

II. DOMESTIC LIKE PRODUCT

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."²³ The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."²⁴ The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigations and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.²⁵

A. Scope of Subject Merchandise

Commerce has defined the scope of the antidumping duty order in this five-year review as follows:

Tapered roller bearings and parts thereof, finished and unfinished, from China; flange, take up cartridge, and hanger units incorporating tapered roller bearings; and tapered roller housings (except pillow blocks)

¹⁸ The seven responding U.S. producers of TRBs are Amsted Rail, Koyo USA, NSK Corporation ("NSK"), NTN USA Corporation ("NTN"), RBC Bearings ("RBC"), SKF USA ("SKF"), and The Timken Company ("Timken").

¹⁹ 77 Fed. Reg. 2271, 2272 (Jan. 17, 2012).

²⁰ Official Commerce statistics have been adjusted to reflect the revocation of the TRB orders on China as they related to Shanghai General (order revoked February 1997), Tianshui Hailin (order revoked November 2002), and Wafangdian (order revoked February 2001).

²¹ Official import data are based on HTS subheadings 8482.20.00, 8482.91.00, 8482.99.15, 8482.99.45, 8483.20.40, and 8483.20.80. The coverage for importer questionnaire responses exceeds 100.0 percent because subject product is also covered by HTS basket subheadings 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8483.90.80, and 8708.99.80.

²² CR at IV-9; PR at IV-4.

²³ 19 U.S.C. § 1677(4)(A).

²⁴ 19 U.S.C. § 1677(10); see, e.g., Cleo Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

²⁵ See, e.g., Internal Combustion Industrial Forklift Trucks From Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); Crawfish Tail Meat From China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (Jul. 2003); Steel Concrete Reinforcing Bar From Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

incorporating tapered rollers, with or without spindles, whether or not for automotive use.²⁶

Tapered roller bearings are part of the larger product category of antifriction bearings. Antifriction bearings are machine components that permit free motion between moving and fixed parts by holding, separating, or guiding the moving parts to minimize friction and wear. Like any antifriction bearing, a TRB is made up of four basic components -- the cup, the cone, the cage, and the rollers. The cup, also called the outer ring, is the largest part of the assembly, and its inner surface is tapered to conform to the angle of the roller assembly. The cone forms the inner race of the bearing, while the cage keeps the rollers equally distributed around the cup and cone. The rollers, cage, and cone are joined together to form a cone assembly. When joined with a cup, the cone assembly and cup form a TRB set. The rolling elements transmit the physical load or force from the moving parts to the stationary support. Under normal operating conditions, the races and rolling elements carry the load, while the cage spaces and retains the rollers. TRBs provide combined radial and thrust load capability. TRB sizes vary considerably, from a few millimeters to several meters in outside diameter. TRBs are primarily made from alloy steel; however, some bearing types and certain components may be fabricated from materials such as stainless steel, bronze, copper, ceramic, and certain plastics.²⁷

TRBs are used in applications for which it is necessary to counteract friction caused by both radial and thrust loads. TRBs are able to withstand such combined loads while offering moderate speed capacity and heavy load capacity. The primary end market for this type of bearing is the automotive industry.²⁸ TRBs are also used extensively in the heavy machinery sector, primarily construction and agricultural equipment, as well as the railroad and general industry sectors. More specifically, TRBs are widely used in these industries in transmissions and wheel applications.²⁹

B. Definition of the Domestic Like Product

1. The Prior Proceedings

In the original investigations, the Commission concluded that all TRBs constituted one like product regardless of individual sizes, dimensions, physical characteristics, or uses of TRBs because there were no clear dividing lines between the multitude of TRBs within the scope.³⁰ The Commission

²⁶ CR at I-21, PR at I-19.

²⁷ CR at I-22, PR at I-20.

²⁸ CR at I-22, PR at I-20.

²⁹ CR at I-22, PR at I-20.

³⁰ Original Determinations 5-7.

concluded that certain machine parts incorporating TRBs, such as wheel hub units,³¹ were also part of one like product, but the Commission did not separately state its rationale for their inclusion.^{32 33}

³¹ In the original investigations, the Commission report described wheel hub units as follows:

prelubricated, preset, double-row tapered roller bearings that have been sealed; however, instead of a cup, the cone assemblies are sealed into a cast, flanged housing with bolt holes for direct mounting onto the wheel hub. The flanged housing performs as the outer race of the bearing, taking the place of the typical tapered roller bearing cup. The useful life of both of these types of bearing units { wheel hub and cartridge bearing units which were both grouped under the heading self-contained tapered roller bearing packages } is the life of the automobile and the next generation of the self-contained units will have flanged inner and outer rings as part of the assembly. This will allow it to take over the functions of other usually separate components in the wheel hub system.

Original Determinations at A-7.

³² Original Determinations at 7

³³ Domestic Producers note that in the 1989 investigations involving antifriction bearings other than tapered roller bearings, certain respondents had argued that wheel hub units containing ball bearing constituted a like product that was separate from other ball bearings. USITC Pub. 2185 at 21-22. The Commission summarized respondents arguments as follows:

Many respondents insist that wheel hub units should be considered a separate like product, arguing that they are really automotive parts, not bearings. They note that the primary functions of a wheel hub unit are to attach a wheel to a vehicle, to link the wheel to the steering mechanism, and to aid in the braking process. The bearings in a wheel hub unit represent less than half of the value of the unit as a whole, but, if the bearing wears out, the entire unit must be replaced. Further, wheel hub units are not interchangeable with bearings and are dedicated to use in an automobile. Primarily, for these reasons, the Customs Service classifies wheel hub units as auto parts, not antifriction bearings.

USITC Pub. 2185 at 21. In the 1989 investigations, wheel hub units (specifically referred to as second and third generation wheel hub units) were described as prelubricated, preset, deep-groove ball bearings that have been sealed into a cast or forged flanged housing with bolt holes for direct mounting onto the wheel hub, in which the flanged housing performs as the outer race of the bearing. USITC Pub. 2185 at 20. The Commission rejected respondents' like product argument stating:

We determine that wheel hub units are not a separate like product. They are not significantly different from other ball bearings, especially other housed and mounted ball bearings, in terms of functional characteristics and applications. In addition, like other housed bearings, if the bearing in the wheel hub unit wears out, the entire unit must be replaced. Thus, the unit itself is inseparable from its bearing functions. Moreover, none of the respondents agree as to the definition of this allegedly separate like product. Some make no distinction among the generations of wheel hub units, others define the product as generations 2 and 3, and still others define it as just generation 3. Such definitional vagueness was fatal, in our view, to the evaluation of other candidates for separate like treatment, such as "aerospace" bearings, and is similarly fatal here. As in Tapered Roller Bearings, we include wheel hub units in the like product category corresponding to the type of rolling element employed therein. Specifically, in these investigations, they are ball bearings.

...

In the first five-year reviews covering the orders on certain bearings, the Commission found that TRBs, ball bearings (“BBs”), cylindrical roller bearings, and spherical plain bearings (“SPBs”) were separate domestic like products consistent with Commerce’s scope definition.³⁴ NTN Corporation, a Japanese producer of all four types of bearings under review, and its U.S. affiliates, argued in their response to the notice of institution and their prehearing brief that the Commission should treat wheel hub units as a separate like product but did not further pursue this argument.³⁵ The Commission rejected the argument, stating that the “Commission in its 1989 determination on antifriction bearings other than TRBs considered and rejected arguments that wheel hub units should be carved out as a separate like product from the general category of BBs.”³⁶

In the second five-year reviews concerning the existing orders on certain bearings, the Commission stated that no party to those reviews had taken issue with the Commission’s domestic like product definitions for TRBs, BBs, or SPBs from the first five-year reviews and that it did not find that the record contained any new information that would warrant a change in the Commission’s definitions of the three domestic like products. Accordingly, the Commission continued to define TRBs, BBs, and SPBs as separate domestic like products, coextensive with Commerce’s scope definitions for each type of bearing.³⁷

2. The Current Review

a. The Parties’ Arguments

In this review, the parties dispute whether “wheel hub assemblies” should be a separate like product. There is, however, no standard or accepted industry-wide definition of a wheel hub assembly, and the parties have disputed how the Commission should define the term. In response to the Commission’s draft questionnaires, the Coalition provided the following definition for wheel hub assemblies:

for purposes of this investigation, you should consider a wheel hub assembly to be a type of tapered roller bearing covered by this investigation that is finished and has one or more tapered rollers, an outer flange and, in many cases, an inner flange with a mounting face and studs onto which a vehicle wheel and a brake rotor or disc brake is mounted. A wheel hub assembly may be splined or non-splined and with or without ABS elements.³⁸

In response to staff’s question about the proposed definition, Timken provided the following definition of wheel hub assemblies:

for purposes of this review, a wheel hub assembly is a type of tapered roller bearing covered by this investigation that is finished and has one or more

³³ ...

USITC Pub. 2185 at 21-22. As is generally the case in original investigations, Commission determinations in five-year reviews are *sui generis*. See American Bearing Manufacturers Association v. United States, 350 F. Supp. 2d 1100, 1122 (Ct. Int’l Trade 2004) (“the Commission acted properly in disregarding its findings from a review concerning different subject imports and a different industry altogether.”); Memorandum GC-JJ-182 (September 27, 2011) at 8-9 and cases cited therein.

³⁴ Certain Bearings First Review Determinations at 12.

³⁵ Certain Bearings First Review Determinations at 8.

³⁶ Certain Bearings First Review Determinations at 8.

³⁷ Certain Bearings Second Review Determinations at 10.

³⁸ Coalition’s comments on draft questionnaires, March 14, 2012, at 10.

tapered rollers, with or without an outer flange and, in many cases, an inner flange with a mounting face and studs onto which a vehicle wheel and a brake rotor or disc brake is mounted. A wheel hub assembly may be splined or non-splined and with or without ABS elements (emphasis added).³⁹

It was not until its posthearing brief that the Coalition stated specifically that the definition of wheel hub assemblies used in the Commission's questionnaires was overinclusive because it included the language "without a flange," and that so-called Generation 1 ("Gen 1") products, which do not include a hub, would not be included in the Coalition's definition of a wheel hub assembly.⁴⁰

The Coalition argues that the record evidence in this review supports the Commission finding separate like products for wheel hub assemblies and TRBs.⁴¹ The Coalition states that when the Commission issued its original injury determination on TRBs, Gen 3 wheel hub assemblies did not even exist, and therefore the Commission would be examining for the first time whether wheel hub assemblies should be a separate like product.⁴² Domestic Producers assert that the record provides no basis for the Commission to revisit its prior determinations that all TRBs, including TRB wheel hub units and assemblies, are a single like product.⁴³

Physical Characteristics and Uses: With respect to physical characteristics, the Coalition notes that in addition to certain TRB components, a wheel hub assembly includes a round metal casting or forging with studs, a face for attaching to a vehicle, and a forged flange.⁴⁴ This unit may also include ABS signaling components, brake pilots, and multi-lip seals for protection from water and debris.⁴⁵ The Coalition also claims that a wheel hub assembly incorporates a hub or spindle.⁴⁶ In comparison, the Coalition argues that a simple TRB cartridge⁴⁷ unit, for example, would not include parts of a wheel hub assembly, such as brake and wheel pilots for aligning the wheels and brake mounting wheel studs, a flanged spindle, axle-attaching flange, brake sensors, or a splined inner surface.⁴⁸

With respect to function, the Coalition argues that wheel hub assemblies take on and replace the function of wheel hubs. According to the Coalition, wheel hubs transfer the drive force from the engine to the wheel and transmit brake load while also transferring the steering force to change a vehicle's

³⁹ See "General Information, Instructions, and Definitions for Commission Questionnaires" in Tapered Roller Bearings from China, at 5.

⁴⁰ Coalition's Posthearing Brief, Response to Commission's Questions at 26-35. A Gen 1 wheel hub assembly typically is a double row tapered roller bearing that is pre-set to fall within certain parameters, such as internal clearance. CR at I-23, PR at I-21. No adjustments are necessary when mounting the unit on a vehicle. A Gen 1 wheel hub assembly is pre-lubricated and sealed for life. A Generation 2 ("Gen 2") wheel hub assembly retains the characteristics of a Gen 1 assembly, but incorporates a flanged cup (i.e., the outer bearing ring is integrated into the flange) with threaded holes or studs that replaces the function of the hub. CR at I-24, PR at I-21. A Generation 3 ("Gen 3") wheel hub assembly builds on the Gen 2 assembly and has flanged inner and outer rings for wheel and brake rotor attachment and mounting the assembly to the vehicle's suspension system. CR at I-24, PR at I-21-I-22.

⁴¹ Coalition's Posthearing Brief at 1.

⁴² Coalition's Prehearing Brief at 7-8.

⁴³ Domestic Producers' Prehearing Brief at 64.

⁴⁴ Coalition's Prehearing Brief at 13.

⁴⁵ Coalition's Prehearing Brief at 13.

⁴⁶ Coalition's Posthearing Brief at 26.

⁴⁷ A bearing cartridge is a self-contained modular unit that cannot be disassembled. The bearing is usually greased and covered by seals.

⁴⁸ Coalition's Prehearing Brief at 13.

direction. The flanged part of a wheel hub assembly, where a wheel or brake part is mounted, essentially replaces the wheel hub and takes on its functions, which are not required of a TRB.⁴⁹

Timken contends that wheel hub assemblies are part of a continuum of TRB products and that there are no clear dividing lines within that continuum. Because every TRB is designed to resolve a particular problem, TRBs of different sizes and configurations will not share the same exact physical characteristics.⁵⁰ All TRBs, however, including wheel hub assemblies, share the same basic elements (i.e., cups, cones, rolling elements, and cages) and perform the same basic functions; namely, to reduce friction among moving parts, carry loads,⁵¹ and handle radial and thrust forces.⁵² Timken asserts that the inclusion of other design features in a TRB wheel hub assembly, such as permanently machined rings, splined surfaces, pilots for brake and wheel alignment, mounting guides, and anti-lock brake sensors, which allow for functions other than the reduction of friction, does not alter or enhance the essential function of the wheel hub unit – the reduction of friction.⁵³

Common Manufacturing Facilities, Production Processes, and Production Employees: The Coalition contends that given the different end uses, features, and physical characteristics of wheel hub assemblies, it is “difficult to believe their production processes are the same as a tapered roller bearing.”⁵⁴ The Coalition notes that in order to make the wheel hub assembly, Timken purchases the hub itself and uses machinery dedicated to wheel hub assembly production to perform the machining.⁵⁵

Timken contends that TRBs and TRB wheel hub assemblies are made in the same facility “with many of the components made on the same lines by the same workers.”⁵⁶ According to Timken, because TRB wheel hub assemblies are high-volume parts, they are produced on dedicated manufacturing cells for final assembly. Timken also notes that a large share of its workforce employed in the TRB wheel hub cells have worked in other parts of its facility.⁵⁷

Interchangeability: The Coalition notes that wheel hub assemblies and TRBs do not appear to be interchangeable. The Coalition argues that a TRB could be a component of a wheel hub assembly, but any automobile manufacturer or end user in the aftermarket would never substitute a wheel hub assembly for a TRB, nor would they substitute a TRB for a wheel hub assembly under any circumstance.⁵⁸ The Coalition also asserts that TRBs with the same dimensions and tolerances as those incorporated into a particular wheel hub assembly are not interchangeable with that wheel hub assembly.⁵⁹

Timken contends that once the decision is made at the vehicle design stage regarding which TRB and features will be incorporated as a wheel-end system, no other TRB can be substituted.⁶⁰ Therefore, interchangeability is extremely limited for all TRBs within or across a group.⁶¹ In fact, no TRB part

⁴⁹ Coalition’s Posthearing Brief at 2.

⁵⁰ Tr. at 56 (Russell); Tr. at 66-7 (Tecklenburg).

⁵¹ Tr. at 56 (Russell); Tr. at 66-7 (Tecklenburg).

⁵² Domestic Producers’ Posthearing Brief at 13.

⁵³ Domestic Producers’ Prehearing Brief at 65.

⁵⁴ Coalition’s comments on draft questionnaires at 9.

⁵⁵ Coalition’s Posthearing Brief at 9.

⁵⁶ Tr. at 64-65 (Schall).

⁵⁷ Tr. at 65-65 (Schall).

⁵⁸ Coalition’s Prehearing Brief at 16.

⁵⁹ Coalition’s Posthearing Brief at 4.

⁶⁰ Tr. at 57 (Russell).

⁶¹ Tr. at 62 (Tecklenburg).

number is interchangeable with a different TRB part number, just as a wheel hub assembly with a unique part number is not interchangeable with another wheel hub assembly with a different part number.⁶²

Customer and Producer Perceptions: According to the Coalition, wheel hub assemblies are used for different purposes and sold in different channels of distribution than housed or other TRBs. A Coalition member further notes that “businesses operating in our market consider wheel hub assemblies to be a finished auto part. We simply do not regard wheel hub assemblies to be tapered roller bearings. Wheel hub assemblies are not viewed by distributors, wholesalers, retailers, purchasers and end users as tapered roller bearings.”⁶³

Timken asserts that all customers perceive that all TRB products have TRB elements to reduce friction and permit radial and thrust loads, but distinguish items based on the type of TRB required to address a particular need.⁶⁴ Timken argues that once an automotive OEM decides whether to incorporate a TRB or a wheel hub assembly in a new vehicle, no other TRB or wheel hub assembly will work in that application. Timken argues that the same is also true in the aftermarket, where an end user’s concern is replacing a TRB or wheel hub assembly with the same part number.⁶⁵

Channels of Distribution: The Coalition states that wheel hub assemblies are not advertised or sold in the same channels of distribution as TRBs.⁶⁶ The Coalition contends that TRBs are sold mainly through industrial equipment suppliers or power transmission outlets, whereas wheel hub assemblies are sold almost exclusively through automotive outlets.⁶⁷

Timken argues that TRB wheel hub units or assemblies are sold to OEM customers and their TRB suppliers in the automotive sector, not just in the automotive aftermarket, as claimed by the Coalition.⁶⁸ Timken also notes that TRB wheel hub assemblies and other TRBs designed for automotive applications, such as single roll TRBs, move through the same automotive aftermarket channel of distribution.⁶⁹

Price: The Coalition argues that the additional content and manufacturing associated with wheel hub assemblies result in higher prices.⁷⁰ According to the Coalition, because TRBs are only one of the components used in the manufacture of wheel hub assemblies, the production costs and prices of wheel hub assemblies will necessarily be far higher than those for tapered roller bearings.⁷¹

Timken argues that TRBs can be higher priced than wheel hub assemblies, and cites as an example one of its single row TRB cone assemblies that is priced higher than a Chinese wheel hub assembly.⁷² Timken further notes that TRB parts that are much smaller than a wheel hub assembly may cost more than a finished wheel hub assembly.⁷³

⁶² Domestic Producers’ Posthearing Brief at 13.

⁶³ Tr. at 176 (Bearden).

⁶⁴ Domestic Producers’ Prehearing Brief at 81.

⁶⁵ Domestic Producers’ Posthearing Brief at 14.

⁶⁶ Coalition’s Posthearing Brief at 5.

⁶⁷ Coalition’s Posthearing Brief at 5.

⁶⁸ Tr. at 58 (Russell).

⁶⁹ Tr. at 59 (Tecklenburg).

⁷⁰ Coalition’s Posthearing Brief at 10.

⁷¹ Tr. at 136 (Kong).

⁷² Tr. at 63-64 (Tecklenburg).

⁷³ Domestic Producers’ Posthearing Brief at 15.

b. Analysis⁷⁴

Physical Characteristics and Uses: In questionnaire responses, the majority of market participants indicated that TRBs and wheel hub assemblies do not have the same physical characteristics or end uses, citing, for example, that wheel hub assemblies are dedicated for automotive use whereas TRBs have multiple applications and that wheel hub assemblies incorporate additional features or parts, such as flanges or ABS components not found on TRBs.⁷⁵

Because every TRB is designed for a particular application, TRBs of different sizes and configurations will not share the same exact physical characteristics.⁷⁶ All TRBs, however, including wheel hub assemblies, share the same basic elements (i.e., cups, cones, rolling elements, and cages) and perform the same basic functions of reducing friction among moving parts, carrying loads,⁷⁷ and handling radial and thrust forces.⁷⁸ Indeed, most of the value of a wheel hub assembly is attributed to components common to TRBs and wheel hub assemblies.⁷⁹ In a wheel hub assembly, as defined by the Coalition, an outer or an inner flange with a mounting face takes on and replaces the function of a separate wheel hub. This integrated hub in the wheel hub assembly offers additional functionalities to the wheel hub assembly beyond the reduction of friction by providing the necessary support needed to transfer the vehicle load to the tire.

Common Manufacturing Facilities, Production Processes, and Production Employees: Although, the majority of market participants responded that the manufacturing processes for TRBs and wheel hub assemblies are not similar,⁸⁰ other record evidence indicates that TRBs and TRB wheel hub assemblies are made in the same facility “with many of the components made on the same lines by the same workers.”⁸¹ In particular, due to the incorporation of the cup into the hub assembly itself, Gen 3 wheel hub assemblies can only be assembled in a bearing factory where the bearing races are produced and where antiseptic conditions characteristic of a bearing factory exist.⁸² Nonetheless, Timken acknowledges that certain components for a wheel hub assembly, such as the hub forging, are purchased by Timken for incorporation into a wheel hub assembly. Because of volume requirements for certain manufacturing

⁷⁴ We apply our traditional six factor test here. The semi-finished product analysis generally is applied to assess whether products at different stages of processing that are vertically related to each other should be included in the same like product. E.g. Drill Pipe and Drill Collars from China, Inv. Nos. 701-TA-474 and 731-TA-1176 (Preliminary), USITC Pub. 4127 (March 2010) at 7. Both Timken and the Coalition agree that TRB wheel hub assemblies and “other TRBs” are finished products and therefore the Commission’s semi-finished product analysis would not be applicable to address the like product issue in this proceeding. Domestic Producers’ Posthearing Brief at Aranoff 1-1-1-5; Coalition’s Posthearing Brief at 36-37. The issue in this review is whether domestically produced wheel hub assemblies are clearly distinct from the broad range of domestically produced “other TRBs” covered by the scope of this review.

⁷⁵ CR at I-34, PR at I-26. The parties agree that the inclusion of an ABS sensor is not a requirement for a product to be defined as a wheel hub assembly. In fact, there are numerous wheel hub assemblies that do not include this functionality.

⁷⁶ Tr. at 56 (Russell); Tr. at 66-7 (Tecklenburg).

⁷⁷ Tr. at 56 (Russell); Tr. at 66-7 (Tecklenburg).

⁷⁸ Domestic Producers’ Posthearing Brief at 13.

⁷⁹ Timken has examined the material costs of the parts and components that are used to produce Gen 2 and Gen 3 wheel hub assemblies and has stated that the TRB parts and components represent approximately *** of the cost of wheel hub assemblies, establishing that the TRB used in wheel hub assemblies accounts for a significant percentage of the total cost of the unit. Domestic Producers’ Posthearing Brief at Aranoff 3-1-3-4.

⁸⁰ CR at I-36, PR at I-28.

⁸¹ Tr. at 64-65 (Schall).

⁸² CR at I-24, PR at I-22.

operations, the actual hub forging requires dedicated equipment, and is therefore performed on a separate line in the same facility by the bearings manufacturers.

Interchangeability: Market participants largely agreed that TRBs and wheel hub assemblies are not interchangeable.⁸³ Once the decision is made at the vehicle design stage regarding which TRB and features will be incorporated as a wheel-end system, no other TRB can be substituted.⁸⁴ A TRB could be a component of a wheel hub assembly, but it would never be substituted for a wheel hub assembly in an end-use application and vice versa. This lack of interchangeability, however, is not unique to TRBs used in wheel hub assemblies. All TRBs are only interchangeable with other TRBs on a part number basis. Therefore, interchangeability is extremely limited for all TRBs within or across a group.⁸⁵

Customer and Producer Perceptions: The large majority of responding market participants agreed that customers and producers perceive TRBs and wheel hub assemblies to be separate products.⁸⁶ This perception, however, is a function of the lack of interchangeability between any two different TRBs. An OEM automotive customer decides whether to use a TRB or a TRB wheel hub assembly in the wheel end of a new vehicle model at the design stage, and once the design is established, no other part number will work.⁸⁷ The same holds true in the aftermarket.⁸⁸ When a wheel end unit needs to be replaced, whether it is a pair of single row TRBs or a wheel hub assembly, the end user wants only the same part number.⁸⁹

Channels of Distribution: Timken's wheel hub assemblies, including Gen 2 and Gen 3 wheel hub assemblies, are sold in both the OEM and aftermarket for both the automotive and industrial markets.⁹⁰ Timken confirmed that all four of its wheel end solution products – single roll TRBs, its Gen 1 UNIPAC product, and Gen 2 and Gen 3 wheel hub assemblies – continue to be sold in the automotive aftermarket for the repair needs of different generations of vehicles on the road today.⁹¹ It does appear that a higher percentage of wheel hub assemblies, as opposed to TRBs, are sold through automotive outlets.⁹²

Domestic producers were evenly split on whether TRBs and wheel hub assemblies share the same channels of distribution. Purchasers and importers generally agree that TRBs and wheel hub assemblies do not share the same channels of distribution, noting, for example, that “wheel hub assemblies are sold in the automotive aftermarket only whereas TRBs are sold in machinery, manufacturing, forestry, agriculture, etc. markets.”⁹³

Price: Both TRBs and wheel hub assemblies vary significantly in price, depending on the degree of complexity, tolerance, and levels of precision of the bearings. Some TRBs within the scope of this review cost as little as \$1 and others cost more than \$100,000.⁹⁴ All TRB housed units will be of a higher cost than the bearings contained within the units because of the existence of the housing and any

⁸³ CR at I-31, PR at I-28-I-29.

⁸⁴ Tr. at 57 (Russell).

⁸⁵ Tr. at 62 (Tecklenburg).

⁸⁶ CR at I-38-I-39, PR at I-29.

⁸⁷ CR at I-38, PR at I-29.

⁸⁸ CR at I-38, PR at I-29.

⁸⁹ CR at I-38, PR at I-29.

⁹⁰ Tr. at 58-59 (Russell), Tr. at 59-60 (Tecklenburg).

⁹¹ Tr. at 60 (Tecklenburg). The largest percentage of U.S. producers' U.S. shipments of standard TRBs, approximately *** percent, went to the automotive OEM market and aftermarket. CR/PR at Table I-5.

⁹² Coalition's Posthearing Brief at 5-6.

⁹³ CR at I-40-I-41, PR at I-30.

⁹⁴ Domestic Producers' Prehearing Brief at 82-83.

other elements added to facilitate the assembly of the larger product.⁹⁵ Within the scope of this product, however, there are TRB parts much smaller than a wheel hub unit that cost more than a finished TRB wheel hub assembly.⁹⁶

c. Conclusion

The record does offer some support for treating TRBs and wheel hub assemblies as separate like products. The record shows some differences between wheel hub assemblies and other types of TRBs in physical characteristics and uses, interchangeability, customer and producer perceptions, channels of distribution, and price. The pertinent issue is whether these differences are significant enough for the Commission to find a clear dividing line between TRBs and wheel hub assemblies, particularly given that the domestically produced merchandise within the scope of this review is made up of many separate products with the same general physical characteristics and functions. In cases such as this, the Commission normally does not consider each such product, notwithstanding its distinctions from other products, as a separate domestic like product that is only “like” its counterpart in the scope, but considers the continuum of products within the scope to constitute the domestic like product.⁹⁷⁹⁸

These considerations do not support treating wheel hub assemblies as a separate domestic like product. The incorporation of the wheel hub into the assembly does provide for some differences in physical characteristics from other types of TRBs as well as additional functionality and uses for the wheel hub assembly, but that does not negate the fact that all TRBs share the same physical characteristics of cups, cones, tapered rollers, and cages and that they share the same essential function of providing an antifriction element. Moreover, TRB producers are responsible for producing the wheel hub assembly, including procuring the wheel hub and incorporating it into the assembly in their manufacturing facilities. With respect to interchangeability, all TRBs, and not just wheel hub assemblies in particular, are only interchangeable with other TRBs on a part number basis, with the number of parts within the scope of this review in the tens of thousands. Customer perception is of somewhat limited use in distinguishing wheel hub assemblies from TRBs as a separate product category, given that purchasers typically buy all types of bearings by part number and are familiar only with the specifications of the particular products they purchase. There appears to be significant overlap between sales of both TRBs and wheel hub assemblies in the automotive market, as well as some overlap between the two in the industrial market. Finally, the price of any housed bearing will always be more expensive than the TRB it incorporates, and, in any event, we do not find that the value added to the TRB in producing wheel hub assemblies is predominant. Certain TRB parts within the scope cost more than a finished wheel hub assembly, given the large range of TRB pricing in the scope of this review.

Going as far back as the original investigations for this product, the Commission has stated that if it were to make distinctions based on individual sizes, specifications, or uses of bearings, it is unclear what dividing lines would be appropriate. As stated above, there is no standard industry-wide definition

⁹⁵ Consequently, the majority of market participants reported that wheel hub assemblies are higher in price than TRBs of the same size, in part because of their additional features and higher manufacturing costs. CR at I-35-I-36, PR at I-31.

⁹⁶ Domestic Producers’ Prehearing Brief at 83-84.

⁹⁷ See, e.g., Original Determinations at 7 n.14; Certain Bearings First Review Determinations at 12-13; Certain Bearings Second Review Determinations at 10; Welded Large Diameter Pipe from Japan and Mexico, Inv. Nos. 731-TA-919 and 920 (Review), USITC Pub. 3953 (Oct. 2007) at 6-8.

⁹⁸ Commissioner Pinkert finds that the TRBs within the scope – which do not simply represent continuous variation with respect to certain key specifications – are more aptly characterized as a collection of related products than as a continuum.

of a wheel hub assembly, and there has been a lack of a clear and consistent definition of a wheel hub assembly in this review. The record does not indicate that the differences between TRBs and wheel hub assemblies are any more significant than the differences between the thousands of other TRB part numbers that are within the scope of this review. Given the “continuum” nature of TRBs, we find that there is no clear dividing line between TRBs and wheel hub assemblies. Accordingly, we define a single domestic like product coextensive with the scope of this review.

III. DOMESTIC INDUSTRY

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”⁹⁹ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.¹⁰⁰ Given our definition of the domestic like product, we define the domestic industry to include all domestic producers of TRBs, as we did in the original investigations and first and second reviews.

The Commission also determines whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Act. That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or that are themselves importers.¹⁰¹

In the original investigations, the Commission did not exclude any related parties under 19 U.S.C. § 1677(4)(B), given that they either accounted for relatively small percentages of total U.S. bearings shipments by value or their performance indicators were consistent with those of the industry as a whole.¹⁰² The Commission thus found that the inclusion of data from the related producers within the domestic industry would not significantly distort the economic data or fail to provide an accurate picture of the domestic industry as a whole.¹⁰³

In the first five-year reviews, four domestic producers of TRBs were related parties due to ownership or affiliation with subject country producers/exporters of the subject merchandise, or imported subject merchandise during the period of review. No party to the first five-year reviews argued for the exclusion of any related party, and the Commission found that appropriate circumstances did not exist to exclude any related parties in those reviews.¹⁰⁴

In the second five-year review, the Commission found that only one firm, ***, qualified as a related party due to its imports of subject merchandise during the period of review, but such imports were in smaller quantities and represented a significantly smaller percentage of the firm’s U.S. production than was the case for each of the three firms that imported subject imports of TRBs during the first review

⁹⁹ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

¹⁰⁰ See, e.g., United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996).

¹⁰¹ 19 U.S.C. § 1677(4)(B).

¹⁰² Original Determinations at 9.

¹⁰³ Original Determinations at 9 n.24.

¹⁰⁴ Certain Bearings First Review Determinations at 15.

period. The Commission determined that appropriate circumstances did not exist to warrant the exclusion of any firm from the domestic industry producing TRBs as a related party.¹⁰⁵

In this review, domestic producer *** is a related party because it imported subject merchandise during the review period.¹⁰⁶ No party to this review argues that appropriate circumstances exist for excluding any domestic producer from the domestic industry.

*** produced TRBs in the United States until the end of 2008 when it became exclusively an importer of TRBs.¹⁰⁷ *** imports of subject merchandise were *** bearings in 2006, *** bearings in 2007, *** bearings in 2008, *** bearings in 2009, *** bearings in 2010, and *** bearings in 2011.¹⁰⁸ *** ratio of subject imports to domestic production was *** percent in 2006, *** percent in 2007, and *** percent in 2008.¹⁰⁹ *** ratio of operating income to net sales was *** in 2006, *** in 2007, and *** in 2008.¹¹¹ Its performance was *** the industry average in 2006 and 2008 and *** the industry average in 2007.¹¹²

We do not find that appropriate circumstances exist to exclude *** from the domestic industry producing TRBs.¹¹³ On the one hand, ***. On the other hand, it would seem anomalous to exclude a producer who ceased producing while underperforming other domestic producers, and excluding them could mask the adverse effects of subject imports on the industry even under the order.¹¹⁴ Here, *** operating margins were *** the industry average in 2006 and 2008. Accordingly, it does not appear that *** benefitted from its importation of subject merchandise. Moreover, no party has asked the Commission to exclude *** from the domestic industry. Because *** accounted for less than *** percent

¹⁰⁵ Certain Bearings Second Review Determinations at 13.

¹⁰⁶ See 19 U.S.C. § 1677(4)(B)(I); CR/PR at Table III-5. Domestic producer *** also qualifies as a related party because it imported subject merchandise from China during the review period. *** imported *** bearings in 2008, and *** bearings in 2010 and 2011, but did not import subject merchandise in any other year of the review period. CR/PR at Table III-5. *** accounted for *** percent of domestic production of TRBs in 2011 and *** on the continuation of the order. CR/PR at Table I-9. Given *** exceedingly low volumes of imports of subject merchandise as well as the fact that its ratio of subject imports to domestic production was below *** in the only years it imported subject merchandise during the review period, it appears that *** primary interest is in domestic production as opposed to importing subject merchandise, and that *** did not derive a benefit from its imports of subject merchandise. Accordingly, we find that appropriate circumstances do not exist to exclude *** from the domestic industry producing TRBs. CR/PR at Table III-5.

¹⁰⁷ CR/PR at Table III-5.

¹⁰⁸ CR/PR at Table III-5.

¹⁰⁹ CR/PR at Table III-5.

¹¹⁰ CR/PR at Table III-5 n. 6.

¹¹¹ CR/PR at Table III-9.

¹¹² CR/PR at Table III-9.

¹¹³ Commissioner Shara Aranoff and Commissioner Dean Pinkert find that appropriate circumstances exist to exclude *** from the domestic industry pursuant to the related parties provision. 19 U.S.C. § 1677(4)(B). From 2006 to 2008, *** imports of subject merchandise dwarfed its domestic production. ***. CR/PR at Table III-5 & n.6. There is no indication that *** will recommence domestic production in the reasonably foreseeable future. It ***, and signed an agreement in 2012 to acquire a company owning four manufacturing plants in China. CR at III-2, PR at III-2, CR/PR at Table I-9 and Table III-1. Commissioner Aranoff and Commissioner Pinkert find that *** principal interest has shifted from U.S. production to importation and production in other countries. They thus exclude *** from the domestic industry.

¹¹⁴ See Crystalline Silicon Photovoltaic Cells and Modules from China, Inv. Nos. 701-TA-481 and 731-TA-1190 (Preliminary), USITC Pub. 4295 (December 2011) at 15 (“we find it would be anomalous to exclude a producer’s data when that producer appears to have been driven out of business by the effects of subject imports.”).

of domestic production in 2006-2008 and then *** inclusion or exclusion of this company would not skew the data for the domestic industry.¹¹⁵

In light of the foregoing, we define the domestic industry to include all domestic producers of TRBs.¹¹⁶

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping duty order unless (1) it makes a determination that dumping is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”¹¹⁷ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”¹¹⁸ Thus, the likelihood standard is prospective in nature.¹¹⁹ The CIT has found that “likely,” as used in the five-year review provisions of the Tariff Act, means “probable,” and the Commission applies that standard in five-year reviews.¹²⁰

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”¹²¹ According to

¹¹⁵ CR/PR at Table III-1, CR/PR at Table C-1.

¹¹⁶ For the reasons noted above, Commissioner Aranoff and Commissioner Pinkert define a domestic industry that excludes *** but includes all current domestic producers of TRBs. Because *** accounted for only a small share of domestic production when it was producing TRBs, and there is no indication that it will be producing TRBs in the United States in the reasonably foreseeable future, the exclusion of *** from the domestic industry has little effect on the data pertaining to the domestic industry and does not materially affect their analysis or conclusions with respect to any of the issues that follow.

¹¹⁷ 19 U.S.C. § 1675a(a).

¹¹⁸ SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” Id. at 883.

¹¹⁹ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

¹²⁰ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

¹²¹ 19 U.S.C. § 1675a(a)(5).

the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”¹²²

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effects, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”¹²³ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, whether the industry is vulnerable to material injury if the order were revoked, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).¹²⁴ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.¹²⁵

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹²⁶ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors, as follows: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹²⁷

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.¹²⁸

In evaluating the likely impact of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and

¹²² SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

¹²³ 19 U.S.C. § 1675a(a)(1).

¹²⁴ 19 U.S.C. § 1675a(a)(1). There were no duty absorption findings in this review. *See* Memorandum entitled “Tapered Roller Bearings and Parts Thereof, finished and Unfinished, from the People’s Republic of China- Final Scope Determination on DF Machinery’s Agricultural Hub Units,” dated August 3, 2011.

¹²⁵ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

¹²⁶ 19 U.S.C. § 1675a(a)(2).

¹²⁷ 19 U.S.C. § 1675a(a)(2)(A-D).

¹²⁸ *See* 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹²⁹ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the order were revoked.¹³⁰

B. Conditions of Competition and the Business Cycle

1. The Prior Proceedings

In the original investigations of TRBs, the Commission did not make specific findings on conditions of competition and the business cycle.

In the first five-year reviews, the Commission found that demand for TRBs had grown considerably since the first investigation while the U.S. producers' U.S. market share, by value, remained at a level comparable to the original investigations.¹³¹ The Commission noted the U.S. market share held by both Chinese subject imports and non-subject imports, by value, increased from the original investigations.¹³²

The Commission found that Timken accounted for nearly all U.S. TRB production.¹³³ Additionally, the Commission explained that the U.S. TRB industry is "capital intensive" and must operate at "high capacity utilization rates."¹³⁴ The Commission further noted that TRBs consist of thousands of different part numbers. The Commission observed that TRBs of a similar type, size, and configuration "are generally interchangeable regardless of country of origin."¹³⁵

In the second five-year review, the Commission found that demand for TRBs had grown throughout the period of review.^{136 137} The Commission found that, by value, apparent U.S. consumption

¹²⁹ 19 U.S.C. § 1675a(a)(4).

¹³⁰ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885, 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Tariff Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

¹³¹ See Certain Bearings First Review Determinations at 23-24.

¹³² Id.

¹³³ Id. at 24-25.

¹³⁴ Id. at 25.

¹³⁵ Id.

¹³⁶ Certain Bearings Second Review Determinations at 14.

¹³⁷ Commissioner Pearson made individual findings on the likely conditions of competition. See "Dissenting Views of Chairman Daniel R. Pearson," Certain Bearings Second Review Determinations at 60-65.

of TRBs was higher in 2005 than in 2000.¹³⁸ The Commission found that, much like in the first reviews, demand for TRBs was driven by the demand for end use products that incorporate TRBs, and demand for those products tended to follow general economic conditions.¹³⁹ The Commission observed, however, that a wide variety of distinct industries use TRBs; thus, the TRB industry was “not characterized by a regular and measurable business cycle that might be characteristic of other industries.”¹⁴⁰

The Commission found that during the period of review there had been a consolidation of the domestic TRB industry, but the overall structure of the industry remained comparable to past periods of examination, with Timken continuing to account for a majority of U.S. production by value.¹⁴¹ The Commission noted that both domestic TRB capacity and production fell irregularly over the period of review, largely because of sharp increases in the prices for raw materials, which decreased the availability of TRBs.¹⁴² The Commission found that the domestic TRB industry remained a capital intensive industry with high fixed costs.¹⁴³

Moreover, the Commission found that TRBs were generally interchangeable regardless of country of origin so long as they were of similar type, size, and configuration.¹⁴⁴ The Commission noted that while some purchasers and importers reported that Chinese TRBs were of a lower quality and did not meet OEM standards, “a majority of responding purchasers rated domestically produced TRBs and imported TRBs from China as comparable in terms of the quality of the TRB meeting industry standards.”¹⁴⁵

2. The Current Review

a. Demand Conditions

In the second five-year review, the Commission found that demand for TRBs is driven by the demand for the end use products that use TRBs.¹⁴⁶ This continues to be true. TRBs are used in a wide range of products and industries including automotive, construction, manufacturing, aerospace, medical, and mining industries.¹⁴⁷ Demand for the products made using TRBs is typically a function of overall U.S. economic activity.¹⁴⁸ U.S. GDP declined sharply in 2008 and 2009 and increased sharply in 2010.¹⁴⁹ The IMF projects slow growth in GDP in the U.S. market from 2012 through 2017, and even slower

¹³⁸ Id.

¹³⁹ Id. at 14-15.

¹⁴⁰ Id. at 15.

¹⁴¹ Id.

¹⁴² Id.

¹⁴³ Id. at 16.

¹⁴⁴ Id.

¹⁴⁵ Id. at 17.

¹⁴⁶ Certain Bearings Second Review Determinations at 19.

¹⁴⁷ Specifically, TRBs are used in applications where it is necessary to counteract friction caused by both radial and thrust loads. TRBs are widely used in the automotive, heavy machinery, and industrial sectors in transmissions and wheel applications. CR at I-22, PR at I-20.

¹⁴⁸ CR at II-4, PR at II-3.

¹⁴⁹ CR/PR at Figure II-1.

growth for the rest of the world.¹⁵⁰ Most industry participants expect that demand for TRBs in the U.S. market will increase or fluctuate in the near future.¹⁵¹

Apparent U.S. consumption of TRBs, measured by value,¹⁵² was modestly higher in 2011 than in 2006, although it fluctuated on an annual basis. Apparent U.S. consumption of TRBs remained relatively flat from 2006 to 2008 at \$*** before falling to a period low of \$*** in 2009, then increased steadily over the next two years, reaching a period high of \$*** in 2011.¹⁵³ Apparent U.S. consumption, measured by quantity, fell from *** bearings in 2006 to *** bearings in 2009, before increasing to *** bearings in 2011.¹⁵⁴ The majority of market participants reported that demand for TRBs in the U.S. market has either increased or fluctuated since 2006.¹⁵⁵

Given the wide variety of customers and the multitude of distinct industries for which TRBs are used, we continue to find, as we did in the prior reviews, that this industry is not characterized by a regular and measurable business cycle that might be characteristic of other industries. Whereas the various industries that use TRBs in their end-use applications may be characterized by a specific business cycle, TRB producers respond to several different end-user industries and their individual business cycles. At any given time, some TRB end-user industries are likely at different positions in their business cycles than other TRB end-user industries.¹⁵⁶ The diversity of customers and industries that use TRBs limits the effects of upturns or downturns in demand from particular customers or user industries.

b. Supply Conditions

There has been some consolidation of the domestic TRB industry since the last review with SKF, a small producer of TRBs, closing operations in 2009.¹⁵⁷ The structure of the domestic TRB industry, however, remains comparable to past periods examined. The domestic TRB industry continues to be concentrated, with Timken alone accounting for *** percent of U.S. production by value.¹⁵⁸

The record shows that domestic TRB capacity increased irregularly by *** percent between 2006 and 2011, while domestic production also fell irregularly by *** percent over the same period.¹⁵⁹ As in the prior reviews, the domestic TRB industry is capital intensive.¹⁶⁰ Because of the industry's high fixed costs, production facilities must operate at high capacity utilization rates in order to maximize return on investment. The domestic industry's capacity utilization declined irregularly from a period high of ***

¹⁵⁰ CR/PR at Figure II-1.

¹⁵¹ CR/PR at Table II-3.

¹⁵² Consistent with our approach in past investigations regarding bearings, we generally rely on value measures in assessing volume factors such as apparent consumption, shipments, and imports because of the inherent risks in relying on quantity data due to product mix issues. The domestic like product and subject imports each encompass literally thousands of types of TRBs. Unit values may vary from a few cents to thousands of dollars, reflecting differences in size, manufacturing tolerances, and other variables. We have also considered quantity data in this review.

¹⁵³ CR/PR at Table C-1.

¹⁵⁴ CR/PR at Table C-1

¹⁵⁵ CR/PR at Table II-3.

¹⁵⁶ CR at II-8, PR at II-7.

¹⁵⁷ CR/PR at Table III-5.

¹⁵⁸ CR/PR at Table I-9. In the second review Timken accounted for *** of U.S. TRB production by value. Certain Bearings Second Review Determinations at 21.

¹⁵⁹ CR/PR at Table C-1.

¹⁶⁰ Domestic Producers' Prehearing Brief at 18.

percent in 2006 to *** percent in 2011.¹⁶¹ TRBs are generally produced on dedicated machinery, and a producer cannot switch production from TRBs to other types of bearings without reconfiguration of production lines, which adds to costs.¹⁶²

Throughout this review, the domestic industry, subject imports, and nonsubject imports supplied the U.S. market with TRBs.¹⁶³ The percentage of apparent U.S. consumption supplied by the domestic TRB industry declined during the period of review, falling irregularly by value from *** percent in 2006 to *** percent in 2011, and by quantity from *** percent in 2006 to *** percent in 2011.¹⁶⁴ The market share of subject imports from China by value rose irregularly from *** percent in 2006 to a period high of *** percent in 2011, and by quantity from *** percent in 2006 to a period high of *** percent in 2011.¹⁶⁵ The market share of nonsubject imports by value increased irregularly from *** percent in 2006 to *** percent in 2011, and by quantity from *** percent in 2006 to *** percent in 2011.¹⁶⁶

c. Substitutability and Other Conditions

In the prior five-year reviews, the Commission found that TRBs of a similar type, size, and configuration are generally interchangeable regardless of country of origin.¹⁶⁷ This continues to be true in this review. The majority of market participants considered U.S. and Chinese TRBs to be “always” or “frequently” interchangeable.¹⁶⁸ While some TRBs are sold as a customized product, most are sold as standard TRBs by both U.S. producers and subject importers.¹⁶⁹

Purchasers overwhelmingly listed quality and price as the most important factors influencing purchasing decisions.¹⁷⁰ Additionally, 15 out of 17 purchasers reported that price is “very important” to their purchasing decisions.¹⁷¹ Moreover, a majority of responding purchasers reported that the prices of imported TRBs from China are generally lower than those of domestically produced TRBs.¹⁷²

Fourteen out of 17 responding purchasers reported that they require suppliers of TRBs to become certified or pre-qualified for at least 95 percent of their purchases.¹⁷³ Most purchasers reported that the

¹⁶¹ CR/PR at Table C-1.

¹⁶² CR at II-3, PR at II-2.

¹⁶³ CR/PR at Table C-1.

¹⁶⁴ CR/PR at Table C-1.

¹⁶⁵ CR/PR at Table C-1.

¹⁶⁶ CR/PR at Table C-1.

¹⁶⁷ Certain Bearings Second Review Determinations at 22.

¹⁶⁸ CR/PR at Table II-7.

¹⁶⁹ Custom bearings were defined in the Commission questionnaires as those that (1) have a non-catalog number; (2) have a specific drawing number; (3) have a customer-specific part number; or (4) have been otherwise manufactured to a customer’s specific order. Standard bearings were defined as all other “off the shelf” bearings. See “General Information, Instructions, and Definitions for Commission Questionnaires” in Tapered Roller Bearings from China at 5.

¹⁷⁰ CR/PR at Table II-4; CR at II-9, PR at II-7-II-9.

¹⁷¹ CR/PR at Table II-5.

¹⁷² CR/PR at Table II-8. A majority of market participants reported that differences other than price were “sometimes” a significant factor in their purchasing decisions. CR/PR at Table II-9.

¹⁷³ CR at II-12, PR at II-10.

time necessary to qualify a supplier ranged from two days to over two and a half years.¹⁷⁴ Five of 17 responding purchasers indicated that suppliers had failed to be certified since 2006.¹⁷⁵

Between 2006 and 2011, raw material costs accounted for between *** percent of the domestic industry's cost to produce TRBs.¹⁷⁶ The chief material input to produce TRBs is bearing-quality steel bar.¹⁷⁷ Per unit raw material costs fluctuated between 2006 and 2011, increasing overall by *** percent during this period.¹⁷⁸

Based on the record of this review, we find that current conditions of competition in the U.S. TRB market are not likely to change significantly in the reasonably foreseeable future. Accordingly, in this review, we find that current conditions of competition provide us with a reasonable basis on which to assess the likely effects of revocation of the order in the reasonably foreseeable future.

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigations, the Commission found a large and stable volume and penetration of cumulated subject imports as well as declining shipments by the domestic industry.¹⁷⁹ It found that the market penetration of cumulated subject imports remained relatively stable throughout the period of investigation and that the value of the subject imports' U.S. market share increased from 8 percent in 1983 to 11 percent in 1986.¹⁸⁰

In the first reviews, the Commission found that the volume of subject TRB imports from China would likely be significant in the reasonably foreseeable future if the order was revoked.¹⁸¹ The Commission based its conclusion on the steady increase in subject TRB imports from China since the time of the original investigations, some excess capacity in China, and a finding that a significant portion of the excess capacity would be directed at the U.S. market should the order be revoked¹⁸² Furthermore, the Commission found that the Chinese producers of subject TRBs "compete at the low-end, commodity segment of the U.S. market where price is a particularly important factor in purchasing decisions" and "lower prices would have the effect of increasing [Chinese producers' U.S.] market share."¹⁸³

¹⁷⁴ CR at II-12, PR at II-10. ***. See U.S. Purchaser Questionnaire Responses, Question III-21; Domestic Producers' Posthearing Brief at 10.

¹⁷⁵ CR at II-12, PR at II-10.

¹⁷⁶ CR at V-1, PR at V-1.

¹⁷⁷ CR at V-1, PR at V-1.

¹⁷⁸ CR at V-1, PR at V-1.

¹⁷⁹ Original Determinations at 16. For the original 1987 determination on TRBs from China, the Commission cumulatively assessed the volume of imports, the effect of imports on prices in the United States, and the impact of such imports on the domestic industry from six countries: Hungary, China, Romania, Yugoslavia, Japan, and Italy. The orders on TRB imports from Yugoslavia and Italy were revoked in 1996, and the orders on TRB imports from Hungary, Japan, and Romania were revoked in 2000. See 60 Fed. Reg. 58046 (Nov. 24, 1996); 61 Fed. Reg. 52920 (Oct. 9, 1996); 65 Fed. Reg. 42665 (July 11, 2000).

¹⁸⁰ Original Determinations at 16.

¹⁸¹ Certain Bearings First Review Determinations at 27.

¹⁸² Id. at 26.

¹⁸³ Id. at 27.

In the second review, the Commission again found that the volume of subject TRB imports from China would likely be significant in the reasonably foreseeable future if the order was revoked.¹⁸⁴ ¹⁸⁵ The Commission based its conclusion on sharp increases in “China’s reported capacity to produce TRBs,” “excess capacity in China,” and the finding that “a significant portion of Chinese capacity, particularly its currently unused capacity, would be likely directed to the United States should the order be revoked.”¹⁸⁶ Moreover, the Commission found that “producers of TRBs in China are able to rapidly increase their sales to the United States absent the restraining effects of the order,” and Chinese TRB producers continue to “compete primarily in the low-end commodity segment of the U.S. TRB market where price is a particularly important factor in purchasing decisions.”¹⁸⁷ The Commission also found that it was likely that “within a reasonably foreseeable time Chinese producers will qualify for . . . sales of high-value TRBs to major U.S. customers” because Chinese producers “are already selling high-value TRBs to European and Chinese customers,” and multinational TRB producers “can use [their] Chinese operations as an export platform to the United States.”¹⁸⁸

2. The Current Review

Although subject imports have maintained a presence in the U.S. market during the period of review, their market share has been relatively low in terms of value. As domestic producers’ market share declined by *** percentage points over the period, subject imports’ market share has increased irregularly from *** percent in 2006 to a period high of *** percent in 2011, a gain of *** percentage points.¹⁸⁹ By quantity, as domestic producers’ market share declined by *** percentage points during the period, subject imports’ market share increased *** percentage points, from *** percent in 2006 to a period high of *** percent in 2011. In particular, the quantity of subject imports almost *** from 2009 to 2011, indicating that producers of TRBs in China are able to increase rapidly their sales to the United States.¹⁹⁰

The reported capacity of the responding Chinese producers of subject merchandise to produce TRBs increased sharply from *** bearings in 2006 to *** bearings in 2011.¹⁹¹ Production of subject merchandise rose irregularly from *** bearings in 2006 to *** bearings in 2011.¹⁹² In this review, the Commission received responses from 10 Chinese TRB producers covered by the order, although Domestic Producers argue that over 200 Chinese producers of TRBs are subject to the order.¹⁹³ The responding Chinese companies’ exports to the United States accounted for only *** percent of 2011

¹⁸⁴ Certain Bearings Second Review Determinations at 21.

¹⁸⁵ Commissioner Pearson found that the likely volume of subject imports would likely not be significant upon revocation. See “Dissenting Views of Chairman Daniel R. Pearson,” Certain Bearings Second Review Determinations at 66-68.

¹⁸⁶ Certain Bearings Second Review Determinations at 19.

¹⁸⁷ Id. at 20.

¹⁸⁸ Id. at 21.

¹⁸⁹ CR/PR at Table C-1.

¹⁹⁰ CR/PR at Table C-1.

¹⁹¹ CR/PR at Table IV-5.

¹⁹² CR/PR at Table IV-5. In the last review, the Commission received responses from 13 Chinese TRB producers covered by the order, but the Chinese respondent in that review, the Chamber of Commerce for Import and Export of Machinery and Electronic Products, conceded that there were at least 63 TRB producers in China, at least 51 of which are also exporters. Certain Bearings Second Review Determinations at 26.

¹⁹³ Domestic Producers’ Prehearing Brief at 25.

imports from subject Chinese producers, by quantity, based on official Commerce statistics.¹⁹⁴ Additionally, a comparison of Chinese Customs data, supplied by Global Trade Atlas, to the data provided in the questionnaire responses of Chinese producers confirms that data for a substantial portion of the Chinese TRB industry is unaccounted for in this review.¹⁹⁵

In the second review, the Commission found excess capacity in China when the subject producers' capacity utilization rate was at *** percent in 2005.¹⁹⁶ In this review, we again find excess capacity as the reporting subject producers' capacity utilization rate remained below that figure for the last three years of the review period.¹⁹⁷ Subject producers' capacity utilization rose from *** percent in 2006 to a period high of *** percent in 2008, fell dramatically to the period low of *** percent in 2009, and then rose to only *** percent and *** percent in 2010 and 2011, respectively.¹⁹⁸

We find that a significant portion of the capacity of the subject industry, particularly its currently unused capacity, would likely be directed to the U.S. market should the order be revoked.¹⁹⁹ Responding subject producers currently export approximately *** percent of their TRBs, well above the *** percent level reported in the last review.²⁰⁰ The Chinese industry's export dependence is further demonstrated by the Global Trade Atlas data showing China's growing TRB trade imbalance over the period of review, with its export surplus increasing from 107.9 million units in 2006 to 213.4 million units in 2011, and from \$99.8 million in 2006 to \$196.9 million in 2011.²⁰¹ China emerged as the world's third largest exporter of TRBs in 2011,²⁰² and total Chinese exports of TRBs more than tripled during the period of review.²⁰³ Even with the order in place, and Chinese exports to other markets increasing at a faster rate, the United States was China's single largest export market by quantity throughout the period of review,

¹⁹⁴ CR at IV-9, PR at IV-4.

¹⁹⁵ Chinese Customs data indicate that total Chinese exports to all markets in 2011 amounted to 226.6 million units with a value of \$588.2 million, while the 10 responding Chinese firms reported exporting a total of 21.9 million TRBs with a value of \$116.5 million. CR/PR at Tables IV-5 & IV-9. We recognize that the data used to compile Table IV-7 through Table IV-10 represent imports and exports for HTS heading 8482.20 (tapered roller bearings, including cone and tapered roller assemblies), which are not exactly comparable to the TRB imports subject to the scope of the review, and also may include data from the three nonsubject Chinese producers. We nevertheless find the Chinese export data probative of likely volume trends given that the trends in the Chinese export data are consistent with the trends reported by subject producers and provide a more complete picture of the Chinese TRB industry considering the lack of data reported by subject producers in this review.

¹⁹⁶ Certain Bearings Second Review Determinations at 19.

¹⁹⁷ CR/PR at Table C-1.

¹⁹⁸ CR/PR at Table IV-5.

¹⁹⁹ We do not find that the supplier qualification process is a significant impediment to significant volumes of subject imports. The supplier qualification process is not uniform, and varies on a customer-to-customer basis both as to the time required and the level of review applied. According to purchaser responses, the qualification process can be completed relatively quickly, within two days, or can take more than two and a half years to complete, depending on such factors as the intended application of the TRB, the market needs of the particular purchaser or customer, or whether the customer has an established review process. CR at II-12, PR at II-10. Even with the order in place, the qualification process has not stopped subject imports from increasing their presence in the United States to their highest levels during the period of review in 2011. CR/PR at Table C-1. Moreover, purchasers' qualification requirements have not significantly impeded the sales of TRBs in the United States by nonsubject producers in China as they have been able to increase their U.S. market share to *** percent by quantity and *** percent by value in 2011, absent the restraining effects of the order. CR/PR at Table C-1.

²⁰⁰ CR/PR at Table IV-5; Certain Bearings Second Review Determinations at 27.

²⁰¹ CR/PR at Tables IV-9 & IV-10.

²⁰² CR at IV-14, PR at IV-5.

²⁰³ CR/PR at Table IV-7.

and it was China's largest export market by value in every year except 2008.²⁰⁴ According to the Global Trade Atlas data, exports of Chinese TRBs to the United States increased from \$45.0 million to \$99.5 million by value, and from 39.9 million units to 64.7 million units over the period of review.²⁰⁵ In 2011, the United States accounted for 17 percent of Chinese exports by value and 29 percent by quantity.²⁰⁶ Moreover, even though comparisons of TRB prices in the U.S. and non-U.S. markets were sometimes difficult given the lack of published prices, the majority of responding U.S. and Chinese producers of TRBs indicated that prices were higher in the U.S. market, confirming that the United States is an attractive market for subject imports.²⁰⁷

Contrary to respondents' arguments, we find that there is significant direct competition between subject imports and domestic TRBs. As discussed in "Conditions of Competition," the majority of questionnaire responses indicated that subject imports and domestic TRBs are at least "frequently" interchangeable.²⁰⁸ Moreover, the vast majority of TRBs sold by both U.S. producers and subject importers are standard bearings, and *** of these domestically produced TRBs and *** reported subject imports were shipped to the OEM automotive sector.²⁰⁹ Timken noted that at least 54 Chinese TRB producers manufacture and sell high-volume TRB part numbers, which account for 70 percent of the volume produced in four of Timken's high-volume plants in the United States.²¹⁰

We therefore conclude, based on the record of this review, that the volume of subject TRB imports from China would likely be significant in the reasonably foreseeable future if the order is revoked.²¹¹

D. Likely Price Effects of Subject Imports

1. The Prior Proceedings

In the original investigations, the Commission found general price decreases during the period of investigation and nearly universal underselling by cumulated subject imports.²¹² The record further demonstrated that subject imports were purchased because of lower prices and that prices in the U.S.

²⁰⁴ CR/PR at Table IV-9.

²⁰⁵ CR/PR at Table IV-9.

²⁰⁶ CR/PR at Table IV-9.

²⁰⁷ CR at V-3, PR at V-2.

²⁰⁸ CR/PR at Table II-7.

²⁰⁹ CR/PR at Table I-5.

²¹⁰ Tr. at 48 (Griffith).

²¹¹ In reaching this conclusion, we have also considered existing inventories of the subject merchandise, or likely increases in inventories, the potential for product shifting by subject producers, and the existence of barriers to the importation of subject merchandise in other countries. U.S. importers' inventories of subject imports increased irregularly from *** bearings in 2006 to *** bearings in 2011. CR/PR at Table IV-3. Subject Chinese producers reported inventories fell irregularly from *** bearings in 2006 to *** bearings in 2011. CR/PR at Table IV-5. Subject Chinese producers have a limited ability to switch production between TRBs and other products, and none of the ten responding subject Chinese producers reported the ability to switch production between TRBs and other products due to a relative change in price. CR at II-4, PR at II-3. In December 2007, Russia announced antidumping duties ranging from 31.3 percent to 41.5 percent on Chinese ball and roller bearings. Domestic Producers' Prehearing Brief at 35. In June 2011, the Commission of the Customs Union of Russia, Belarus, and Kazakhstan extended the order to include Chinese exports to Belarus and Kazakhstan. Domestic Producers' Prehearing Brief at 35. There do not appear to be any other barriers to importation of subject TRBs in third countries.

²¹² Original Determinations at 16.

market were trending downward.²¹³ Moreover, the Commission found that prices had been insufficient to cover domestic producers' operating costs.²¹⁴

In the first five-year reviews, the Commission found that revocation of the antidumping duty order on China would likely lead to significant underselling by the subject imports of the domestic like product, as well as significant price depression and suppression within a reasonably foreseeable time.²¹⁵ The Commission stated that the limited pricing data collected in those reviews established uniform underselling by Chinese subject imports, with average underselling margins ranging from 57.4 percent to 65.4 percent, even with the order in place.²¹⁶ Additionally, the Commission found that the Chinese subject imports competed in the price-competitive, commodity segment of the TRB market, and that, should the order be revoked, Chinese producers would likely price aggressively to gain additional market share.²¹⁷

In the second five-year review, the Commission found that there would likely be underselling by the subject imports that, when combined with their increased volumes, would likely lead to significant adverse price effects.^{218 219} Additionally, the pricing data revealed almost uniform underselling by subject imports, with average underselling margins ranging from 61.9 percent to 72.5 percent, even with the order in place.²²⁰ The Commission explained that price was a very important factor in purchasing decisions and that the domestic like product and subject imports were substitutable; thus, the Commission determined that if the order was revoked, subject Chinese imports "would likely continue to be priced aggressively to gain market share, and would likely continue to undersell the domestic like product by substantial margins so as to significantly suppress domestic prices."²²¹ Moreover, the Commission determined that since the volume of subject imports was likely to increase significantly, subject imports would be likely to have an even larger effect on the prices of domestic like product.²²² The Commission explained that the volumes of subject imports were likely to suppress the price increases necessary to overcome the domestic industry's increasing costs. Therefore, the Commission found that the domestic industry could only maintain price levels by sacrificing volume.²²³

2. The Current Review

The Commission requested domestic producers and importers of TRBs from China to provide quarterly sales data for the total quantity and f.o.b. value of twelve TRB products shipped to unrelated U.S. customers during the period of review.²²⁴ The pricing data supplied by responding firms accounted

²¹³ Original Determinations at 16.

²¹⁴ Original Determinations at 16.

²¹⁵ Certain Bearings First Review Determinations at 27.

²¹⁶ Certain Bearings First Review Determinations at 27.

²¹⁷ Certain Bearings First Review Determinations at 27.

²¹⁸ Certain Bearings Second Review Determinations at 23.

²¹⁹ Commissioner Pearson found that revocation would not likely lead to significant price effects. See "Dissenting Views of Chairman Daniel R. Pearson," Certain Bearings Second Review Determinations at 69-70.

²²⁰ Certain Bearings Second Review Determinations at 22.

²²¹ Certain Bearings Second Review Determinations at 22.

²²² Certain Bearings Second Review Determinations at 22-23.

²²³ Certain Bearings Second Review Determinations at 23.

²²⁴ CR at V-4, PR at V-3.

for *** percent of U.S. producers' commercial shipments and *** percent of reported U.S. subject imports during the period of review.²²⁵

The available pricing data indicate that subject imports pervasively undersold the domestic like product throughout the period of review despite the order. Subject imports undersold the domestic like product in *** quarterly pricing comparisons, or *** percent of the available quarterly comparisons.²²⁶ The average underselling margin was *** percent.²²⁷

A large majority of responding purchasers indicated that price was one of the three most important factors when making a purchasing decision for TRBs.²²⁸ Moreover, a majority of market participants consider U.S. and subject TRBs from China to be "always" or "frequently" interchangeable.²²⁹ Based on these responses, we find that there is at least a moderate degree of substitution between domestically produced TRBs and the subject imports.²³⁰ Therefore, domestically produced TRBs and the subject imports compete on the basis of price.

The pervasive underselling by subject imports allowed subject imports to take both sales volume and market share away from the domestic industry during the period of review.²³¹ Moreover, U.S. consumption of TRBs rose by only *** percent by value from 2006 to 2011, and U.S. consumption of TRBs decreased *** percent by quantity over the same period.²³² At the same time, domestic producers lost *** percentage points in market share by value, and subject importers' market share by value increased *** percentage points.²³³ By quantity, domestic producers' market share fell by *** percentage points, and subject importers' market share increased by *** percentage points.²³⁴ Moreover, due to the availability of low-priced subject imports, the domestic industry chose to cede market share and focus on areas of the TRB industry where higher prices could be obtained.²³⁵

If the order were revoked, subject imports would likely continue to be priced aggressively to gain market share, and would likely continue to undersell the domestic like product by substantial margins. This pervasive underselling by subject importers would likely continue into the reasonably foreseeable future and enable subject importers to continue to gain market share at the expense of the domestic industry.

²²⁵ CR at V-5, PR at V-4.

²²⁶ CR at V-53, PR at V-6.

²²⁷ CR at V-53, PR at V-6. The underselling margins ranged from *** percent to *** percent. CR/PR at Table V-14.

²²⁸ CR/PR at Table II-4. More than 80 percent of responding purchasers listed price as one of their three most important factors for purchasing. CR/PR at Table II-4. Availability, delivery, and quality were other important purchasing factors according to domestic purchasers, with quality most frequently cited as the most important factor. CR/PR at Table II-4.

²²⁹ CR/PR at Table II-7.

²³⁰ CR at II-9, PR at II-7.

²³¹ CR/PR at Table C-1.

²³² CR/PR at Table C-1.

²³³ CR/PR at Table C-1.

²³⁴ CR/PR at Table C-1.

²³⁵ Tr. at 89-90 (Griffith). Mr. Griffith, the President and CEO of Timken, testified that "when faced with non-economic competition a domestic manufacturer has a fundamental choice . . . to either match that price because ultimately the purchasing decision is made by price or to cede that market share." Tr. at 89 (Griffith). Mr. Griffith further testified that when Timken concluded that it could no longer match those dumped prices, it was prepared to cede that market share unless its customers were willing to pay a more economic price. Tr. at 90 (Griffith).

The weighted-average f.o.b. sale prices for both domestic TRBs and subject TRBs increased over this period of review.²³⁶ As previously stated, the trends for the domestically produced product were at least to some extent a function of the industry's pricing discipline during the period. We do not believe it is likely that the domestic industry will succeed in maintaining such pricing discipline if the order is revoked in light of the likely significant volume of subject imports, their likely underselling, the importance of price in purchasing decisions for TRBs, and the price effects of low-priced subject imports in the original investigations. As a result, the subject imports will likely have significant negative price effects upon revocation of the order. We conclude that, if the order was revoked, significant volumes of subject imports would likely significantly undersell the domestically produced product and gain market share, and would likely have significant depressing or suppressing effects on the prices of the domestic like product.

E. Likely Impact of Subject Imports

1. Prior Proceedings

In the original investigations, the Commission found that the large and stable volume and penetration of the cumulated subject imports at a time of declining shipments by the domestic industry, coupled with evidence of fairly consistent underselling by imports at a time of declining U.S. prices, demonstrated that the subject imports were a cause of material injury to the domestic industry.²³⁷

In the first reviews, the Commission found that if the antidumping duty order on TRBs from China was revoked, subject imports from China would likely have had a significant adverse impact on the domestic industry within a reasonably foreseeable time.²³⁸ The Commission explained that the condition of the domestic industry had improved since the original orders were imposed in 1987; that the operating margin to sales ratio for the domestic industry went from negative during the original investigation to positive during the first period of review.²³⁹ Additionally, domestic producers' operating income increased from interim 1998 to interim 1999, and the domestic industries' production and capacity to produce TRBs both increased from 1997 to 1998.²⁴⁰ Therefore, based on the domestic industry's performance, the Commission did not find that the domestic industry was in a vulnerable state.²⁴¹ The Commission found, however, that revocation of the antidumping duty order on TRBs from China would likely "lead to a significant increase in the volume of subject imports from China that would undersell the domestic like product and significantly suppress or depress U.S. prices."²⁴² The Commission found that these developments would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry.²⁴³ According to the Commission, such a reduction in the domestic industry's production, shipments, sales, market share, and revenues would adversely

²³⁶ CR/PR at Tables V-1 through V-12, CR/PR at Figure V-1.

²³⁷ Original Determinations at 15-16.

²³⁸ Certain Bearings First Review Determinations at 28.

²³⁹ Certain Bearings First Review Determinations at 28.

²⁴⁰ Certain Bearings First Review Determinations at 28.

²⁴¹ Certain Bearings First Review Determinations at 28.

²⁴² Certain Bearings First Review Determinations at 28.

²⁴³ Certain Bearings First Review Determinations at 28.

impact the domestic industry's profitability as well as its ability to raise capital and make necessary capital investments.²⁴⁴

In the second review, the Commission found that revocation of the order on subject imports from China would likely have a significant adverse impact on the domestic industry.^{245 246} The Commission found that the domestic industry was vulnerable to material injury, basing its decision on the declines in many key industry performance indicators over the period of review.²⁴⁷ In particular, the Commission found that since U.S. demand for TRBs was unlikely to experience strong increases in the reasonably foreseeable future, the likely increases in subject import volume would "likely have the effect of exacerbating the declines in the domestic industry's capacity, production, market share, employment, and capital expenditures."²⁴⁸ Additionally, the Commission determined that, in light of the likely aggressive pricing of subject imports, the domestic industry would either need to cut prices for the domestic like product or lose sales, causing likely and significant declines in the domestic industry's operating performance.²⁴⁹ Ultimately, the Commission found that revocation of the order would likely cause a major increase in the volume of subject imports, which would in turn likely cause the domestic industry's revenues to "decline significantly" and "continue the trend of declining profitability for the industry in the reasonably foreseeable future."²⁵⁰

2. The Current Review²⁵¹

We find that imports of TRBs from subject producers in China will likely have a significant adverse impact on the performance of the domestic industry. Almost all of the domestic industry's performance indicators declined significantly from 2006 to 2009. Some of the domestic industry's performance indicators improved somewhat from 2009 to 2011, but most indicators remained at lower levels in 2011 than in 2006.

During this review period, the domestic producers' share of apparent U.S. consumption, by value, rose slightly from *** percent in 2006 to *** percent in 2007, only to drop again to *** percent in 2008.²⁵² Domestic producers' market share recovered slightly in 2009, reaching *** percent, but then it fell precipitously to *** percent in 2010, reaching the period low of *** percent in 2011.²⁵³ Overall, the domestic industry's market share fell *** percentage points, by value, over this period of review.²⁵⁴ By

²⁴⁴ Certain Bearings First Review Determinations at 28.

²⁴⁵ Certain Bearings Second Review Determinations at 25.

²⁴⁶ Commissioner Pearson found that revocation would not likely have a significant adverse impact on the domestic industry. See "Dissenting Views of Chairman Daniel R. Pearson," Certain Bearings Second Review Determinations at 70-72.

²⁴⁷ Certain Bearings Second Review Determinations at 24.

²⁴⁸ Certain Bearings Second Review Determinations at 24.

²⁴⁹ Certain Bearings Second Review Determinations at 24-25

²⁵⁰ Certain Bearings Second Review Determinations at 25.

²⁵¹ In its expedited third five-year review of the antidumping duty order on TRBs from China, Commerce found likely dumping margins of 0.03 percent for CMC, 0.11 percent for Wanxiang and Zhejiang (ZMC), 3.20 percent for Luoyang, 5.60 percent for Premier, 9.72 percent for Liaoning, and 31.05 percent for CMEC and for all other Chinese producers/exporters. CR/PR at Table I-3.

²⁵² CR/PR at Table C-1.

²⁵³ CR/PR at Table C-1.

²⁵⁴ CR/PR at Table C-1.

quantity, the domestic industry's market share decreased even more substantially, falling from *** percent in 2006 to *** percent in 2011, a loss of *** percentage points over the period of review.²⁵⁵

Although the domestic industry's capacity rose slightly over this period of review,²⁵⁶ both production quantity and capacity utilization fell as the domestic industry faced declining U.S. shipments and largely stagnant net sales.²⁵⁷ Production declined from *** bearings in 2006 to a period low *** bearings in 2009 before increasing to *** bearings in 2011, an overall production decline of *** percent.²⁵⁸ Capacity utilization followed a similar trend, dropping from a period high of *** percent in 2006 to the period low of *** percent in 2009, before increasing to *** percent in 2011, an overall decline of *** percentage points for the period.²⁵⁹

Although there were some improvements in the domestic industry's performance indicators since the period lows in 2009, it appears that those improvements largely reflect the domestic industry's decisions to cut costs and sacrifice market share in exchange for maintaining prices.²⁶⁰ The domestic industry closed several domestic facilities during the period of review: Timken closed two domestic plants in 2010, and SKF ceased all TRB production in the United States by 2009.²⁶¹ These closures led to a decline in the number of production workers from *** in 2006 to the period low of *** in 2009, before recovering slightly to *** in 2011, an overall decline of *** percent for the period.²⁶² Hours worked followed a similar trend, decreasing from 2006 to 2009 and recovering slightly from 2009 to 2011 for a total decrease of *** percent over this period of review.²⁶³ Hourly wages also declined over the period by *** percent.²⁶⁴ Additionally, the domestic industry's capital expenditures fell precipitously from 2006 to 2009 and only recovered slightly by 2011, experiencing an overall decline of *** percent during the period of review.²⁶⁵ Moreover, in the face of low-priced subject imports, the domestic industry made a conscious choice to cede market share and focus on areas of the TRB industry where it could obtain higher prices.²⁶⁶ If the order were revoked, these cost cutting measures and conscious ceding of market

²⁵⁵ CR/PR at Table C-1. Domestic producers' market share by quantity followed the same general trend as market share by value, decreasing from 2006 to 2008, recovering slightly in 2009, and then falling again throughout the remainder of the review. CR/PR at Table C-1.

²⁵⁶ Capacity increased from *** bearings in 2006 to a period high *** bearings in 2011, an increase of *** percent for the period. CR/PR at Table C-1.

²⁵⁷ Over the period of review, the domestic industry's U.S. shipments experienced a total decrease of *** percent by value and *** percent by quantity. CR/PR at Table C-1. Net sales, by value, fluctuated slightly throughout the period of review, increasing by only *** percent over the entire period. CR/PR at Table C-1. By quantity, net sales decreased by *** percent. CR/PR at Table C-1.

²⁵⁸ CR/PR at Table C-1.

²⁵⁹ CR/PR at Table C-1.

²⁶⁰ CR at III-10, PR at III-4; Tr. at 51 (Fracassa).

²⁶¹ Domestic Producers' Posthearing Brief at Pinkert 2-2. RBC closed one domestic plant in 2007. The domestic industry's inventories declined irregularly from *** bearings in 2006 to *** bearings in 2011. CR/PR at Table C-1.

²⁶² CR/PR at Table C-1.

²⁶³ CR/PR at Table C-1. The domestic industry's productivity (bearings per hour) declined irregularly from *** in 2006 to *** in 2011. CR/PR at Table C-1.

²⁶⁴ CR/PR at Table C-1. Hourly wages decreased from \$*** in 2006 to \$*** in 2008, increased to the period high of \$*** in 2009, decreased again to \$*** in 2010, and increased to \$*** in 2011. CR/PR at Table C-1.

²⁶⁵ CR/PR at Table C-1. Capital expenditures were \$*** in 2006, \$*** in 2007, \$*** in 2008, \$*** in 2009, \$*** in 2010, and \$*** in 2011. CR/PR at Table C-1.

²⁶⁶ See Domestic Producers' Posthearing Brief at 7; Tr. at 89-90 (Griffith). Timken's President and CEO testified that "when faced with non-economic competition a domestic manufacturer has a fundamental choice. The choice is

...

share would not likely be sustainable into the reasonably foreseeable future given the likely increases in the volume of low-priced subject imports.

Furthermore, any apparent improvements in the domestic industry's condition in recent years must be evaluated in light of the industry's structure. As we have previously determined, the U.S. TRB industry is capital intensive and benefits from operating at high capacity utilization rates.²⁶⁷ With the growing presence in the U.S. market of subject TRB imports from China, however, the domestic industry did not operate at high capacity utilization levels. For instance, after reaching the period low capacity utilization of *** percent in 2009, the domestic industry's capacity utilization only recovered to *** percent by 2011—still *** percentage points lower than the 2006 levels of *** percent.²⁶⁸

Even though the domestic industry experienced poor net sales performance²⁶⁹ and lost significant market share over the period of review,²⁷⁰ the domestic industry showed improvements in operating income, improving from a \$*** loss in 2006 to a \$*** profit in 2011.²⁷¹ The domestic industry's operating margin improved by *** percentage points during the period of review, from *** percent in 2006 to *** percent in 2011.²⁷² Although a majority of the domestic industry's performance indicators decreased over the period of review, the domestic industry recently showed strong financial performance. We thus do not find that the domestic industry is currently vulnerable to material injury.

Nevertheless, likely demand conditions are not sufficiently favorable that the industry could withstand significantly increased volumes of low-priced subject imports from China without likely sustaining significant adverse effects. Because projections of economic activity predict slow growth in the foreseeable future,²⁷³ U.S. demand for TRBs is unlikely to show robust increases in the reasonably foreseeable future. Therefore, any increases in subject import volume will likely have the effect of exacerbating the declines in the domestic industry's production, market share, employment, and capital expenditures in the reasonably foreseeable future if the order was revoked. Additionally, because of the likely aggressive pricing of subject imports, the domestic industry will either need to cut prices for the domestic like product or continue to lose sales and market share.²⁷⁴ Under either scenario, the domestic industry's revenues will likely decline significantly in light of the anticipated volume of subject imports, which would likely lead to future declines in the domestic industry's operating performance.

We have considered whether there are other factors that have had an impact on the domestic industry. We recognize that nonsubject imports were a factor in the U.S. market during the period

²⁶⁶ ...

to either match that price because ultimately the purchasing decision is made by price or to cede that market share.” Tr. at 89 (Griffith). Mr. Griffith further testified that when Timken concluded that it “could no longer match those dumped prices,” Timken decided that it was “prepared to cede that market share” unless its customers were willing to pay a more economic price. Tr. at 90 (Griffith).

²⁶⁷ See Certain Bearings First Review Determinations at 25.

²⁶⁸ CR/PR at Table C-1.

²⁶⁹ CR/PR at Table C-1. Domestic net sales increased only *** percent by value and decreased *** percent by quantity. CR/PR at Table C-1.

²⁷⁰ CR/PR at Table C-1. Domestic producers' market share decreased *** percentage points by value and *** percentage points by quantity during the period of review. CR/PR at Table C-1.

²⁷¹ CR/PR at Table C-1. The domestic industry's operating income fluctuated over the period of review, improving from a \$*** loss in 2006 to \$*** in 2008, before declining to a \$*** loss in 2009, and finally improving to positive \$*** in 2011. CR/PR at Table C-1.

²⁷² CR/PR at Table C-1.

²⁷³ CR at II-5, PR at II-3.

²⁷⁴ U.S. TRB demand is highly inelastic. CR at II-17, PR at II-13. Therefore, increased subject imports would not stimulate increased demand for and consumption of TRBs; rather, increased subject imports would drive down domestic TRB prices.

examined. However, even with the orders in place, subject imports gained *** percentage points of the U.S. market share by value during the period of review; concurrently, nonsubject imports from China increased their U.S. market share by value by *** percentage points, and total nonsubject imports increased their market share by value by *** percentage points.²⁷⁵ By quantity, U.S. producers lost *** percentage points of market share during the period of review while subject Chinese imports gained *** percentage points and total nonsubject imports gained *** percentage points.²⁷⁶ Despite the order, as well as the growing presence of nonsubject imports in the domestic market, subject imports were still able to gain market share, by both value and quantity, at the expense of the domestic industry.

Without the discipline of the order, the likely increase in volume of subject imports will likely significantly impact the domestic industry because of the direct competition between subject imports and domestically produced TRBs, even if nonsubject imports maintain their historical trends. Moreover, no party has argued that nonsubject imports are likely to increase significantly their penetration of the U.S. market and weaken the causal nexus between subject imports and the continuation or recurrence of material injury to the domestic industry after revocation of the order. Accordingly, we find no indication in the record that competition from nonsubject imports will likely prevent the subject imports from increasing their presence in the U.S. market and causing significant adverse effects on the domestic industry.

We therefore find that, if the antidumping duty order is revoked, subject imports from China would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on imports of TRBs from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

²⁷⁵ CR/PR at Table C-1. By value, domestic producers' market share decreased by *** percent over the period of review. CR/PR at Table C-1.

²⁷⁶ CR/PR at Table C-1.

PART I: INTRODUCTION

BACKGROUND

On August 1, 2011, the U.S. International Trade Commission (“USITC” or “Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping duty order on tapered roller bearings and certain parts thereof (“TRBs”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On November 4, 2011, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act.⁴ The tabulation on the following page presents information relating to the schedule of this proceeding.⁵

¹ 19 U.S.C. 1675(c)

² *Certain Bearings From China, France, Germany, and Italy; Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Certain Bearings From China, France, Germany, and Italy*, 76 FR 45853, August 1, 2011. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of the five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 76 FR 45778, August 1, 2011. With respect to ball bearings and parts thereof from France, Germany, and Italy, no domestic interested party filed a notice of intent to participate in response to the notice of initiation of the sunset reviews by the applicable deadlines, and Commerce therefore revoked the antidumping duty orders. *Ball Bearings and Parts Thereof From France, Germany and Italy: Final Results of Sunset Reviews and Revocation of Antidumping Duty Orders*, 76 FR 57019, September 15, 2011.

⁴ *Tapered Roller Bearings From China; Notice of Commission determination To Conduct a Full Five-Year Review*, 76 FR 72213, November 22, 2011. On November 4, 2011, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act. The Commission found that both the domestic and respondent interested party group responses to its notice of institution (76 FR 45853, August 1, 2011) were adequate.

⁵ The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in appendix A and may also be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct an expedited or full review may also be found at the web site. Appendix B presents the witnesses appearing at the Commission’s hearing.

Effective date	Action
June 15, 1987	Commerce's antidumping duty order on TRBs from China (52 FR 22667)
July 11, 2000	Commerce's continuation of the antidumping duty order after first five-year review (65 FR 42665)
September 15, 2006	Commerce's continuation of the antidumping duty order after second five-year review (71 FR 54469)
August 1, 2011	Commission's institution of the five-year review (76 FR 45853)
	Commerce's initiation of the five-year review (76 FR 45778)
November 4, 2011	Commission's determination to conduct a full five-year review (76 FR 72213, November 22, 2011)
February 23, 2012	Commission's scheduling of the review (77 FR 12326, February 29, 2012)
March 16, 2012	Commission's revised scheduling of the review (77 FR 16859, March 22, 2011)
December 6, 2011	Commerce's final results of the expedited third sunset review of the antidumping duty order (76 FR 76143)
June 19, 2012	Commission's hearing
July 31, 2012	Commission's vote
August 16, 2012	Commission's determination to be transmitted to Commerce

The Original Investigations

The original investigations resulted from petitions filed by the Timken Co. ("Timken"), on August 25, 1986, alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of TRBs from China, Hungary, Italy, Japan,⁶ Romania, and Yugoslavia. Following affirmative final determinations by Commerce and injury by the Commission, Commerce published antidumping duty orders with respect to China on June 15, 1987, Hungary and Romania on June 19, 1987, and Japan⁷ on October 6, 1987.⁸ After the final determinations, the Commission issued a negative remand determination on TRBs from Hungary that was later reversed.⁹

⁶ The petition, as it related to Japan, was filed to cover those TRBs that were not subject to a 1976 finding by the Treasury Department ("Treasury"). See part of this chapter entitled "Related Investigations" for further discussion of this finding.

⁷ The 1987 order on Japan pertained to finished TRBs and components four inches in outside diameter and under from NTN, finished TRBs and components over four inches in outside diameter, and finished and unfinished parts for all sizes of TRBs.

⁸ Commerce also issued orders on TRBs from Italy and Yugoslavia, but the orders were ultimately revoked on October 9, 1996 (61 FR 52920) and November 24, 1995 (60 FR 58046), respectively.

⁹ On December 21, 1989, the Commission made a unanimous negative remand determination on TRBs from Hungary because in July 1989, the U.S. Court of International Trade ("CIT") reversed the Commission's earlier cumulative injury determination. However, the antidumping duty orders remained in place because the U.S. Court of Appeals for the Federal Circuit reversed the CIT's remand decision on November 20, 1990.

Subsequent Five-Year Reviews

In April 1999, the Commission instituted the first five-year review on TRBs from China^{10 11} and determined on July 2, 1999 that it would conduct a full review.¹² On March 3, 2000, Commerce determined in its full review that revocation of the antidumping duty order on TRBs from China would be likely to lead to continuation or recurrence of dumping.¹³ On June 22, 2000, the Commission found that revocation of the antidumping duty order on TRBs from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁴ It also found that revocation of the antidumping duty orders on TRBs from Hungary, Japan, and Romania would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁵ Commerce published notice of the continuation of the antidumping duty order with respect to TRBs from China on July 11, 2000.¹⁶

In August 2006, the Commission completed full five-year reviews of the subject order and determined that revocation of the antidumping duty order on TRBs from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁷ Consequently, Commerce issued a continuation of the antidumping duty order on imports of TRBs from China, effective September 15, 2006.¹⁸

SUMMARY DATA

Table I-1 presents a summary of data from the original investigations, first five-year reviews, second five-year reviews, and the current full five-year reviews.

¹⁰ Included in the first five-year reviews were the then-outstanding orders on TRBs from Hungary, Japan, and Romania.

¹¹ *Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom*, 64 FR 15783, April 1, 1999.

¹² *Notice of Commission Determination to Conduct Full Five-Years Concerning the Antidumping Duty Orders on Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom*, 64 FR 38471, July 16, 1999.

¹³ *Tapered Roller Bearings From the People's Republic of China; Final Results of Full Sunset Review*, 65 FR 11550, March 3, 2000.

¹⁴ *Certain Bearings From China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom*, 65 FR 39925, June 28, 2000.

¹⁵ *Ibid.*

¹⁶ *Continuation of the Antidumping Duty Orders: Certain Bearings from France, Germany, Hungary, Italy, Japan, Singapore, the United Kingdom, and the People's Republic of China*. 65 FR 42665, July 11, 2000. Commerce also revoked the orders on TRBs from Hungary, Japan, and Romania. (65 FR 42667, July 11, 2000)

¹⁷ *Certain Bearings From China, France, Germany, Italy, Japan, Singapore, and the United Kingdom*, 71 FR 51850, August 31, 2006.

¹⁸ *Tapered Roller Bearings and Parts Thereof from the People's Republic of China and Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Continuation of Antidumping Duty Orders*, 71 FR 54469, September 15, 2006.

Table I-1
TRBs: Comparative data from the original investigations and the first, second, and third reviews, 1983-86, 1997-98 and 2000-2011

(Quantity in 1,000 units, value in 1,000 dollars, shares/ratios in percent)

Item	1983	1984	1985	1986	1997	1998	2000	2001	2002
U.S. consumption:									
Value	***	***	***	***	1,322,281	1,418,791	***	***	***
U.S. producers' share	***	***	***	***	82.3	80.2	***	***	***
U.S. importers' share:									
China ²	***	***	***	***	2.1	1.7	***	***	***
All other sources ³	***	***	***	***	15.7	18.1	***	***	***
Total imports	***	***	***	***	17.7	19.8	***	***	***
Value of U.S. imports from:									
China (subject)	989	1,751	955	830	27,242	23,837	***	***	***
All other sources:	91,574	157,830	148,081	141,711	206,617	257,060	***	***	***
Total	92,563	159,581	149,036	142,541	233,859	280,896	266,065	219,703	262,777
U.S. producers:									
Capacity quantity ^{4 5}	182,831	178,753	182,602	176,109	146,503	154,931	***	***	***
Production quantity ^{4 5}	110,200	132,708	118,419	102,531	145,267	146,863	***	***	***
Capacity Utilization ^{4 5}	52.9	66.1	57.6	51.3	94.5	90.3	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit Value	(¹)	(¹)	(¹)	(¹)	***	***	***	***	***
Ending inventory quantity ⁶	***	***	***	***	***	***	***	***	***
Inventory/total shipments	***	***	***	***	***	***	***	***	***
Production workers	7,506	9,149	7,694	6,792	***	***	***	***	***
Hours worked (1,000)	14,509	18,678	15,163	12,973	***	***	***	***	***
Wages paid (1,000 dollars)	(¹)	(¹)	(¹)	(¹)	***	***	***	***	***
Hourly wages	(¹)	(¹)	(¹)	(¹)	***	***	***	***	***
Productivity (bearings per hour) ⁷	(¹)	(¹)	(¹)	(¹)	***	***	***	***	***
Net sales	***	***	***	***	***	***	***	***	***
Cost of goods sold	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
Operating income or (loss) (value)	***	***	***	***	***	***	***	***	***
Cost of goods sold/sales (percent)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales	***	***	***	***	***	***	***	***	***

Continued from table I-1

¹ Not Available.

² ***.

³ Includes imports from countries that were subject to the original investigations and/or the first five-year reviews (Hungary, Japan, and Romania) but which are not currently subject to antidumping duty orders.

⁴ Capacity and production data exclude parts other than cups, cone assemblies, and sets (which are considered to be complete bearings). For the period 1983-86, capacity was calculated by using a simple average of cups and cone assemblies. Production was calculated using a simple average of cups and cone assemblies and then adding sets. Capacity utilization was determined by using a simple average of data presented for cups and cone assemblies.

⁵ For the period 1983-86, the capacity and production data do not include *** because of statistical discrepancies in its questionnaire response.

⁶ Inventories were calculated for 1983-86 using a simple average of cups and cone assemblies and then adding sets. Inventory data for 1997-98 and 2000-05 are for complete bearings, and exclude parts other than cups, cone assemblies, and sets of TRBs, which are treated as complete bearings.

⁷ Productivity calculated on the basis of complete bearings only.

Note.—Value-based and employment data include parts of TRBs. Unit values are calculated based on those eight HTS items for which number of bearings is reported. Ten U.S. TRB producers provided data during the original 1985-87 investigation; the 7 reporting U.S. producers for 2000-05, and the 7 reporting U.S. producers for 2006-11 are believed to account for the “majority” of TRB production in the United States. U.S. import data are derived from official Commerce statistics that were adjusted for specified years within the 2000-11 period to reflect the revocations of the TRB order for Shanghai General Bearing, Tianshui Hailin, and Wafangdian.

Source: Data for 1983-86 compiled or derived from confidential staff report INV-K-061 (May 21, 1987); data for 1997-98 compiled or derived from confidential staff report, INV-X-101, May 8, 2000; data for 2000-05 compiled or derived from confidential staff report, INV-DD-084, June 16, 2006; and data for 2006-11 compiled from responses to Commission questionnaires and official Commerce statistics, adjusted to exclude companies for which the order has been revoked.

PREVIOUS AND RELATED INVESTIGATIONS

On October 31, 1973, a complaint was filed at Treasury on behalf of domestic producers alleging that TRBs from Japan were being sold at LTFV. Treasury instituted an antidumping investigation on December 4, 1973, and on October 24, 1974, the then Tariff Commission instituted investigation No. AA 1921-143. On August 18, 1976, Treasury published a finding with respect to TRBs and certain components thereof from Japan.¹⁹

¹⁹ Treasury's finding covered “tapered roller bearings, including inner race or cone assemblies and outer races or cups, exported to and sold in the United States, either as a unit or separately, from Japan” (41 FR 34975, August 18, 1976). On August 10, 1981, Commerce published two clarifications to Treasury's finding. The first clarification applied to the size of the TRBs covered by the finding. Commerce found no evidence in the record of the investigation that indicated that Treasury or the Commission investigated any bearings over four inches in diameter. As a result, Commerce included the term “four inches or less in outside diameter” in the definition of TRBs to describe more accurately the scope of the investigation and the administrative determination (46 FR 40550, August 10, 1981). The second clarification applied to the degree of completion of imported TRBs. According to Commerce, neither the petition nor the investigation was directed at transactions involving partially manufactured merchandise. Commerce found that extensive transformation must take place before unfinished TRBs can be sold for use, and that manufacturing rather than assembly or final stage processing is required before the unfinished TRB is considered an essentially finished article. In its clarification, Commerce stated that there are major differences in physical characteristics, manner of sale, and use between finished and unfinished TRBs and, therefore, unfinished TRBs are not the same class of merchandise as finished TRBs. As a result, Commerce excluded the unfinished components of TRBs as described above from the finding of dumping (46 FR 40550, August 10, 1981). On June 15, 1982, Commerce published a revocation of the antidumping finding on TRBs, 4 inches or less in outside diameter when assembled, including inner race or cone assemblies and outer races or cups, exported to and sold in

Following receipt on June 9, 1993, of a request from the Office of the United States Trade Representative, the Commission instituted investigation No. 332-344 under section 332(g) of the Act for the purpose of analyzing the economic effects of antidumping and countervailing duty orders and suspension agreements. The Commission conducted eight case studies representing various U.S. industries, including TRBs and BBs.²⁰

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . . , (Commerce’s findings) regarding duty absorption . . .

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

the United States either as a unit or separately, from Japan, produced and sold by NTN (47 FR 25757, June 15, 1982).

²⁰ The results of the Commission’s study are presented in USITC Pub. 2900, June 1995.

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Organization of the Report

Information obtained during the course of the review that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for TRBs as collected in the review is presented in appendix C. U.S. industry data are based on the questionnaire responses of seven U.S. producers²¹ of TRBs that are believed to account for the great majority of domestic production of TRBs in 2011.²² U.S. import data and related information are based on Commerce's official import statistics²³ and the questionnaire responses of nineteen U.S. importers of TRBs that accounted for 122.1 percent of subject U.S. imports during 2011 and for 55.5 percent of U.S. imports of TRBs from nonsubject sources, by value.²⁴ Foreign industry data and related information are based on the questionnaire responses of ten producers and exporters of TRBs in China, with reported exports to the United States accounting for *** percent of subject imports. Responses by U.S. producers, importers, purchasers, and foreign producers of TRBs to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

COMMERCE'S REVIEWS

Administrative Reviews

Commerce has completed five administrative reviews of the outstanding antidumping duty order on TRBs from China.²⁵ The results of the administrative reviews are shown in table I-2.

²¹ The seven responding U.S. producers of TRBs are Amsted Rail, Koyo USA, NSK Corporation ("NSK"), NTN USA Corporation ("NTN"), RBC Bearings ("RBC"), SKF USA ("SKF"), and The Timken Company ("Timken").

²² Firms that provided data during the second review that did not respond during the current review are Nakanishi Manufacturing Company (accounted for *** percent of reported production in 2005) and NN, Inc. (accounted for *** percent of reported production in 2005). Kaydon Corporation did not respond in either the second or the current five-year sunset reviews. American Roller Bearing has not responded in the current review, but indicated in the last five-year review that it no longer manufactures TRBs in the United States.

²³ ***.

²⁴ Official import data are based on HTS subheadings 8482.20.00, 8482.91.00, 8482.99.15, 8482.99.45, 8483.20.40, and 8483.20.80. The coverage for importer questionnaire responses exceeds 100.0 percent because subject product is also covered by HTS basket subheadings 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8483.90.80, and 8708.99.80.

²⁵ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

Table I-2
TRBs: Administrative reviews of the antidumping duty order for China

Date results published (including amended results)	Period of review	Producer or exporter	Margin (percent)
January 2, 1991 (56 FR 66)	February 6, 1987 – May 31, 1988	Premier	0.97
January 2, 1991 (56 FR 66)	June 1, 1988 – May 31, 1989	Premier	0.97
December 31, 1991 (56 FR 67597) June 10, 1996 (61 FR 29346)	May 12, 1989 – May 31, 1990	CMEC	0.00
		Guizhou	0.00
		Henan	0.00
		Jilin	7.07
		Lioning	0.00
		Luoyang	1.05
	June 1, 1989 – May 31, 1990	Premier	0.60
		Shanghai General	0.00
	May 12, 1989 – May 31, 1990	All Others	2.96
December 13, 1996 (61 FR 65527) August 8, 2000 (65 FR 48478) April 23, 2001 (66 FR 20425)	June 1, 1990 – May 31, 1991	Premier	4.24
		Guizhou	2.59
		Henan	0.00
		Luoyang	1.14
		Shanghai General	0.00
		Jilin	4.21
		Chin Jun	7.07
		Wafangdian	7.07
		Liaoning	7.07
		All Others	7.07

Table continued on the next page.

Table I-2—Continued

TRBs: Administrative reviews of the antidumping duty order for China

Date results published (including amended results)	Period of review	Producer or exporter	Margin (percent)
December 13, 1996 (61 FR 65527) April 23, 2001 (66 FR 20425)	June 1, 1991 – May 31, 1992	Premier	5.25
		Guizhou	3.70
		Henan	0.14
		Luoyang	0.00
		Shanghai General	0.00
		Jilin	5.04
		Chin Jun	0.48
		Wafangdian	6.15
		Liaoning	3.47
		All others	7.07
December 13, 1996 (61 FR 65527) April 23, 2001 (66 FR 20425)	June 1, 1992 – May 31, 1993	Premier	5.25
		Guizhou	0.00
		Henan	0.00
		Luoyang	0.00
		Shanghai General	0.25
		Jilin	0.00
		Chin Jun	1.23
		Wafangdian	No sales
		Liaoning	0.73
		All others	7.07

Table continued on the next page.

Table I-2—Continued

TRBs: Administrative reviews of the antidumping duty order for China

Date results published (including amended results)	Period of review	Producer or exporter	Margin (percent)
February 11, 1997 (62 FR 6189) December 31, 2002 (67 FR 79903) March 5, 2004 (69 FR 10423)	June 1, 1993 – May 31, 1994	Premier	60.95
		Guizhou	9.06
		Henan	0.61
		Luoyang	0.57
		Shanghai General ¹	revoked (0.05)
		Jilin	60.95
		Chin Jun	10.00
		Wafangdian	13.36
		Liaoning	7.24
		CMEC	0.06
		CNAC	0.96
		Tianshui Hailin	16.55
		Zhejiang (ZMC)	10.08
		All others	60.95

Table continued on the next page.

Table I-2—Continued

TRBs: Administrative reviews of the antidumping duty order for China

Date results published (including amended results)	Period of review	Producer or exporter	Margin (percent)
February 11, 1997 (62 FR 6173) December 3, 2001 (68 FR 60196)	June 1, 1994 – May 31, 1995	Premier	2.89
		Guizhou	17.65
		Luoyang	0.00
		Jilin	29.40
		Wafangdian	29.40
		Liaoning	9.72
		CMEC	0.00
		CNAC	25.63
		Tianshui Hailin	24.17
		Zhejiang (ZMC)	3.04
		Xiangfan	0.00
		East Sea	3.60
		All others	29.40
November 17, 1997 (62 FR 61276) July 12, 2002 (67 FR 46176)	June 1, 1995 – May 31, 1996	Wanxiang	0.11
		Shandong	19.13
		Luoyang	3.84
		CMC	3.05
		Xiangfan	0.49
		Guizhou	31.05
		Zhejiang (ZMC)	0.17
		Jilin	31.05
		Liaoning	0.61
		Premier	5.60
		Peer Bearing & Chin Jun	3.07
		All others	31.05

Table continued on the next page.

Table I-2—Continued

TRBs: Administrative reviews of the antidumping duty order for China

Date results published (including amended results)	Period of review	Producer or exporter	Margin (percent)
November 17, 1998 (63 FR 63842)	June 1, 1996 – May 31, 1997	Wafangdian	0.00
		Luoyang	3.20
		CMC	0.03
		Xiangfan	33.18
		Zhejiang (ZMC)	0.11
		Wanxiang	0.00
		Liaoning	0.02
		Premier	7.22
		Chin Jun	0.05
		ZX	0.00
		All others	33.18
July 8, 1999 (64 FR 36857) January 15, 2004 (69 FR 2331)	June 1, 1997 – May 31, 1998	Luoyang	5.15
		Premier	24.55
		All others	33.18

Table continued on the next page.

Table I-2—Continued

TRBs: Administrative reviews of the antidumping duty order for China

Date results published (including amended results)	Period of review	Producer or exporter	Margin (percent)
January 10, 2001 (66 FR 1953) February 26, 2001 (66 FR 11562) April 13, 2005 (70 FR 19421)	June 1, 1998 – May 31, 1999	Zhejiang (ZMC)	0.00
		Luoyang	3.85
		CMC	0.78
		Premier	7.36
		Wafangdian	revoked
		Wehai	0.00
		All others	33.18
November 15, 2001 (66 FR 57420)	June 1, 1999 – May 31, 2000	Zhejiang	0.03
		Luoyang	0.49
		CMC	4.64
		Premier	33.18
		Wanxiang	0.00
		Tianshui Hailin	0.00
		Weihai	0.00
		All others	33.18
November 14, 2002 (67 FR 68990) December 4, 2002 (67 FR 72147)	June 1, 2000 – May 31, 2001	Zhejiang (ZMC)	0.53
		Luoyang	0.06 (de minimis)
		CMC	0.71
		Wanxiang	0.00
		Tianshui Hailin	revoked
		All others	33.18
December 18, 2003 (68 FR 70488) December 31, 2003 (68 FR 75489)	June 1, 2001 – May 31, 2002	Yantai Timken	0.00
		Peer Changshan	0.00
		All others	33.18
July 13, 2004 (69 FR 42041)	June 1, 2002 – May 31, 2003	Shanghai United	0.00
		All others	60.95

Table continued on the next page.

Table I-2—Continued

TRBs: Administrative reviews of the antidumping duty order for China

Date results published (including amended results)	Period of review	Producer or exporter	Margin (percent)
January 17, 2006 (71 FR 2517) February 24, 2006 (71 FR 9521)	June 1, 2003 – May 31, 2004	Luoyang	0.44 (de minimis)
		CMC	0.00
		Yantai Timken	41.58
December 19, 2006 (71 FR 75936)	June 1, 2004 – May 31, 2005	China National Machinery Import & Export Corporation	0.00
October 4, 2007 (72 FR 56724)	June 1, 2005 – May 31, 2006	PRC—Wide Entity	60.95
January 22, 2009 (74 FR 3987)	June 1, 2006 – May 31, 2007	Peer Bearing Company Changshan (CPZ)	92.84
		PRC—Wide Entity (including Yantai Timken)	92.84
January 6, 2010 (75 FR 844)	June 1, 2007 – May 31, 2008	Peer Bearing Company Changshan (CPZ)	24.62
January 19, 2011 (76 FR 3086)	June 1, 2008 – May 31, 2009	Peer Bearing Company – Changshan (Spungen- owned “PBCD”)	38.39
		Changshan Peer Bearing Co., Ltd. (SKF-Owned “SKF”)	14.13
		Hubei New Torch Science & Technology Co., Ltd.	0.00
January 17, 2012 (77 FR 2271)	June 1, 2009 – May 31, 2010	Changshan Peer Bearing Co., Ltd.	10.03
		Zhejiang Sihe Machine Co., Ltd.	10.03
		Xinchang Kaiyuan Automotive Bearing Co., Ltd.	10.03

Source: Cited *Federal Register* notices.

Five-Year Reviews

Table I-3 presents the antidumping duty margins calculated by Commerce in its original investigations, first, second, and third reviews.

Table I-3

TRBs: Commerce's original, first five-year, second five-year, and third five-year antidumping duty margins for producers/exporters in China

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin¹ (percent)	Third five-year review margin (percent)
CMC	0.39	0.03	0.03	0.03
Wanxiang	0.03	0.03	0.03	0.11
Zhejiang (ZMC)	4.32	0.11	0.11	0.11
Luoyang	1.05	3.20	3.20	3.20
Premier	0.97	5.43	5.43	5.60
Liaoning	0.00	9.72	9.72	9.72
CMEC	4.69	29.40	29.40	31.05
ZCCBC	29.40	0.00	0.00	(²)
All others	2.96	29.40	29.40	31.05

¹ There were two new shippers (Yantai Timken and Peer Bearing-Changshan) during the period of the second five-year review. Commerce applied the rate of 12.25 percent to Peer Bearing-Changshan for June 1, 2000 to Jan. 1, 2001 and the rate of 0.00 percent to Yantai Timken for June 1, 2000 to Nov. 30, 2000. 67 FR 10665, Mar. 8, 2002.

² In its 2003-2004 administrative review, Commerce determined ZCCBC to be a part of the PRC-wide entity rate. (71 FR 9521, February 24, 2006).

Source: Commerce's antidumping duty order (52 FR 22667, June 15, 1987), as amended by *Tapered Roller Bearings from the People's Republic of China*; Amendment to Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance with Decision Upon Remand (55 FR 6669, Feb. 26, 1990); Commerce's final results of its first full five-year review (65 FR 11550, Mar. 3, 2000); second expedited five-year review (70 FR 58383, Oct. 6, 2005); and third expedited five-year review (76 FR 76143, December 6, 2011).

THE SUBJECT MERCHANDISE

Commerce's scope

The imported product subject to the antidumping duty order under review, as defined by Commerce, is as follows:

Tapered roller bearings and parts thereof, finished and unfinished, from China; flange, take up cartridge, and hanger units incorporating tapered roller bearings; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use

Tariff treatment

The subject TRBs and parts for TRBs are primarily classified under the following HTS subheadings: 8482.20.00, 8482.91.00, 8482.99.15, 8482.99.45, 8483.20.40, and 8483.20.80. Additional parts and products that contain TRBs may also be classified under HTS subheadings 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8483.90.80, and 8708.99.80.²⁶ The general current rate of duty, applicable to products from China, for TRBs and parts thereof under subheading 8482 is 5.8 percent ad valorem. The general rates of duty on the other tariff rate lines listed above vary, ranging from 2.8 to 4.5 percent ad valorem.

THE PRODUCT

Description and Applications

Tapered roller bearings can be classified under the larger product category of antifriction bearings. Antifriction bearings are machine components that permit free motion between moving and fixed parts by holding, separating, or guiding the moving parts to minimize friction and wear. Like any antifriction bearing, a TRB is made up of four basic components—the cup, the cone, the cage, and the rollers. The cup, also called the outer ring, is the largest part of the assembly, and its inner surface is tapered to conform to the angle of the roller assembly. The cone forms the inner race of the bearing, while the cage keeps the rollers equally distributed around the cup and cone. The rollers, cage, and cone are joined together to form a cone assembly. When joined with a cup, the cone assembly and cup form a TRB set. The rolling elements transmit the physical load or force from the moving parts to the stationary support. Under normal operating conditions, the races and rolling elements carry the load, while the cage spaces and retains the rollers. TRBs provide combined radial and thrust load capability.

TRBs may also be fitted with seals or shields, which protect the bearing from contamination and extend bearing life. TRB sizes vary considerably, from a few millimeters to several meters in outside diameter. TRBs are primarily made from alloy steel; however, some bearing types and certain components may be fabricated from materials such as stainless steel, bronze, copper, ceramic, and certain plastics.

TRBs made to inch dimensions are classified by standard industry definitions published by the American Bearing Manufacturers Association (ABMA) and the American National Standards Institute (ANSI). ABMA 19.2, for example, defines the classes (classes 4, 2, 3, 0 and 00) of inch TRBs based on dimensional tolerances. Class 4 is considered the standard or most basic tolerance, and has the loosest tolerance class for bearings made to inch dimensions. Class 2 TRBs are virtually identical to Class 4 TRBs, but with certain slightly tighter tolerances and rotational accuracy for some sizes.²⁷

TRBs are used in applications where it is necessary to counteract friction caused by both radial and thrust loads. TRBs are able to withstand such combined loads while offering moderate speed capacity and heavy load capacity. The primary end market for this type of bearing is the automotive industry.²⁸ TRBs are also used extensively in the heavy machinery sector—primarily construction and agricultural equipment—as well as the railroad and general industry sectors. More specifically, TRBs are widely used in these industries in transmissions and wheel applications.²⁹

²⁶ Effective February 3, 2007, the HTSUS subheading 8708.99.80 is renumbered as 8708.99.81.

²⁷ Timken posthearing brief, p. Aranoff 4-2.

²⁸ *Certain Bearings From China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom*, Investigations Nos. AA1921 -143, 731-TA-341, 731-TA-343-345, 731-TA-391-397, and 731-TA-399 (Review), USITC Publication No. 3309, June 2000, p. TRB-1-20.

²⁹ *Ibid*, p. TRB-1-20.

Wheel hub assemblies³⁰

In this review, the Coalition of Exporters and Importers of Wheel Hub Assemblies from China³¹ have asked the Commission to treat wheel hub assemblies as a separate like product.³² Below is a brief description of wheel hub assemblies.

Although wheel hub assembly construction varies among manufacturers, the assemblies typically share certain characteristics.³³ A Generation 1 (Gen 1) wheel hub assembly typically is a double row tapered roller bearing that is pre-set to fall within certain parameters, such as internal clearance (figure 1). No adjustments are necessary when mounting the unit on a vehicle. A Gen 1 wheel hub assembly is pre-lubricated and sealed for life.³⁴

Figure 1. Gen 1 double row tapered bearing



Source: Timken, *Automotive TechTips*.

A Generation 2 (Gen 2) wheel hub assembly retains the characteristics of a Gen 1 assembly, but incorporates a flanged cup (i.e., the outer bearing ring is integrated into the flange) with threaded holes or studs that replaces the function of the hub (figure 2). A Generation 3 (Gen 3) wheel hub assembly builds on the Gen 2 assembly and has flanged inner and outer rings (figure 3) for wheel and brake rotor

³⁰ Also referred to as wheel hub units, hub unit bearings, wheel end solutions, for example.

³¹ The Coalition includes Xinchang Kaiyan Automotive Bearings Co., Ltd, Xinchang Shuangling Automotive Bearing, Zhejiang Changxing CTL Auto Parts, Zhejiang Zhaofeng Machinery Co. Ltd., Hangzhou Yonggu Auto Parts Co., Ltd, Zhejiang Sihe Machine Co. Ltd., Bosda International USA LLC, GMB North America Inc, IAP West, and Li Li Auto USA.

³² There is no standard and accepted industry-wide definition of a wheel hub assembly. In response to the Commission's draft questionnaires, the Coalition provided the following definition for wheel hub assemblies: "for purposes of this investigation, you should consider a wheel hub assembly to be a type of tapered roller bearing covered by this investigation that is finished and has one or more tapered rollers, an outer flange and, in many cases, an inner flange with a mounting face and studs onto which a vehicle wheel and a brake rotor or disc brake is mounted. A wheel hub assembly may be splined or non-splined and with or without ABS elements." In response to staff's question about the proposed definition, Timken provided and the Commission sent the following definition of wheel hub assemblies to market participants in its questionnaires and data collected on wheel hub assemblies in this review are based on this definition: "for purposes of this review, a wheel hub assembly is a type of tapered roller bearing covered by this investigation that is finished and has one or more tapered rollers, **with or without** an outer flange and, in many cases, an inner flange with a mounting face and studs onto which a vehicle wheel and a brake rotor or disc brake is mounted. A wheel hub assembly may be splined or non-splined and with or without ABS elements" (emphasis added).

³³ Information for this section is gathered from Timken, *Automotive TechTips*; SKF, *A Technician's Guide to The Next Generation of Hub Units*; NSK, *Hub Unit Bearings*; Timken, *Generation 3 Hub & Bearing Assembly*, except where noted.

³⁴ The Coalition argues that wheel hub assemblies should be defined as having one or more tapered rollers, one or two flanges, and a mounting face and studs. Coalition, posthearing brief, p. 30.

attachment and mounting the assembly to the vehicle's suspension system. According to the petitioner, "What really distinguishes a Generation III wheel hub unit from a Generation II or Generation I is the incorporation of the cup into the hub assembly itself."³⁵ Because of this integration, the petitioner claims that Gen III wheel hub assemblies can only be assembled in a bearing factory where the bearing races are produced and where antiseptic conditions characteristic of a bearing factory exist.³⁶

Figure 2. Gen 2 double flange tapered bearing



Source: Timken, *Automotive Techtips*.

Figure 3. Gen 3 double flange tapered bearing



Source: Timken, *Automotive Techtips*.

TRB wheel hub assemblies are more commonly used on vehicles with higher load factors, such as medium and heavy duty trucks, and can be attached to drive or non-drive axles.³⁷ Outer ring rotation is typically specific to non-drive axles, whereas inner ring rotation is used for both drive and non-drive axles.

These assemblies may include anti-lock braking system (ABS) sensors, which measure wheel speed. According to the petitioner, certain customers choose the bearing to locate the ABS sensor; other customers measure wheel speed outside the bearing or completely independent of the bearing.³⁸ These extra features have been integrated into the bearing assembly in response to customer requests to reduce costs.³⁹ The petitioner points out, however, that an ABS sensor is not necessary to operate a vehicle's braking system, and that the sensor attached to the wheel hub assembly can be replaced in case of failure, unlike a TRB, the failure of which requires replacement of the entire wheel hub assembly.⁴⁰ The Coalition, however, argues that if an ABS sensor fails, even though the bearing is still performing well,

³⁵ Hearing transcript, p. 109 (Stewart).

³⁶ Hearing transcript, p. 110 (Griffith).

³⁷ A drive axle (live axle) is a crossbar or assembly that supports the vehicle and also drives the wheels connected to it. The attached differential is a geared assembly that allows the transmission of motion between drive axles, giving one axle the ability to turn faster than the other. Non-driving axles (dead axles) serve only as suspension and steering components and do not transfer power to vehicle wheels.

³⁸ Hearing transcript, p. 84 (Griffith).

³⁹ Hearing transcript, p. 120 (Russell).

⁴⁰ Timken posthearing brief, p. Aranoff 3-4, 3-5.

the hub has failed.⁴¹ The Coalition believes that the entire wheel hub assembly then needs to be replaced, even if the bearing is still functioning.⁴²

Table I-4 presents the shares of shipments for a series of end-use categories for both standard and custom bearings. While some TRBs are sold as a customized product, ***. With respect to standard bearings, *** percent of domestically produced bearings and *** percent of reported subject imports were shipped to the OEM automotive segment.

Table I-4
TRBs: U.S. shipments, by standard and custom and by end-use categories, 2011¹

* * * * *

Manufacturing Processes⁴³

Like all antifriction bearings, the production of TRBs is a relatively mature and capital intensive process that involves four major steps: green machining, heat treatment, finishing, and assembly and inspection. Special bearing-grade alloy steel in the form of seamless tubing is the raw material utilized in the production of most inner and outer rings. Alloy wire, in the form of coils, is the base material for roller manufacture. There is a generally accepted minimum industry standard for steel utilized in bearings production; however, the raw material used by most bearing manufacturers exceeds this standard in quality. TRBs are generally produced on dedicated machinery, and a producer cannot switch production of TRBs to other types of bearings without reconfiguration of production lines, which adds to costs. Thus, firms cannot easily switch from producing one type of bearing to another.

Green machining is the first step in the TRB production process and refers to the machining operations performed on the raw material prior to heat treatment. For inner and outer rings, the steel tubing is machined on single or multiple screw machines. When the desired contour and shape is achieved, the inner or outer ring is sheared off the end of the tube. Green machining the inner ring involves more steps because of the complexity of the design and function of this component. The machined components are then inspected and gauged to ensure adherence to the prescribed specifications. Alternately, the process may begin with steel bar, which is processed to create rough forgings. These forgings are then green-machined, inspected, and gauged so that they are ready for heat treatment. The green machining of rollers begins with coil wire drawn into a cold header machine where the rollers are sheared in rapid succession and are “headed” or butted in a die to the desired shape.

Following the green machining process, TRB components are heat-treated to ensure durability, hardness, and shock resistance. The first step in this process, carburization, heats the green-machined components in a carbon-rich atmosphere to impregnate carbon into the surface of the product. The components are then “quenched” or immersed in an oil bath. After quenching, the carburized outside case becomes very hard, whereas the lower carbon core remains comparatively soft. The highly carburized outer layer ensures that the roller contact surfaces will be hard and wear-resistant, while the softer core enables the bearing to absorb shocks more easily. The next stage of heat treatment is applicable in the manufacture of all steel bearing parts, with the exception of cages. The components are placed in a tempering furnace and heated to very high temperatures for an extended period of time. This process

⁴¹ Hearing transcript, p. 212 (Xie).

⁴² Hearing transcript, pp. 243-4 (Fishberg, Xie, and Chang).

⁴³ This section is largely derived from *Certain Bearings From China, France, Germany, Japan, Singapore, and the United Kingdom*, Investigations Nos. 731-TA-344, 392-A and C, 393-A, 394-A, 396, and 399-A (Second Review), USITC Publication No. 3876, August 2006, p. Overview-10-12.

improves the toughness and durability of the bearing component. The components are then placed in a stamping die for reshaping, as the heating process distorts their size, and are quenched once more in an oil bath.

The third phase of production is finishing. This process consists mainly of a series of grinding and honing operations to ensure that the components are sized to the required precise tolerances and polished to ensure the smoothest possible rolling surface. Grinding is performed in a series of steps wherein the width, outside diameter, and bore of the inner and outer rings are shaped. Honing involves the polishing of the inside diameter of the outer ring and the outside diameter of the inner ring. Rollers are finished somewhat differently than are the inner and outer rings. The basic steps involve rough-grinding the roller body, grinding the roller end, finish-grinding the roller body, and roller-honing. Rollers initially pass through a number of grinding machines that remove steel from the outside diameter in order to obtain a specified size. During end-grinding, steel is removed from the large end of the roller, leaving a slightly convex shape. After final grinding and honing, the rollers are inspected, gauged, and packaged in their sequential order of production to minimize the variance of a complement of rollers in an inner ring assembly.

After the finishing process, the bearings are assembled. Cages are mounted on an assembly nest and the rollers are placed in the openings or pockets of the cage. The inner ring is then inserted into the middle of the cage. The inner and outer ring assemblies are then demagnetized, inspected, slushed with a protective anti-rust solution, and packaged for shipment.

Wheel hub assemblies require additional manufacturing, such as grinding, honing, and hard turning,⁴⁴ as they incorporate other components (e.g., housing, ABS sensor) to form the final product. According to the Coalition, wheel hub assemblies require more advanced engineering, grinding, machining, case hardening heat treatment, and thorough and very strict tests and procedures compared with single tapered roller bearings.⁴⁵

According to the petitioner, TRB producers may meet certain international quality standards that are an indicator of a producer's ability to supply quality TRBs. International Standard Organization (ISO) standards 9001:2000 and ISO 9001:2008 lay out the requirements for a quality management system that demonstrate a firm's ability to consistently provide product that "meets customer and applicable regulatory requirements and aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable regulatory requirements."⁴⁶ ISO/TS 16949 establishes the quality management system requirements for the design and development, production, installation, and service of automotive-related products, and ISO 14001 addresses environmental management system standards.⁴⁷

DOMESTIC LIKE PRODUCT ISSUES

In its original 1987 determinations concerning TRBs from China, the Commission concluded that it would not be appropriate to find multiple like products based on sizes, dimensions, physical characteristics, or uses, and therefore found a single like product consisting of tapered roller bearings and parts thereof, finished or unfinished; flange, take-up, cartridge, and hanger units incorporating TRBs; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, and whether or not for automotive use.⁴⁸ In its first five-year review determinations covering the existing

⁴⁴ Hearing transcript, p. 105 (Schall).

⁴⁵ Hearing transcript, p. 159 (Xie).

⁴⁶ Timken posthearing brief, p. Aranoff 4-3.

⁴⁷ Timken posthearing brief, p. Aranoff 4-3.

⁴⁸ *Tapered Roller Bearings and Parts Thereof and Certain Housings Incorporating Tapered Rollers from*

orders on certain bearings, the Commission found that TRBs, ball bearings (“BBs”), cylindrical roller bearings, and spherical plain bearings (“SPBs”) were separate domestic like products consistent with Commerce’s scope definition.⁴⁹ In the second five-year reviews concerning the existing orders on certain bearings, the Commission continued to define TRBs, BBs, and SPBs as separate domestic like products, coextensive with Commerce’s scope definitions for each type of bearing.⁵⁰

In its notice of institution in these current five-year reviews dated August 1, 2011, the Commission solicited statements from parties on whether they agreed with the definition of the domestic like products and domestic industries; if they disagreed with the definition, parties were to explain why and provide alternative definitions.

In their response to the notice of institution, Timken and the USW agree with the like product findings of the Commission.⁵¹ In addition, in its comments on the draft questionnaires, a coalition (“Coalition”) of exporters and importers of wheel hub assemblies from China notes that it does not believe that wheel hub assemblies are tapered roller bearings, but rather are downstream products incorporating TRBs, and that wheel hub assemblies comprise a like product separate from all other TRBs.⁵² No other interested party provided further comment on the domestic like product.

The Commission’s decision regarding the appropriate domestic product(s) that are “like” the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and (6) price. Information regarding these factors is discussed below.

Physical Characteristics and Uses

Timken contends that wheel hub assemblies are part of the continuum of tapered roller bearings with no clear dividing lines. The continuum includes 26,000 part numbers, both housed and nonhoused, with a size range of an inch to more than six feet and prices that range from a few dollars to more than \$100,000.⁵³ Because every tapered roller bearing is designed for a certain vehicle and application to resolve a particular problem, TRBs of different sizes and configurations will not share the same exact physical characteristics.⁵⁴ However, all TRBs, including wheel hub assemblies, share the same basic elements (i.e., cups, cones, rolling elements and cages) and perform the same basic functions; namely, to reduce friction among moving parts, carry loads,⁵⁵ and handle radial and thrust forces.⁵⁶ Moreover,

Hungary, the People’s Republic of China, and Romania, Investigations Nos. 731-TA-341, 344, and 345 (Final), USITC Publication 1983, June 1987, p. 9. The Commission’s first determination on TRBs from Japan contained no like product analysis. *Tapered Roller Bearings and Certain Components Thereof from Japan*, Investigation No. AA1921-143, USITC Publication 714, January 1975. The Commission’s second determination on TRBs from Japan reached the same conclusions regarding like product as were found in the above-cited investigations involving Hungary, China, and Romania. *Tapered Roller Bearings and Parts Thereof and Certain Housings Incorporating Tapered Rollers from Japan*, Investigation No. 731-TA-343 (Final), USITC Publication 2020, September 1987, pp. 3-8.

⁴⁹ *Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom*, Investigations Nos. AA1921-143, 731-TA-341, 731-TA-343-345, 731-TA-391-397, and 731-TA-399 (Review), USITC Publication No. 3309, June 2000, p. 12.

⁵⁰ *Certain Bearings from China, France, Germany, Italy, Japan, Singapore, and the United Kingdom*, Investigations Nos. 731-TA-341, 391-A, 392-A and DC, 393-A, 394-A, 396, and 399-A (Second Review), USITC Publication No. 3876, August 2006, p. 8.

⁵¹ Timken and USW, response to notice of institution, August 31, 2011, p. 33.

⁵² Coalition, comments on draft questionnaires, March 14, 2012, p. 2.

⁵³ Hearing transcript, p. 39 (Stewart).

⁵⁴ Hearing transcript, p. 56 and p. 199 (Russell) and pp. 66-7 (Tecklenburg).

⁵⁵ Hearing transcript, p. 56 (Russell) and pp. 66-7 (Tecklenburg).

⁵⁶ Timken posthearing brief, p. 13.

Timken points out that TRB wheel hub assemblies are not solely for use in automotive applications, but are also sold to wholesale distributors of power transmission products, OEMs that produce off-road construction and agricultural equipment, and aerospace components, for example.⁵⁷ With respect to ABS technology, Timken contends that it is an optional feature for Generation Two and Three wheel hub assemblies but does not change the basic function of the unit.⁵⁸

The Coalition claims that a clear dividing line exists between TRBs and wheel hub assemblies in terms of functionality and structure.⁵⁹ The Coalition argues that wheel hub assemblies and TRBs are different like products based on their physical characteristics and uses. In terms of physical characteristics, the Coalition points out that Timken's wheel hub assemblies and TRBs "could not be physically more different."⁶⁰ In addition to certain TRB components, a wheel hub assembly includes a round metal casting or forging with studs, a face for attaching to a vehicle, and a forged flange. This unit may also include ABS signaling components, brake pilots, and multi-lip seals for protection from water and debris. The Coalition also claims that a wheel hub assembly incorporates a hub or spindle.⁶¹ A TRB cartridge⁶² unit, for example, would not include any of the aforementioned parts.

With respect to function, the Coalition argues that wheel hub assemblies take on and replace the function of wheel hubs. According to the Coalition, wheel hubs transfer the drive force from the engine to the wheel and transmit brake load while also transferring the steering force to change a vehicle's direction. The flanged part of a wheel hub assembly, where a wheel or brake part is mounted, essentially replaces the wheel hub and takes on its functions, which are not required of a TRB.⁶³

The Coalition also claims that wheel hub assemblies are used exclusively on a vehicle axle for attaching a wheel, whereas TRBs have a variety of agricultural, manufacturing, and industrial end uses related to reducing friction, handling heavy loads, and/or accommodating radial and thrust loads.⁶⁴ According to the Coalition, wheel hub assemblies provide the necessary support needed to transfer the vehicle load to the tire and also provide additional capabilities crucial to a vehicle's operation, including driving torque transmission, braking torque transmission, ABS functionality, and alignment.⁶⁵

Moreover, the Coalition argues that wheel hub assemblies with ABS are substantially different and perform substantially different functionalities than those wheel hub assemblies without ABS.⁶⁶ According to one member of the Coalition, the braking function is an important safety feature that distinguishes wheel hub assemblies from tapered roller bearings. Tapered roller bearings, on the other hand, provide a motion reduction, load bearing and friction reduction.⁶⁷

In questionnaire responses, the majority of domestic producers indicated that TRBs and wheel hub assemblies do not have the same physical characteristics or end uses, citing, for example, that wheel hub assemblies are dedicated for automotive use whereas TRBs have multiple applications and that wheel hub assemblies incorporate additional features or parts (e.g., flanges, ABS components) not found on TRBs. Two domestic producers, however, found that TRBs and wheel hub assemblies share the same physical characteristics and end uses. *** noted that "...wheel hub assemblies are a type of housed bearing," and pointed to the history of Commission findings that found a single domestic industry.⁶⁸

⁵⁷ Hearing transcript, pp. 58-9 (Russell) and p. 59 (Tecklenburg).

⁵⁸ Hearing transcript, p. 56 (Stewart).

⁵⁹ Coalition posthearing brief, p. 2.

⁶⁰ Coalition, comments on draft questionnaires, March 14, 2012, p. 5.

⁶¹ Coalition, posthearing brief, p. 26.

⁶² A bearing cartridge is a self-contained modular unit that cannot be disassembled. The bearing is usually greased and covered by seals.

⁶³ Coalition posthearing brief, p. 2.

⁶⁴ Coalition, comments on draft questionnaires, March 14, 2012, pp. 6-7; hearing transcript, p. 160 (Xie).

⁶⁵ Hearing transcript, pp. 135-6 (Kong).

⁶⁶ Hearing transcript, p. 142 (Kong).

⁶⁷ Hearing transcript, p. 160 (Xie).

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The majority of the respondents to the Commission’s importer and purchaser questionnaires indicated that TRBs and wheel hub assemblies do not have the same physical characteristics and end uses. One importer noted, for example, that “.....TRB’s can be used in various components like transmissions, axles, gearboxes, etc. Wheel hub assemblies are only used to mount wheel rims but typically use multiple TRB’s.....”⁶⁹ Another importer noted that “....TRB’s consist of cup, cone, and taper roller. Hub assemblies are complete auto component{s} or part{s} that incorporates much more than just taper rollers....”⁷⁰

On the other hand, arguing that TRBs and wheel hubs have similar characteristics and end uses, an importer commented that “both products are mounted on wheel sets, however, TRBs are mounted independently and are designed for heavier loads.”⁷¹ A purchaser indicated that they have “similar material makeup, similar functionality, similar end use.”⁷²

Common Manufacturing Facilities and Production Employees

Timken contends that TRBs and TRB wheel hub assemblies are made in the same facility “with many of the components made on the same lines by the same workers.” According to Timken, because TRB wheel hub assemblies are high-volume parts, they are produced on dedicated manufacturing cells for final assembly.⁷³ Certain components, such as the hub forging, are purchased by Timken for incorporation into a wheel hub assembly. The forging requires machining, which is performed on dedicated equipment because of the volume requirements. However, the petitioner points out that the equipment used to produce wheel hub assemblies performs most of the same functions as the plant’s other manufacturing equipment (e.g., grinding, hard turning, honing).⁷⁴ Timken also points out that a large share of its workforce employed in the TRB wheel hub cells have worked in other parts of its facility.⁷⁵

According to the petitioner, about 60 percent of the value added to the product results from manufacturing the bearing surfaces, and is common to all TRBs and wheel hub assemblies.⁷⁶ Timken claims that in its examination of the costs of a double cup, cone, seals, rollers, and cage used in the production of a Gen II and Gen III wheel hub assembly, such costs accounted for as much as 60 percent of the cost of the wheel hub assemblies.⁷⁷ Although respondents indicated that the cost of the TRB represented only 5-7 percent of the value of wheel hub assemblies, Timken points out that one of the Coalition members indicated that the firm only purchases the roller for the wheel hub assembly, which, from Timken’s analysis, represents less than 5 percent of the cost of the wheel hub assembly with or without an ABS sensor.⁷⁸

The Coalition contends that given the different end uses, features, and physical characteristics of wheel hub assemblies and TRBs, it is “difficult to believe their production processes are the same as a tapered roller bearing,⁷⁹ and points out that Timken performs additional production processes and machining on wheel hub assemblies that are not necessary for TRBs.⁸⁰ According to one Chinese producer, tapered roller bearings and wheel hub assemblies with tapered roller bearing are made “...using completely different manufacturing processes and steps in which a tapered roller bearing is only one of

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⁷³ Hearing transcript, pp. 65-6 (Schall).

⁷⁴ Hearing transcript, pp. 104-5 (Schall).

⁷⁵ Hearing transcript, pp. 65-6 (Schall).

⁷⁶ Hearing transcript, pp. 105-6 (Griffith).

⁷⁷ Timken posthearing brief, p. Aranoff 3-2, 3-3.

⁷⁸ Timken posthearing brief, p. Aranoff 3-2, 3-3.

⁷⁹ Coalition, comments on draft questionnaires, March 14, 2012, p. 9.

⁸⁰ Coalition, posthearing brief, p. 9.

the component used in manufacture the wheel hub....”⁸¹ One member of the Coalition argues that wheel hub assemblies require more advanced engineering, grinding, machining, case hardening in heat treatment, and very strict tests and procedures compared with single tapered roller bearings.⁸² For example, the heat treatment required by tapered roller bearings is a full hardening quenching process, whereas wheel hub assemblies require carburization.⁸³ This producer notes that wheel hub assemblies require forged housings that attach to the vehicle wheel and also include sensors for ABS systems, unlike tapered roller bearings. In addition, wheel hub assemblies always include a rim gear that is not part of a tapered roller bearing.⁸⁴ As a result of the additional components and manufacturing operations, the Coalition estimates that the tapered roller bearing inside the wheel hub assembly accounts for 5-7 percent of the overall cost of a wheel hub assembly.

Domestic producers were evenly split on whether the manufacturing processes to produce TRBs are similar to those used to produce wheel hub assemblies. All purchasers that responded to this question agree that the manufacturing processes used to produce TRBs and wheel hub assemblies are not similar. One purchaser noted that “...different processes are needed, they are two completely different designs.”⁸⁵ Importer responses varied, with the majority of those responding to this question indicating that the manufacturing processes to produce TRBs and wheel hub assemblies are not similar. However, for those importers arguing that the manufacturing processes are similar, they noted that “both require forging, turning and grinding process(es)”⁸⁶ and that the “main operational processes are similar in nature.”⁸⁷

Interchangeability

Timken contends that once the decision is made at the vehicle design stage regarding which TRB and features will be incorporated as a wheel-end system, no other TRB can be substituted.⁸⁸ Therefore, interchangeability is extremely limited for all TRBs within or across a group.⁸⁹ In fact, no TRB part number is interchangeable with a different TRB part number, just as a wheel hub assembly with a unique part number is not interchangeable with another wheel hub assembly with a different part number.⁹⁰

The Coalition notes that wheel hub assemblies and TRBs do not appear to be interchangeable. A TRB could be a component of a wheel hub assembly, but would never be substituted for a wheel hub assembly in an end-use application and vice versa. The Coalition also points out that TRBs with the same dimensions and tolerances as those incorporated into a particular wheel hub assembly are not interchangeable with that wheel hub assembly.⁹¹ However, wheel hub assemblies that incorporate ball bearings as the anti-friction component are often interchangeable with wheel hub assemblies that use tapered rollers as the anti-friction component.⁹²

Domestic producers responding to the questionnaire largely agreed that TRBs and wheel hub assemblies are not interchangeable. One domestic producer, however, indicated that TRB wheel hub assemblies are TRBs, and are thus necessarily interchangeable.⁹³ All importers and purchasers that responded to the question of whether TRBs and wheel assemblies are interchangeable indicated that they

⁸¹ Hearing transcript, pp. 133-4 (Kong).

⁸² Hearing transcript, p. 159 (Xie).

⁸³ Hearing transcript, p. 135 (Kong).

⁸⁴ Hearing transcript, pp. 134-5 (Kong).

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⁸⁸ Hearing transcript, p. 57 (Russell).

⁸⁹ Hearing transcript, p. 62 (Tecklenburg).

⁹⁰ Timken posthearing brief, p. 13.

⁹¹ Coalition posthearing brief, p. 4.

⁹² Coalition, comments on draft questionnaires, March 14, 2012, p. 7.

⁹³ ***.

were not. For example, one importer stated that "...TRBs and wheel hub assemblies are mounted differently and designed for different load weights,"⁹⁴ and a purchaser noted that TRBs and wheel hub assemblies have "different technical functions."⁹⁵

Table I-5 presents a tabulation of U.S. producers', U.S. importers', and U.S. purchasers' responses to whether or not TRBs and wheel hub assemblies are interchangeable.

Table I-5
TRBs: Firms reporting of the degree of similarity between TRBs and wheel hub assemblies in terms of interchangeability

Reporting firms	Number of firms reporting--		
	No familiarity	Interchangeable	Not Interchangeable
U.S. producers	1	1	5
U.S. importers	5	1	13
U.S. purchasers	0	0	17

Source: Compiled from data submitted in response to Commission questionnaires.

Customer and Producer Perceptions

Timken argues that once an automotive OEM decides whether to incorporate a TRB or a TRB wheel hub assembly in a new vehicle, no other TRB or wheel hub assembly will work in that application. The same is true in the aftermarket, where an end user will replace a TRB or wheel hub assembly with the same part number.⁹⁶

Coalition members consider a wheel hub assembly to be a finished automobile part rather than a TRB. According to the Coalition, wheel hub assemblies are used for different purposes and sold in different channels of distribution than housed or other TRBs. Moreover, the Coalition points out that Timken, on its web site, identifies wheel hub assemblies as integrated bearing assemblies rather than roller bearings or housed units.⁹⁷ A Coalition member further notes that "businesses operating in our market consider wheel hub assemblies to be a finished auto part. We simply do not regard wheel hub assemblies to be tapered roller bearings. Wheel hub assemblies are not viewed by distributors, wholesalers, retailers, purchasers and end users as tapered roller bearings."⁹⁸

All but one domestic producer responding to the questionnaire agreed that customers perceive TRBs and wheel hub assemblies as different products. One domestic producer noted the design of the end product dictates which type of TRB wheel hub assembly or TRB housed unit will be purchased and used by the customer, and that other types of TRBs will not fit the application or be used.⁹⁹ All but one purchaser and importer of those responding indicated that customers perceive TRBs and wheel hub assemblies as different products. One purchaser, for example, stated that "TRBs have cup/cone separately, but the Hub is a unitized assembly – customers would perceive them as very different items."¹⁰⁰

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⁹⁶ Timken, posthearing brief, p. 14.

⁹⁷ Coalition, comments on draft questionnaires, March 14, 2012, p. 8.

⁹⁸ Hearing transcript, p. 176 (Bearden).

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Table I-6 presents a tabulation of U.S. producers', U.S. importers', and U.S. purchasers' responses to whether or not customers and producers perceive TRBs to be similar to wheel hub assemblies.

Table I-6
TRBs: Firms reporting of the degree of similarity between TRBs and wheel hub assemblies in terms of customer and producer perceptions

Reporting firms	Number of firms reporting--		
	No familiarity	Similar	Not similar
U.S. producers	1	1	5
U.S. importers	4	2	13
U.S. purchasers	0	3	14

Source: Compiled from data submitted in response to Commission questionnaires.

Channels of Distribution

Timken contends that its wheel hub assemblies are sold through OEM and aftermarket distribution channels for automotive and industrial applications.¹⁰¹ Timken argues that TRB wheel hub units or assemblies are sold to OEM customers and their TRB suppliers in the automotive sector, not just in the automotive aftermarket, as claimed by the Coalition.¹⁰² It also notes that TRB wheel hub assemblies and other TRBs designed for automotive applications, such as single roll TRBs, move through the same automotive aftermarket channel of distribution.¹⁰³

The Coalition states that wheel hub assemblies are not advertised or sold in the same distribution channels as TRBs.¹⁰⁴ The Coalition contends that TRBs are sold mainly through industrial equipment suppliers or power transmission outlets, whereas wheel hub assemblies are sold almost exclusively through automotive outlets.¹⁰⁵ According to the Coalition, other bearing distributors and distributors of power transmission equipment may be significant outlets for tapered roller bearings to end users, whereas Auto Zone, Carquest, NAPA and other auto parts retailers are the main outlets for sales of wheel hub assemblies to end users.¹⁰⁶

Domestic producers were evenly split on whether TRBs and wheel hub assemblies share the same channels of distribution. Purchasers and importers generally agree that TRBs and wheel hub assemblies do not share the same channels of distribution, noting, for example, that "wheel hub assemblies are sold in the automotive aftermarket only whereas TRBs are sold in machinery, manufacturing, forestry, agriculture, etc. markets."¹⁰⁷ On the other hand, one purchaser argued that "both are delivered to *** depots and distribution centers to deal{er}s and customers as ordered."¹⁰⁸

Table I-7 presents a tabulation of U.S. producers', U.S. importers', and U.S. purchasers' responses to whether or not TRBs and wheel hub assemblies share similar channels of distribution.

¹⁰¹ Timken posthearing brief, p. 13.

¹⁰² Hearing transcript, p. 58 (Russell).

¹⁰³ Hearing transcript, p. 59 (Tecklenburg).

¹⁰⁴ Coalition, posthearing brief, p. 5.

¹⁰⁵ Coalition, posthearing brief, p. 5.

¹⁰⁶ Hearing transcript, p. 161 (Xie).

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Table I-7

TRBs: Firms reporting of the degree of similarity between TRBs and wheel hub assemblies in terms of channels of distribution

Reporting firms / product comparison	Number of firms reporting--		
	No familiarity	Similar	Not similar
U.S. producers	1	3	3
U.S. importers	5	5	9
U.S. purchasers	3	5	9

Source: Compiled from data submitted in response to Commission questionnaires.

Price

Timken argues that TRBs can be higher priced than wheel hub assemblies, and cites as an example one of its single row TRB cone assemblies that is priced higher than a Chinese wheel hub assembly.¹⁰⁹ Timken further points out that TRB parts may cost more than a finished wheel hub assembly.¹¹⁰

The Coalition claims that wheel hub assemblies are sold at higher prices than TRBs. The Coalition argues that the additional content and manufacturing associated with wheel hub assemblies result in higher prices.¹¹¹ According to the Coalition, because tapered roller bearings are only one of the components used in the manufacture of wheel hub assemblies, the production cost of wheel hub assemblies and their price will necessarily be far higher than those for tapered roller bearings.¹¹² According to a Coalition member, the tapered roller bearing in a wheel hub assembly “often is a small percentage of the overall cost of the wheel hub assembly price.”¹¹³

Most domestic producers reported that wheel hub assemblies are higher in price than TRBs of the same size, in part because of their additional features and higher manufacturing costs. Despite this general agreement, one domestic producer stated that “higher precision TRBs without housings can cost significantly more than TRB wheel hub assemblies with TRBs of the same size but lower precision rating.”¹¹⁴ Moreover, this domestic producer noted that “the comparison appears meaningless as all TRB housed units will be higher cost than the bearings contained in the unit...”¹¹⁵ Another domestic producer, however, noted that TRB prices were higher, explaining that “different market structures and higher production costs result in higher prices.”¹¹⁶ The majority of importers and purchasers responding to this question indicated that wheel hub assemblies are higher in price than TRBs of the same size.

Table I-8 presents a tabulation of U.S. producers’, U.S. importers’, and U.S. purchasers’ responses to whether or not TRBs and wheel hub assemblies are priced similarly.

¹⁰⁹ Hearing transcript, pp. 63-4 (Tecklenburg).

¹¹⁰ Timken posthearing brief, p. 15.

¹¹¹ Coalition, comments on draft questionnaires, March 14, 2012, p. 8.

¹¹² Hearing transcript, p. 136 (Kong).

¹¹³ Hearing transcript, p. 161 (Xie).

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¹¹⁵ ***.

¹¹⁶ ***.

Table I-8**TRBs: Firms reporting the degree of similarity between TRBs and wheel hub assemblies in terms of price**

Reporting firms / product comparison	Number of firms reporting--			
	No familiarity or no response	No price difference	TRB prices higher	Wheel hub assembly prices higher
U.S. producers	2	0	1	4
U.S. importers	5	1	2	11
U.S. purchasers	1	2	2	12

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. MARKET PARTICIPANTS

U.S. Producers

At the time of the original investigations, there were nine responding U.S. producers of TRBs while 12 firms reported producing TRBs in the United States during the period of the first five-year review, and seven reported producing TRBs in the United States during the period of the second five-year review. In the current proceeding, the Commission issued U.S. producers' questionnaires to 14 firms, seven of which provided the Commission with information on their TRBs operations. These firms are believed to account for the majority of U.S. production of TRBs in 2011.

The structure of the U.S. industry is comparable to the last period examined with Timken, the world's largest producer of TRBs, producing the bulk of TRBs in the United States. Timken accounted for *** percent of the value of reported U.S. producers' U.S. shipments of TRBs in 2011; in 2005, it accounted for *** percent of the value of reported U.S. producers' U.S. shipments of TRBs. Presented in table I-9 is a list of current domestic producers of TRBs and each company's position on continuation of the orders, production location(s), related and/or affiliated firms, and share of reported production of TRBs in 2011.

Table I-9**TRBs: U.S. producers, positions on the orders, U.S. production locations, related and/or affiliated firms, and shares of 2011 reported U.S. production**

Firm	Position on continuation of the orders	U.S. production location(s)	Related and/or affiliated firms	Share of production (percent)
Amsted Rail Company, Inc.	***	Petersburg, VA	***	***
Koyo Corporation ¹	***	Westlake, OH	***	***
NSK Corporation	***	Ann Arbor, MI	***	***
NTN USA	***	Mount Prospect, IL	***	***
RBC Bearings Inc.	***	Oxford, CT	***	***
SKF USA Inc.	***	Lansdale, PA	***	***

Table continued on next page.

Table I-9--Continued

TRBs: U.S. producers, positions on the orders, U.S. production locations, related and/or affiliated firms, and shares of 2011 reported U.S. production

Firm	Position on continuation of the orders	U.S. production location(s)	Related and/or affiliated firms	Share of production (percent)
Timken	Support	Canton, OH Altavista, VA Asheboro, NC Bucyrus, OH Canton, GA Gaffney, SC Honea Path, SC Lincolnton, NC Mascot, TN New Philadelphia, OH Pulaski, TN Union, SC Winchester, KY	***	***
1 *** 2 ***				

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in the table above, three U.S. producers, ***, are related to foreign producers of the subject product. ***.

U.S. Importers

In these current proceedings, the Commission issued importers' questionnaires to 24 firms believed to be importers of TRBs, as well as to all U.S. producers of TRBs. Usable questionnaire responses were received from 18 companies, representing 114.0 percent of subject imports from China during 2011.¹¹⁷ Table I-10 lists all responding U.S. importers of TRBs from China and other sources, their locations, and their shares of U.S. imports in 2011.

Table I-10

TRBs: U.S. importers, source(s) of imports, U.S. headquarters, and share of reported quantity of imports in 2011

* * * * *

¹¹⁷ As mentioned previously, official import data are based on HTS subheadings 8482.20.00, 8482.91.00, 8482.99.15, 8482.99.45, 8483.20.40, and 8483.20.80. The coverage for importer questionnaire responses exceeds 100.0 percent because subject product is also covered by HTS basket subheadings 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8483.90.80, and 8708.99.80.

U.S. Purchasers

The Commission sent purchasers' questionnaires to 55 purchasers believed to have purchased TRBs since 2006. Questionnaire responses were received from 19 purchasers, with 17 reporting that they had purchased TRBs since January 1, 2006. Eleven of the responding purchasers reported that they were end users and eight purchasers reported being distributors.

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of TRBs during 2006-2011 are shown in table I-11.

Table I-11

TRBs: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2006-11

* * * * *

U.S. MARKET SHARES

U.S. market share data are presented in table I-12.

Table I-12

TRBs: U.S. consumption and market shares, 2006-11

* * * * *

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

MARKET CHARACTERISTICS

A wide variety of industries demand TRBs, and that demand has fluctuated since 2006. There are multiple U.S. suppliers of TRBs as well as major import sources. Purchasers include major automotive and agricultural equipment manufacturers. Some TRBs are sold to U.S. defense industries that may have U.S.-made requirements as specified in the Defense Federal Acquisition Regulation (“DFAR”).

Geographic markets

All but one responding U.S. producer and about half of the responding U.S. importers reported selling TRBs nationally. All but one responding importer reported selling to the Midwest and about half of the responding importers reported selling to the Mountain and Pacific Coast regions.

CHANNELS OF DISTRIBUTION

U.S. producers and subject importers ship the vast majority of TRBs to end users, with at least 76 percent of shipments going to end users in 2011 (see table II-1). The remainder of shipments of TRBs is to distributors.

Table II-1

Taped roller bearings: Channels of distribution for domestic product and U.S. imports sold in the U.S. market as a share of U.S. shipment quantities, by year and by source, 2006-11

* * * * *

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, U.S. producers have the ability to respond to changes in demand with relatively large changes in the quantity of shipments of U.S.-produced TRBs to the U.S. market. The main contributing factors to a high degree of responsiveness are the availability of excess capacity, an ability to ship to other markets, and the ability to use inventories.

Industry capacity

U.S. producers of TRBs have available capacity with which they could increase production of TRBs. Based on U.S. producers’ reported capacity and production of TRBs, the domestic industry’s capacity utilization fluctuated during 2006-11, decreasing from *** percent in 2006 to *** percent in 2009 before increasing to *** percent in 2011. This decline was due to domestic production declining by *** percent and U.S. producers’ capacity increasing by *** percent between 2006 and 2011.

Alternative markets

U.S. producers of TRBs have the ability to shift shipments between the United States and other markets in the short run in response to price changes. U.S. producers’ total reported exports of their U.S.-produced TRBs increased from *** percent of U.S. producers’ total shipments in 2006 to *** percent in

2011. This was due to both an increase in the value of export shipments of *** percent and a decline in the value of U.S. shipments of *** percent.

Inventory levels

U.S. producers have the ability to use inventories to respond to price changes. U.S. producers reported end-of-period inventory quantities that fluctuated during 2006-11, increasing from *** percent of their total shipments in 2006 to *** percent in 2009 and decreasing to *** percent of shipments in 2011.

Production alternatives

U.S. producers have a limited ability to switch production between TRBs and other products. None of the seven responding U.S. producers reported producing other products on the same equipment and with the same labor used to produce TRBs. In addition, only one of seven U.S. producers reported an ability to shift production between TRBs and other products from a relative change in price. U.S. producer *** indicated that a small portion of their equipment can be used for other products with additional cost for material handling and tooling. Another producer (***) indicated that the vast majority of TRBs are less than 24" in outside diameter, and are produced on dedicated equipment that could not readily be switched. However, it added that TRBs over 24" are produced on equipment that can produce other bearing types.

Supply of Subject Imports

Based on available information, subject Chinese producers have the ability to respond to changes in demand with relatively large changes in the quantity of shipments of Chinese-produced TRBs to the U.S. market. The main contributing factors to the high degree of responsiveness are the availability of excess capacity, an ability to ship to other markets, and the ability to use inventories.

Industry capacity

Subject Chinese producers have the ability to increase production of TRBs in response to a price change. Reported capacity utilization fluctuated during 2006-11, decreasing overall from *** percent in 2006 to *** percent in 2011. This decrease was due to capacity increasing by *** percent between 2006 and 2011, while production only increased by *** percent.

Inventory levels

Subject Chinese producers have the ability to use inventories as a means to increase shipments to the U.S. market in response to a change in price. Subject Chinese producers' inventories, relative to total shipments, fluctuated between during 2006-11, declining overall from *** percent in 2006 to *** percent in 2011.

Alternative markets

Subject Chinese producers have a large home market and substantial third-country markets from which they may be able to shift shipments of TRBs to the United States in the event of a price change in the U.S. market. Subject Chinese producers' export shipments to the United States, as a share of total shipments of TRBs, decreased from *** percent in 2006 to *** percent in 2011.

Production alternates

Subject Chinese producers have a limited ability to switch production between TRBs and other products. Only three of the ten responding subject Chinese producers reported producing other products on the same equipment and with the same labor used to produce TRBs. Chinese producer *** reported that it has produced *** at just one plant where it also produced TRBs. Chinese producers *** reported producing ball wheel hub assemblies on the same equipment. In addition, none of ten Chinese producers reported an ability to shift production between TRBs and other products from a relative change in price.

U.S. Demand

Based on available information, it is likely that changes in the price level of TRBs would result in small changes in the quantity of TRBs demanded. The main contributing factor to the small degree of responsiveness of demand is the lack of substitutability of other products for TRBs, as well as the low share of TRBs in the overall costs of end use products.

Demand Characteristics

TRB demand is driven primarily by the manufacture of machinery and equipment in many industries. Almost all purchasers indicated that end uses have not changed since 2006 and do not anticipate end uses changing in the future. Demand for the final products made using TRBs is typically a function of overall U.S. economic activity.

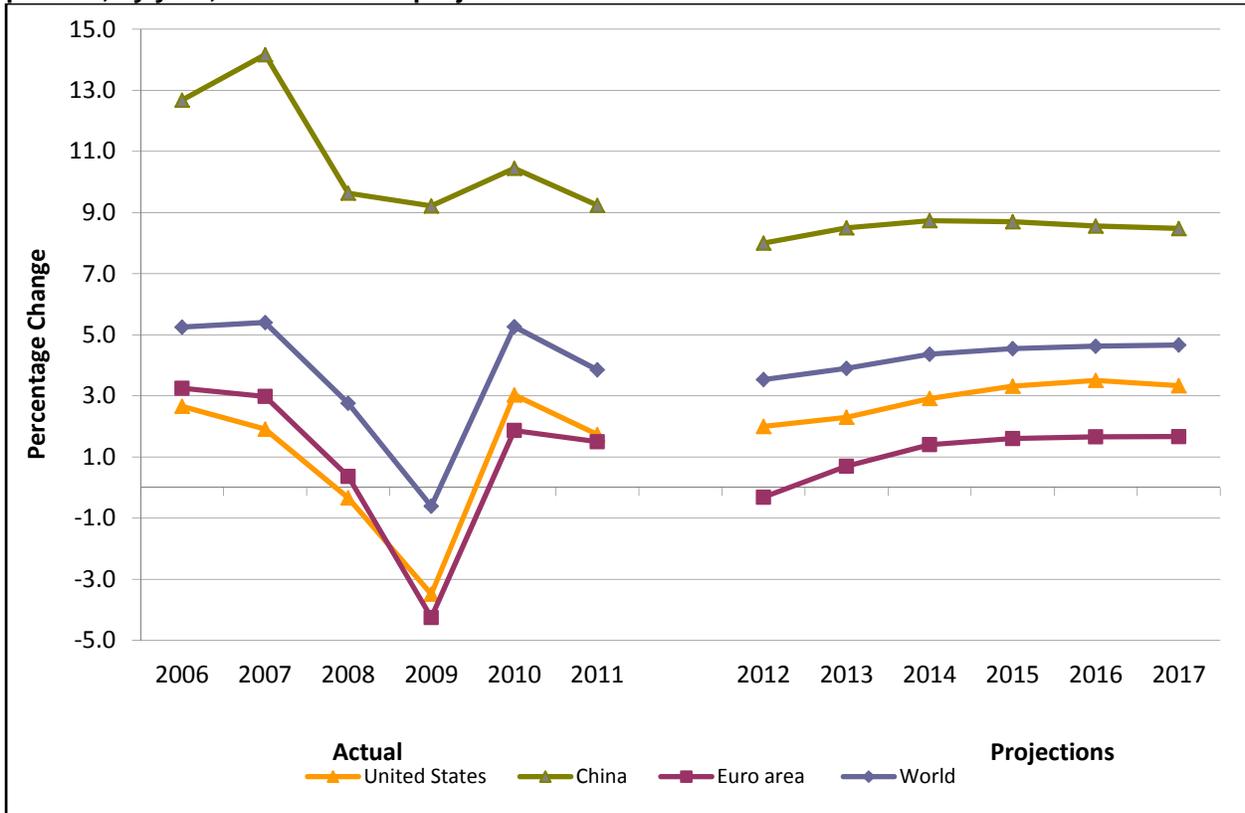
Fluctuations in the general economy have caused TRB demand to fluctuate. As shown in figure II-1 and table II-2, annual real growth in U.S. GDP declined sharply in 2008 and 2009 and increased sharply in 2010. Global and Euro area growth followed a similar pattern, while growth in China fell sharply in 2008 and fluctuated slightly in the following years. IMF projections show growth increasing in the U.S. market in 2012 through 2017. Growth in China is projected to fall in 2012 and fluctuate between 2012 and 2017, decreasing compared to 2011. Growth in the Euro area is projected to fall in 2012, but increase slightly by 2017 compared to 2011.

Demand Trends

At least 65 percent of responding U.S. producers, importers, purchasers, and Chinese producers indicated that demand in the U.S. market and other markets has either increased or fluctuated since 2006 (table II-3). Many firms attributed changes in demand to the recession in 2008 and changes in demand in sectors that use TRBs. At least 60 percent of responding producers, importers, purchasers, and Chinese producers anticipate that demand for TRBs in the U.S. and other markets will increase or fluctuate, and no more than 17 percent anticipate that demand will decrease.

The only firms that reported that demand decreased or anticipate demand to decrease were ***. *** indicated that demand decreased because more TRBs are being purchased in Korea and China and is anticipated to decrease in the future because suppliers located in the United States have manufacturing capability in Korea and are utilizing their facilities.

Figure II-1
Real GDP growth for China's major markets and the world, percentage change from previous periods, by year, 2006-2011 and projected 2012-13 and 2017



Source: IMF, World Economic Outlook Database, April 2012 Edition, <http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/index.aspx>, retrieved June 26, 2012 and World Economic Outlook Update, July 16, 2012, <http://www.imf.org/external/pubs/ft/weo/2012/update/02/>.

Table II-2

Real GDP growth for China's major markets and the world, percentage change from previous periods, by year, 2006-2011 and projected 2012-13 and 2017

Countries	Actual						Projected		
	2006	2007	2008	2009	2010	2011	2012	2013	2017
Annual percentage real GDP growth									
Brazil	4.0	6.1	5.2	-0.3	7.5	2.7	2.5	4.6	4.1
China	12.7	14.2	9.6	9.2	10.4	9.2	8.0	8.5	8.5
France	2.7	2.2	-0.2	-2.6	1.4	1.7	0.3	0.8	2.0
Germany	3.9	3.4	0.8	-5.1	3.6	3.1	1.0	1.4	1.3
India	9.5	10.0	6.2	6.6	10.6	7.2	6.1	6.5	8.1
Italy	2.2	1.7	-1.2	-5.5	1.8	0.4	-1.9	-0.3	1.2
Japan	1.7	2.2	-1.0	-5.5	4.4	-0.7	2.4	1.5	1.1
Netherlands	3.4	3.9	1.8	-3.5	1.6	1.3	-0.5	0.8	1.9
Singapore	8.8	8.9	1.7	-1.0	14.8	4.9	2.7	3.9	4.0
United Arab Emirates	8.8	6.6	5.3	-3.3	0.9	4.9	2.3	2.8	3.7
United States	2.7	1.9	-0.3	-3.5	3.0	1.7	2.0	2.3	3.3
Euro area	3.3	3.0	0.4	-4.3	1.9	1.5	-0.3	0.7	1.7
World ¹	5.2	5.4	2.8	-0.6	5.3	3.9	3.5	3.9	4.7

Source: IMF, World Economic Outlook Database, April 2012 Edition, <http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/index.aspx>, retrieved June 26, 2012 and World Economic Outlook Update, July 16, 2012, <http://www.imf.org/external/pubs/ft/weo/2012/update/02/>.

Table II-3

TRBs: U.S. producer, importer, and purchaser responses regarding the demand for TRBs in the United States since 2006

Item	Number of firms reporting			
	Increase	No Change	Decrease	Fluctuate
Demand trends since 2006				
U.S. Market:				
U.S. producers	3	0	1	2
Importers	6	3	2	6
Purchasers	3	5	1	8
Chinese producers	1	1	1	3
Non U.S. Markets:				
U.S. producers	4	0	1	2
Importers	7	4	1	5
Purchasers	5	5	0	6
Chinese producers (Chinese market)	5	0	1	1
Chinese producers (Non-Chinese market)	5	0	1	1
Anticipated demand				
U.S. Market:				
U.S. producers	3	1	1	1
Importers	7	3	2	4
Purchasers	4	5	1	4
Chinese producers	2	1	1	2
Non U.S. Markets:				
U.S. producers	3	1	0	2
Importers	7	3	0	5
Purchasers	5	5	0	5
Chinese producers (Chinese market)	5	0	1	1
Chinese producers (Non-Chinese market)	3	1	1	2

Source: Compiled from data submitted in response to Commission questionnaires.

Nonetheless, the decline in the quantity of U.S. apparent consumption and the relatively inelastic demand for TRBs suggest that U.S. demand decreased since 2006. The quantity of U.S. apparent consumption fluctuated between 2006 and 2011, decreasing overall by *** percent.

Just over half of the responding purchasers indicated that demand for their firm's final products incorporating TRBs fluctuated since 2006 and about half of the responding purchasers indicated that changes in demand for their final products affected demand for TRBs.

Business Cycles

Some firms reported the U.S. market for TRBs is subject to business cycles or conditions of competition other than the general business cycle. Three of six responding producers, five of 18 importers, and five of 17 purchasers reported such cycles. Several firms indicated that the market for TRBs is affected by changes in other industries, such as the general manufacturing, agricultural equipment, construction, rail, and automobile industries. One producer cited the price of Chinese imports of TRBs. Almost all these firms also indicated that these business cycles/conditions of competition have changed since 2006. Firms cited increased globalization, imports from countries such as China, India, and Korea, consolidation among TRB producers, and U.S. producers *** not being able to keep up with demand.¹

Substitute Products

There are very few substitutes for TRBs, and prices for these substitutes typically do not affect the price of TRBs. Only two of 18 responding importers and three of 16 responding purchasers reported that there are substitutes for TRBs. All responding U.S. and Chinese producers indicated there were no substitutes for TRBs. Three firms named wheel hub assemblies with ball bearings, two firms named ball bearings, and one firm named cylindrical ball bearings as substitutes. Only one firm indicated that changes in the price of a substitute affected the price for TRBs. Purchaser *** indicated ball bearings used in wheel bearing assemblies are cheaper than TRBs and keep TRBs at a cost competitive price.

Cost Share

TRBs make up a small share of the final cost of the finished good in which they are used. Purchasers almost always reported that TRBs make up 15 percent or less of the share of the total cost of the goods that they produce with TRBs.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestically produced and imported TRBs depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on most firms reporting frequent to sometimes interchangeability and many purchasers reporting inferior Chinese product quality, staff believes that there is a moderate degree of substitution among TRBs produced in the United States, the subject countries, and other import sources.

Factors Affecting Purchasing Decisions

Purchasers were asked a variety of questions to determine what factors influence their decisions when buying TRBs. Information obtained from their responses indicates that availability, delivery, price, and quality are relatively important factors.

Quality was most frequently cited as the first-most important factor (see table II-4). All responding purchasers indicated that quality is one of their top three factors in making a purchase and over one-third of responding purchasers indicated it was the first-most important factor. All but one purchaser indicated that quality meeting industry standards was a very important factor in their purchases of TRBs, and over two-thirds of responding purchasers indicated that quality exceeding industry standards was a very important purchasing factor (see table II-5).

¹ In its producer questionnaire response, U.S. producer ***.

Table II-4
Tapered roller bearings: Ranking factors used in purchasing decisions, as reported by U.S. purchasers

Factor	Number of firms reporting			
	First	Second	Third	Total
Availability & Delivery	2	1	1	4
Availability	1	1	1	3
Delivery	0	2	3	5
Fill rate	0	0	1	1
Meets technical requirements	2	0	0	2
Price	2	4	8	14
Quality	7	8	2	17
Supplier support	0	0	1	1
Supplier specified by end user	2	0	0	2
Traditional supplier	1	1	0	2

Note.—Two purchasers provided additional important factors generally considered in their purchase decisions; *** indicated that engineering assistance and breadth of product line were important factors; *** indicated that price was an important factor, and *** indicated that lead time was an important factor.

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-5
Tapered roller bearings: Importance of purchase factors, reported by U.S. purchasers

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	17	0	0
Delivery terms	10	6	1
Delivery time	16	1	0
Discounts offered	6	6	5
Extension of credit	3	8	6
Price	15	2	0
Minimum quantity requirements	5	5	7
Packaging	5	10	2
Product consistency	16	1	0
Quality meets industry standards	16	1	0
Quality exceeds industry standards	13	3	1
Product range	5	7	5
Reliability of supply	17	0	0
Technical support/service	11	5	1
U.S. transportation costs	7	9	1

Source: Compiled from data submitted in response to Commission questionnaires.

Over 80 percent of responding purchasers indicated that price was one of their three most important factors in making a purchase, with two of 17 purchasers indicating it was their most important factor. All but two purchasers indicated that price was a very important factor in making their purchases. However, no purchasers indicated that they always purchase TRBs offered at the lowest price and more than one-half of responding purchasers indicated that they only sometimes purchase TRBs offered at the lowest price.

More than two-thirds of purchasers indicated that availability and/or delivery were among the top three purchasing factors. All responding purchasers indicated that availability was a very important purchasing factor and all but one purchaser indicated that delivery time was a very important factor.

More than half of responding purchasers indicated that delivery terms were a very important factor in their purchases. All responding purchasers indicated that reliability of supply is a very important purchasing factor and all but one purchaser indicated that product consistency was a very important purchasing factor.

A similar share of purchasers of wheel hub assemblies reported that availability, delivery time, product consistency, price, quality meeting and exceeding industry standards, and reliability of supply to be very important (see table II-6). However, a larger share of these purchasers reported that delivery terms, minimum quantity requirements, packaging, technical support/service, and U.S. transportation costs were very important purchasing factors.

Several purchasers also reported that they purchase higher-priced TRBs from one source although a comparable product was available at a lower price from another source. Purchasers identified factors such as technical solution, lead time, testing time, engineering, transportation, quality, design capability, service, and technical support as reasons for choosing higher-priced TRBs.

Three of 17 purchasers reported that certain grades/types of TRBs were available from only one source (either domestic or foreign). *** indicated that a significant portion of TRB product breadth is available ***. *** responded that sometimes only one supplier has the capability to manufacture the particular design features specified by some TRBs, such as ***.

Table II-6
Tapered roller bearings: Importance of purchase factors for wheel hub assemblies, reported by U.S. purchasers that reported purchases of wheel hub assemblies

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	7	0	0
Delivery terms	6	1	0
Delivery time	7	0	0
Discounts offered	2	4	1
Extension of credit	1	3	3
Price	6	1	0
Minimum quantity requirements	3	3	1
Packaging	4	3	0
Product consistency	7	0	0
Quality meets industry standards	7	0	0
Quality exceeds industry standards	6	1	0
Product range	2	3	2
Reliability of supply	7	0	0
Technical support/service	6	1	0
U.S. transportation costs	4	3	0

Source: Compiled from data submitted in response to Commission questionnaires.

Factors determining quality

U.S. purchasers identified various principal factors they considered in determining the quality of TRBs. Reported factors included design finish, steel used, heat treat process used, number of rollers, cage consistency, non-conforming material, certification, steel cleanliness, surface finish, dimensional and material conformity, and metallurgical analysis.

Supplier certification

Fourteen of 17 responding purchasers reported that they require suppliers of TRBs to become certified or pre-qualified for at least 95 percent of their purchases. Most producers and importers also reported that most of their sales were to purchasers that required certification or pre-qualification. Most purchasers reported that the time necessary to qualify a supplier ranged from two days to over two and a half years.

Five of 17 responding purchasers indicated that suppliers had failed to be certified since 2006. *** indicated that *** did not pass lab performance tests. *** indicated that *** failed due to quality and *** indicated that *** failed due to quality and delivery issues. *** indicated *** failed due to ***. ***.

One of five responding producers (***) and three of 16 responding importers (***) indicated that they failed to qualify to supply TRBs since 2006. *** indicated that it failed to qualify to supply *** TRBs in 2006. *** reported that it failed to qualify to supply *** TRBs. *** responded that failing to qualify to supply happens continuously and is “just business.”

Lead times

All U.S. producers and almost one-half of importers typically produce to order with most of the other half of importers typically selling from inventory. Most sales of U.S.-produced TRBs in 2011 were produced to order, with all responding producers indicating that at least 70 percent of their sales were produced to order. Six of 14 responding importers indicated that at least 83 percent of their sales were from inventory, while six importers indicated that at least 88 percent of their sales were produced to order.

Five producers reported lead times for product manufactured to order ranging from 30 to 180 days, with two producers reporting 90 to 98 days, and two producers reporting 180 days. Lead times from inventory were one week for two producers, three weeks for one producer, and three months for another producer. Five importers reported typical lead times for product produced to order of 4 months, with one importer (***) reporting lead times of 5 months and another importer (***) reporting lead times of 6 months. All but one responding importer reported lead times from inventory of 10 days or less. The exception was importer ***, which reported a lead time of 4 months.

Comparisons of Domestic Product, Subject Imports and Nonsubject Imports

As shown in table II-7, all responding U.S. producers, at least 86 percent of responding importers, and at least 62 percent of responding purchasers indicated that TRBs produced in the United States and imported from China are either frequently or sometimes interchangeable. No responding U.S. producers, not more than one responding U.S. importer, and no more than three responding purchasers indicated that TRBs produced in the United States and imported from China are always interchangeable. At least half of the responding U.S. producers, importers, and purchasers indicated that TRBs other than wheel hub assemblies produced in the United States and imported from China are at least frequently interchangeable.

Table II-7

Tapered roller bearings: Perceived interchangeability of products produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
TRBs other than wheel hubs												
U.S. vs. other countries:												
U.S. vs. China	0	3	3	0	1	8	4	1	3	4	4	2
U.S. vs. nonsubject	1	3	0	0	2	6	2	0	3	5	5	1
Nonsubject country comparisons:												
China vs. nonsubject	0	2	2	0	1	4	2	0	1	5	3	0
Wheel hubs												
U.S. vs. other countries:												
U.S. vs. China	0	2	1	0	0	3	4	2	2	2	3	0
U.S. vs. nonsubject	1	2	0	0	1	4	2	0	2	2	4	0
Nonsubject country comparisons:												
China vs. nonsubject	0	2	0	0	0	4	2	0	1	2	3	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Source: Compiled from data submitted in response to Commission questionnaires.												

However, respondents indicate that Timken is recognized as producing probably the highest quality TRBs in the world.²

At least half of responding purchasers reported that U.S. produced product was superior to TRBs imported from China for all characteristics except for availability, discounts offered, price, packaging, and U.S. transportation cost (see table II-8). A majority of purchasers indicated that TRBs imported from China were superior with regard to price. At least half of the responding purchasers reported that U.S.-produced product was comparable with TRBs imported from countries other than China for all characteristics except for delivery time, where two-thirds of responding purchasers indicated that the U.S.-produced product was superior.

Ten of 16 responding purchasers reported that domestically produced TRBs always meet minimum quality specifications, while only three of 11 purchasers indicated that product imported from China always meets minimum quality specifications.

² Hearing transcript, p. 195 (Vander Schaaf).

**Table II-8
Tapered roller bearings: Comparisons of product by source country, as reported by U.S. purchasers**

Factor	U.S. vs. China			U.S. vs. nonsubject			China vs. nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	6	7	1	4	9	1	1	7	3
Delivery terms	9	3	2	5	8	1	1	6	4
Delivery time	10	2	2	9	4	1	1	5	5
Discounts offered	1	9	4	1	10	3	2	9	0
Extension of credit	7	6	1	6	8	0	0	8	3
Price ¹	0	6	8	1	9	5	5	6	0
Minimum quantity requirements	7	6	1	5	9	0	0	10	1
Packaging	6	8	0	4	10	0	0	11	0
Product consistency	11	3	0	6	8	0	1	5	5
Quality meets industry standards	9	5	0	5	9	0	1	6	4
Quality exceeds industry standards	9	4	1	5	8	1	0	6	5
Product range	7	7	0	4	10	0	1	8	2
Reliability of supply	8	4	2	6	7	2	2	6	3
Technical support/service	11	3	0	6	8	0	0	5	6
U.S. transportation costs ¹	3	8	2	3	9	2	1	8	2
¹ A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior", it meant that the price of the U.S. product was generally lower than the price of the imported product. Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. Source: Compiled from data submitted in response to Commission questionnaires.									

As shown in table II-9, all responding U.S. producers, and at least 86 percent of responding importers, and at least 54 percent of responding purchasers indicated that differences other than price in TRBs produced in the United States and imported from China are either frequently or sometimes a significant factor in their purchasing decisions. No responding U.S. producers and importers, and only one responding purchaser indicated that differences other than price were never a significant factor. One importer *** indicated that no other supplier can provide the bearing it sources from ***.

Table II-9

Tapered roller bearings: Perceived significance of differences other than price between products produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
TRBs other than wheel hubs												
U.S. vs. other countries:												
U.S. vs. China	0	2	4	0	2	4	8	0	5	2	5	1
U.S. vs. nonsubject	0	0	6	0	1	2	7	1	3	4	5	2
Nonsubject country comparisons:												
China vs. nonsubject	0	1	3	0	1	2	4	1	2	2	4	1
Wheel hubs												
U.S. vs. other countries:												
U.S. vs. China	0	0	3	0	2	3	4	0	2	1	3	0
U.S. vs. nonsubject	0	0	3	0	1	2	4	1	2	1	4	0
Nonsubject country comparisons:												
China vs. nonsubject	0	0	2	0	1	2	3	1	1	1	3	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Source: Compiled from data submitted in response to Commission questionnaires.												

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties were encouraged to comment on these estimates in their prehearing briefs.

U.S. Supply Elasticity

The domestic supply elasticity for TRBs measures the sensitivity of the quantity supplied by the U.S. producers to changes in the U.S. market price for TRBs. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced TRBs.³ Previous analysis of these factors indicates that the U.S. industry has the ability to increase or decrease shipments to the U.S. market based on unused capacity and production flexibilities. An estimate in the range of 4 to 6 is suggested.

U.S. Demand Elasticity

The U.S. demand elasticity for TRBs measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of TRBs. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of TRBs in the final cost of end-use products in which it is used. Because of a lack of substitutes and low cost share, it is likely that the aggregate demand for TRBs is highly inelastic, with values ranging between -0.2 to -0.4.

³ Domestic supply response is assumed to be symmetrical for both an increase and a decrease in demand for the domestic product. Therefore, factors affecting increased quantity supplied to the U.S. market also affect decreased quantity supplied to the same extent.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported TRBs. Product differentiation, in turn, depends upon such factors as quality and condition of sale (availability, delivery, etc.). The domestic and imported products can sometimes or frequently be used interchangeably and many purchasers indicated that imports from China are inferior to U.S.-produced TRBs. Therefore, the elasticity of substitution between U.S.-produced TRBs and imported TRBs is likely to be in the range of 2 to 4.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

Information in this part of the report is based on the questionnaire responses of seven firms that are believed to account for the great majority of TRB production in the United States. The responding TRB producers represented in this section are: Amsted Rail Company, Koyo Corporation,¹ NSK Corporation, NTN Corporation, RBC Bearings Inc., SKF USA Inc., and Timken.

Table III-1
TRBs: Survey of industry events since January 1, 2006

Company	Year	Description of event
2006	***	***
	***	***
2007	***	***
	***	***
	***	***
	***	***
2008	***	***
	***	***
	***	***
2009	***	***
2010	***	***

2011	***	***
2012	SKF	SKF signs an agreement to acquire General Bearing Company, including interests in four manufacturing plants in China
Source: Compiled from data submitted in response to Commission questionnaires and http://www.generalbearing.com/assets/files/28785%20GBC%20News_Spr2012_r6.pdf , retrieved May 22, 2012.		

¹ ***.

Anticipated Changes in Operations

*** reports that it anticipates ***. It expects ***.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

U.S. producers' capacity, production, and capacity utilization data for TRBs are presented in table III-2. Production fell by *** percent from 2006 to 2009. Reported production for *** fell during this period. ***. In addition, ***. Production increased from 2009 to 2011 by *** percent.

Table III-2

TRBs: U.S. producers' production, capacity, and capacity utilization, 2006-11

* * * * *

U.S. PRODUCERS' SHIPMENTS

Table III-3 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. shipments followed a similar trend to U.S. production. U.S. shipments of complete bearings by value dropped *** percent from 2006 to 2009, but then increased by *** percent from 2009 to 2011, ending at a level *** percent lower in 2011 compared with 2006. By contrast, export shipments by value increased from 2006 to 2008, decreased in 2009, and then increased again from 2009 to 2011 ending at a level *** percent higher in 2011 when compared with 2006. Unit values of U.S. shipments increased from \$*** in 2006 to \$*** in 2011. The majority of transfers to related firms were reported by *** who reported ***.²

Table III-3

TRBs: U.S. producers' U.S. shipments, export shipments, and total shipments, by types, 2006-11

* * * * *

The following tabulation lists U.S. shipments of U.S.-produced TRB parts, by firm.

* * * * *

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of TRBs fluctuated throughout the period of review, but were *** percent lower in 2011 compared with 2006.

Table III-4

TRBs: U.S. producers' end-of-period inventories, 2006-11

* * * * *

² ***. Email from *** May 14, 2012.

U.S. PRODUCERS' IMPORTS AND PURCHASES

Data on U.S. producers' imports of TRBs from all sources are presented in table III-5. Data on U.S. producers' purchases of TRBs are presented in table III-6.

Table III-5

TRBs: U.S. producers' imports, U.S. production, and ratio of imports to U.S. production, by firm, 2006-11

* * * * *

Table III-6

TRBs: U.S. producers' purchases, U.S. production, and ratio of purchases to U.S. production, by firm, 2006-11

* * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-7 shows U.S. producers' employment-related data during the period examined. Production and related workers decreased from 2006 to 2009 by *** percent, and increased from 2009 to 2011 by *** percent. Total hours worked, wages paid, and productivity followed a similar trend, decreasing from 2006 to 2009 and increasing from 2009 to 2011.

Table III-7

TRBs: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2006-11

* * * * *

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Six producers³ provided useable financial data on their TRB operations. These firms are believed to account for the majority of the domestic industry's production volume in 2011. *** reported data for only wheel hub assemblies while another (***) reported only transfers of TRBs to related parties. The quantity, value, and costs of these two firms' operations are included in the data presented.

U.S. Producers' TRB Operations

Aggregate income-and-loss data for the domestic producers on their operations producing TRBs are presented in table III-8. These results are ***, which accounted for *** of sales, and essentially all of the operating income or (loss) in each period. The financial results of the domestic producers varied tremendously from year to year during 2006-11. Net sales quantities declined from 2006 to 2009 and then increased from 2009 to 2011; net sales values *** from 2006 to 2008, fell dramatically in 2009 from 2008 but then increased in 2010 and 2011 to approximately the same level in 2011 as in 2006 (the net change from 2009 to 2011 was 38.9 percent). The industry's aggregate operating results improved from a *** loss, equivalent to *** percent of sales in 2006 to a profit of \$*** in 2007 and to a *** profit of \$*** in 2008. After reporting a loss in 2009 of \$***, the industry reported a profit of \$*** and \$*** in 2010 and 2011, respectively.⁴ From 2006 to 2011 unit sales values increased by \$*** per TRB (**% percent), while unit operating costs and expenses (the sum of COGS and SG&A expenses) increased by \$(*** per TRB, or *** percent).⁵ In a response to a question at the Commission's public hearing, Timken explained that its sales unit values increased from 2009 to 2011 as the firm relinquished market share in order to attain an economic return on its sales (it stated it lost \$600 million in business).⁶

Table III-8
TRBs: Results of operations of U.S. producers, fiscal years 2006-11

* * * * *

On a dollar basis costs followed sales volume, falling from 2006 to 2009 and increasing in 2010 and 2011. As expressed as a ratio to sales, COGS generally declined from 2006 to 2011. As expressed on a per-unit basis, COGS increased from 2006 to 2009 (and were highest in 2009), were lower in 2010 than in 2009 but increased from 2010 to 2011. The average unit values of each of the components of

³ The producers and their fiscal year ends (if other than December 31) are ***. These data incorporate changes by *** on June 7 and 15, 2012.

⁴ A witness for Timken described the 2008-2009 period as the worst recession since the Great Depression and stated that the "recovery has been slow and remains slow today." Hearing transcript, pp. 50-51 (Fracassa).

⁵ Given the large differences between the individual producers' unit sales values and unit costs (table III-9), it may be more appropriate to view percentage changes in average unit values as opposed to the absolute value of the changes.

⁶ A witness for Timken stated that "we concluded we could no longer match those dumped prices, non-economic prices in the marketplace. So . . . we said to {our customers} we are prepared to cede market share unless you're willing to pay us an economic price, and the net result of that is our customers chose to de-source us on over \$600 million worth of business." Hearing transcript, pp. 89-90 and 100-101 (Griffith). Also, *see* Timken's posthearing brief, pp. 7 (dollar amount of loss of business), 9 (Chinese-owned TRB producers produce and offer for sale TRB part numbers that account for 70 percent of the volume of four of Timken's high-volume plants), and 11 (potential impact not limited to high-volume part numbers).

COGS increased between 2006 and 2009, and then fell between 2009 and 2010; *** were higher in 2011 than in 2010, but *** were lower.⁷

Selected financial data on a company-by-company basis are presented in table III-9. Only *** reported ***. *** producer, was *** of the six periods, while the others reported losses in some years and profits in other years. The company-by-company data also highlight the range of TRBs produced and sold by the different producers. For example, *** unit sales values ***, *** unit sales values were in the \$*** to \$*** per *** range, *** were in the \$*** to \$*** per TRB range, and *** were in the \$*** to \$*** per TRB range.

Given the wide variation in product mix, a variance analysis is not presented.

Table III-9
TRBs: Selected financial data of U.S. producers on a company-by-company basis, fiscal years 2006-11

* * * * *

Capital Expenditures and Research and Development Expenses

Domestic TRB producers' capital expenditures and research and development ("R&D") expenses are presented in table III-10. While the expenditures were dominated by ***, *** also had considerable expenditures.⁸ Aggregate R&D expenses were attributable to ***.

Table III-10
TRBs: U.S. producers' capital expenditures and research and development expenses, fiscal years 2006-11

* * * * *

Assets and Return on Investment

Data on domestic TRB producers' assets and their return on investment (defined as operating income divided by total assets) are presented in table III-11. Total asset values increased irregularly from

⁷ In the previous review, the domestic industry cited several factors for changes within the components of COGS. First, some of the shift in costs from *** was attributable to moving *** costs out of the *** cost pool and into the cost pool for ***. Next, *** changed to some extent as a result of ***. Finally, *** were also affected by ***. As noted earlier, changes in sales quantity affected costs the most. In this review, *** reported a \$*** writedown of assets related to *** in 2009; it also reported other impairments and nonrecurring costs, classified in SG&A expenses for ***. *** producer questionnaire response, section III-9a. Further, a witness for Timken stated during 2006-11, Timken "converted one of its facilities to produce TRBs, and all of its facilities have been engaged in continuous improvement activities intended to increase productivity and capacity and to reduce costs over time. However, also during this time we closed two facilities and operated many of our plants far below their capacity, leaving portions of the plants idle as our shipments significantly contracted." Hearing transcript, pp. 50-51 (Fracassa). Timken ascribed the improvement in its profitability between 2009 and 2011 to its efforts to improve operating efficiency, competitiveness of its manufacturing (and company), while noting that it closed two facilities and took writedown and restructuring charges. Hearing transcript, p. 102 (Fracassa).

⁸ Timken attributed the ***. Timken's posthearing brief, p. Pinkert 2-5. Also, see table III-11.

2006 to 2008 and declined irregularly to 2011, reflecting ***.⁹ The return on investment mirrored changes in the domestic TRB producers' operating income margins.¹⁰

Table III-11

TRBs: U.S. producers' value of assets and return on investment, fiscal years 2006-11

* * * * *

⁹ *** questionnaire responses, section II-2; also, hearing transcript, pp. 50-51 (Fracassa).

¹⁰ See earlier note regarding ***.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY

U.S. IMPORTS

Overview

The Commission issued questionnaires to 24 firms believed to have imported TRBs between 2006 and 2011. Nineteen firms provided data and information in response to the questionnaires, while two firms indicated that they had not imported TRBs during the period for which data were collected. Based on adjusted official Commerce statistics for imports of TRBs, importers' questionnaire data accounted for 122.1 percent of total subject imports by value in 2011 and 55.5 percent of total U.S. imports from nonsubject sources, by value in 2011.

In light of the data coverage by the Commission's questionnaires, import data in this report are based on official Commerce statistics for TRBs.¹

Imports from Subject and Nonsubject Countries

Table IV-1 presents data for U.S. imports of subject TRBs from China, nonsubject TRBs from China, and all other sources. Total U.S. imports, in terms of value, fluctuated throughout the period of review, but were *** percent higher in 2011 compared with 2006. U.S. imports of subject TRBs from China increased from \$*** million in 2006 to \$*** million in 2011. The value of U.S. imports of nonsubject TRBs from China fluctuated throughout the period of review, but were ultimately *** percent higher in 2011 than in 2006.

U.S. imports of subject TRBs from China accounted for between *** and *** percent of total imports by value. The unit values for subject TRBs from China were lower than the unit values of nonsubject TRBs from China and TRBs from all other sources in every year of the period of review.

Table IV-1
TRBs: U.S. imports by source, 2006-11

* * * * *

Japan was the leading source of imports of TRBs during the period for which data were collected. The value of imports of TRBs from Japan fluctuated throughout the period, ranging from \$98.4 million in 2009 to a high of \$267.1 million in 2011. Table IV-2 presents data for U.S. imports of TRBs from leading sources.

¹ As mentioned previously, import data are based on the statistical reporting numbers 8482.20.0020, 8482.20.0030, 8482.20.0040, 8482.20.0060, 8482.20.0070, 8482.20.0080, 8482.91.0050, 8482.99.1540, 8482.99.1580, 8482.99.4500, 8483.20.4080, and 8483.20.8080, which were adjusted to subtract imports from manufacturers/exporters excluded from the antidumping duty order for TRBs from China. The coverage for importer questionnaire responses exceeds 100.0 percent because subject product is also covered by HTS basket subheadings 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8483.90.80, and 8708.99.80.

Table IV-2
TRBs: U.S. imports by leading sources, 2006-11

Source	2006	2007	2008	2009	2010	2011
Value (1,000 dollars)						
China	71,332	70,017	86,519	46,382	91,042	133,124
Japan	187,120	176,350	221,810	98,390	181,163	267,112
India	41,704	28,222	73,819	33,321	53,331	69,997
Canada	69,034	56,475	59,347	27,376	50,681	53,837
Germany	35,460	43,636	48,009	34,512	37,318	53,748
Romania	7,860	12,301	13,360	18,726	22,427	34,349
Korea	257	590	5,326	5,695	15,560	31,666
Mexico	8,132	9,821	9,899	7,773	21,446	31,522
France	18,852	12,235	20,741	10,165	15,934	19,951
Spain	1,271	1,343	3,636	7,005	15,187	19,191
Poland	16,993	12,204	17,149	6,281	11,533	16,799
Italy	12,517	14,836	17,074	11,612	9,482	12,125
All other	87,751	53,841	61,258	29,194	34,953	42,598
Total	558,284	491,873	637,947	336,433	560,058	786,020

Source: Compiled from official Commerce statistics.

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO JANUARY 1, 2012

The Commission requested importers to indicate whether they had imported or arranged for the importation of TRBs from China for delivery after January 1, 2012. Six companies (***) indicated that they have imported or arranged for the importation of TRBs from China for delivery after January 1, 2012, while eight companies indicated that they either do not import from China or have not imported since January 1, 2012. Approximately *** pieces have been imported or have been arranged to be imported since January 1, 2012.

U.S. IMPORTERS' INVENTORIES

Table IV-3
TRBs: U.S. importers' end-of-period inventories of imports, by source, 2006-11

* * * * *

THE INDUSTRY IN CHINA

Overview

A list of firms that have provided data to the Commission on their TRB manufacturing operations in China, along with selected data on their operations in 2011, is provided in table IV-4.² Two of the Chinese TRB producers shown in table IV-4 are related to U.S. and other foreign manufacturers of bearings.

Table IV-4

TRBs: Subject foreign producers' basis for reported capacity, capacity, production, total exports, and exports to the United States in 2011

Firm	Basis for reported capacity	Capacity	Production	Total exports	Exports to the United States
		Quantity (1,000 bearings)			
Haining Nice Flourish Auto Parts	***	***	***	***	***
Hangzhou	***	***	***	***	***
Shanghai Amity International Trade	***	***	***	***	***
SKF	***	***	***	***	***
Timken	***	***	***	***	***
Xinchang Kaiyuan	***	***	***	***	***
Xinchang Shuangling	***	***	***	***	***
Zhejiang Changxing CTL Auto Parts	***	***	***	***	***
Zhejiang Sihe Machine Co.	***	***	***	***	***
Zhejiang Zhaofeng Mechanical	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.					

² Seven producers in China—CMC, Luoyang, Wanxiang, Xiangyang, Xibiei, Yantai Timken, and ZCCBC—submitted completed foreign producer/exporter questionnaires during the first five-year reviews. These firms were believed to account for substantially less than half of TRB production in China. Confidential staff report, INV-X-101, May 8, 2000, p. TRB-IV-6, n. 2. Timken reported that there were approximately *** major bearing producers in China at the time of the first five-year reviews, as well as an undetermined number of smaller producers. Ibid., n. 3. During the second five-year review, 13 companies submitted completed foreign producer/exporter questionnaires, and their combined subject exports accounted for *** percent of U.S. imports of the subject bearings from China.

Product Operations

Table IV-5 presents data provided by the ten responding Chinese producers and exporters of TRBs.³ The responding companies' exports to the United States account for *** percent of the imports from subject Chinese producers in official Commerce statistics in 2011, by quantity. China's reported capacity increased from *** bearings in 2006 to *** bearings in 2011.⁴ Production also increased irregularly but decreased by *** percent from 2008 to 2009, before increasing again in 2010 and 2011. Due to the *** decrease in production in 2009, capacity utilization also decreased during this time. China's home market for TRBs accounted for between *** and *** percent of total shipments during the period for which data were collected. China's reported exports to the United States were between *** bearings and *** bearings, accounting for between *** and *** percent of reported total shipments.

Table IV-5
TRBs: Reported Chinese capacity, production, shipments, and inventories, 2006-11

* * * * *

Table IV-6 presents reported Chinese data on wheel hub assemblies.

Table IV-6
Wheel Hub Assemblies: Reported Chinese capacity, production, shipments, and inventories, 2006-11

* * * * *

GLOBAL TRB MARKET

Global demand for all bearings was forecasted to grow by 8.5 percent annually through 2014 to \$76 billion, driven by economic growth, increases in fixed assets (e.g., machinery), and improved manufacturing output.⁵ The Asia-Pacific region was expected to post the strongest sales growth, supported by an estimated 12 percent annual increase in bearing demand in China,⁶ driven by investment in railway infrastructure and demand for renewable energy.⁷ According to the petitioner, however, this predicted growth in demand did not materialize due to the economic downturn, and the continued economic slowdown is expected to impact TRB demand growth.⁸ The Coalition, on the other hand, indicates that the demand projection holds true for wheel hub assemblies, and that demand for wheel hub assemblies in China is expected to increase as a greater number of automobiles sold in China incorporate these products.⁹ A member of the respondents' Coalition notes that the biggest surge in global demand will likely occur in the Far East, driven by China, the fastest growing OEM market in

³ There were eight Chinese producers of TRBs that participated in the second five-year review, but did not submit questionnaire responses in this five-year review. These companies are Harbin, Luoyang, Schaeffler Group, Shanghai United, Wanxiang, Xiangyang, Xibei, and Yantai CMC.

⁴ Staff notes that reported capacity by responding foreign producers in 2005 was 102.2 million bearings. *Certain Bearings from China, France, Germany, Italy, Japan, Singapore, and the United Kingdom, Inv. Nos. 731-TA-344, 391-A, 392-A and C, 393-A, 394-A, 396, and 399-A (Second Review)*, USITC Publication 3876, August 2006, p. TRB-IV-9.

⁵ Freedonia, brochure, World Bearings, June 2010.

⁶ Freedonia, brochure, World Bearings, June 2010.

⁷ SKF Annual Report 2011, 77.

⁸ Timken posthearing brief, p. Williamson 1-2 through 1-4.

⁹ Coalition, posthearing brief, p. 6.

the world today.¹⁰ TRBs are believed to be the largest segment of the roller bearings market,¹¹ accounting for nearly 20 percent of the total.¹²

The global market for TRBs is believed to exceed \$5.0 billion, as reflected in reported trade data for 2006-11 (table IV-7).¹³ The value of global exports rose by 63 percent during the period, to over \$5.0 billion. The United States was the fourth largest exporter of TRBs in 2011, accounting for 12 percent (\$587 million) of reported exports. Japan and Germany were the top two TRB exporters and accounted for 31 percent (\$1.6 billion) of reported TRB exports in 2011. China emerged as the world's third largest exporter of these products in 2011, representing nearly 12 percent (\$588 million) of the total.

Global imports of TRBs rose 60 percent by value during 2006-11 to \$4.5 billion (table IV-8). Germany was the world's largest TRB market in 2011, accounting for 16 percent (\$732 million) of the total. The United States was the second largest market, with 11 percent (\$499 million) of global imports. China, France, and Italy rounded out the top five world markets for TRBs.

Table IV-7
TRBs: Global exports, by reporting country, 2006-11

Reporting country	2006	2007	2008	2009	2010	2011
Value (\$1,000)						
Japan	414,029	440,425	542,333	424,730	622,386	837,939
Germany	421,821	569,819	702,274	553,565	650,573	720,837
China	192,245	232,386	395,655	214,026	393,689	588,219
United States	426,095	429,629	558,774	359,300	499,920	586,574
France	382,909	490,676	622,328	363,302	414,016	485,855
Austria	166,516	207,955	243,004	96,654	162,738	219,624
Romania	84,284	106,399	145,403	127,458	131,956	197,636
Singapore	64,899	77,172	89,418	79,766	106,238	126,552
Belgium	82,221	103,840	113,110	89,550	97,398	121,851
Italy	75,850	94,964	146,512	83,697	102,624	119,128
All other	765,516	918,583	1,097,421	686,344	956,886	1,023,997
Reporting total	3,076,385	3,671,848	4,656,232	3,078,392	4,138,424	5,028,212
Note.—These data represent exports for HTS heading 8482.20 (tapered roller bearings, including cone and tapered roller assemblies), which are not directly comparable to the TRB imports subject to the scope of this review.						
Source: Data from Eurostat, Japan Customs, U.S. Bureau of the Census, China Customs, and Singapore Customs, as presented by Global Trade Atlas.						

¹⁰ Hearing transcript, p. 202 (Bearden).

¹¹ These bearings include cylindrical, needle, tapered, and spherical roller bearings.

¹² SKF Annual Report 2011, p. 77.

¹³ This figure reflects global trade of tapered roller bearings, including cone and tapered roller assemblies (HTS subheading 8482.20), which are included in Commerce's product scope, but does not include trade in other bearings included in Commerce's product scope, such as parts of tapered roller bearings (classified in HTS subheadings 8482.91 and 8482.99) or other bearing products (e.g., flange, take up cartridge, and hanger units) (classified in HTS headings 8483 and 8708).

Table IV-8
TRBs: Global imports, by reporting country, 2006-11

Reporting country	2006	2007	2008	2009	2010	2011
	Value (\$1,000)					
Germany	368,072	485,494	623,440	451,474	564,076	731,940
United States	313,093	269,597	359,841	231,140	349,367	499,273
China	92,432	121,221	175,223	254,141	353,177	391,282
France	208,554	323,073	439,395	224,359	253,556	320,420
Italy	188,093	252,736	309,395	154,659	188,917	222,356
Brazil	66,390	95,147	136,726	92,843	161,571	198,723
Belgium	127,597	187,600	229,468	213,107	179,311	178,560
Mexico	78,344	96,739	107,076	85,042	128,999	165,615
Canada	128,128	108,386	94,214	81,839	120,601	161,007
Singapore	102,273	117,476	125,055	85,035	113,611	143,929
All other	1,151,405	1,345,944	1,665,639	1,181,147	1,449,735	1,512,718
Reporting total	2,824,381	3,403,413	4,265,472	3,054,786	3,862,921	4,525,823
<p>Note.—These data represent imports for HTS heading 8482.20 (tapered roller bearings, including cone and tapered roller assemblies), which are not directly comparable to the TRB imports subject to the scope of this review.</p> <p>Source: Data from Eurostat, U.S. Bureau of the Census, Brazil's Secretariat of Foreign Trade, China Customs, Statistics Canada, Singapore Customs, and Mexico's INEGI, as presented by Global Trade Atlas.</p>						

TRB exports from China tripled during 2006-11 to \$588.2 million (226.6 million units) (table IV-9). The United States was China's largest export market in 2011, accounting for 17 percent (\$99.5 million) by value and 29 percent (64.7 million units) by quantity. The United Arab Emirates and Brazil were the second and third largest markets in 2011 when measured by quantity, whereas France and Brazil were the second and third largest markets in terms of value in that year. China's imports of TRBs during the period quadrupled to \$391.3 million (13.2 million units) (table IV-10). China's leading source of TRB imports in 2011, in terms of value, was Germany, followed closely by Japan. These two countries accounted for \$238 million (61 percent) of China's total TRB imports. The United States was China's fourth largest TRB import source in 2011, with \$37.1 million (9 percent). In terms of quantity, Japan, Korea, and Germany were China's leading suppliers of TRBs.

Table IV-9
TRBs: China's exports, by country, 2006-11

Partner country	2006	2007	2008	2009	2010	2011
Quantity (1,000 units)						
United States	39,915	38,061	42,673	27,774	51,382	64,740
France	4,910	6,090	7,472	1,319	3,602	5,092
Brazil	3,854	7,205	11,894	4,882	12,289	13,611
India	484	1,047	1,739	1,918	5,349	7,699
Japan	6,297	5,711	9,802	4,925	8,901	9,238
United Arab Emirates	8,639	11,463	9,657	8,948	13,763	15,002
Germany	7,352	5,199	7,055	4,328	6,239	8,887
Singapore	3,509	3,084	5,148	3,312	2,866	3,078
Italy	2,715	4,697	5,517	2,130	4,898	7,060
Netherlands	903	796	1,635	2,126	5,135	8,026
All other	34,458	38,620	45,311	41,622	59,095	84,170
World	113,036	121,973	147,903	103,284	173,519	226,603
Value (\$1,000)						
United States	45,033	45,131	61,549	33,511	71,675	99,491
France	30,478	40,338	71,070	11,924	33,703	51,375
Brazil	7,614	11,327	27,672	10,261	28,192	34,836
India	2,139	3,948	6,820	7,172	16,725	32,135
Japan	13,945	11,304	23,276	11,474	22,660	28,678
United Arab Emirates	9,788	15,058	20,398	12,518	21,859	28,144
Germany	12,070	9,299	15,988	11,086	16,517	23,643
Singapore	9,623	8,499	21,394	14,551	18,226	22,929
Italy	5,723	14,483	19,865	6,955	14,930	21,843
Netherlands	1,229	1,672	3,141	4,407	11,856	16,631
All other	54,603	71,327	124,482	90,167	137,346	228,514
World	192,245	232,386	395,655	214,026	393,689	588,219
<p>Note.—These data represent exports for HTS heading 8482.20 (tapered roller bearings, including cone and tapered roller assemblies), which are not directly comparable to the TRB imports subject to the scope of this review.</p> <p>Source: Data from China Customs, as presented by Global Trade Atlas.</p>						

Table IV-10
TRBs: China's imports, by country, 2006-11

Partner country	2006	2007	2008	2009	2010	2011
	Quantity (1,000 units)					
Germany	548	1,045	1,518	1,108	1,199	1,195
Japan	1,706	2,213	2,484	2,469	4,127	6,479
Romania	4	6	7	5	19	5
United States	378	287	247	212	580	531
Italy	67	70	95	76	130	206
Austria	12	10	26	45	70	102
Korea	1,252	502	1,360	726	2,294	2,379
China	149	35	142	23	72	105
India	49	42	76	175	294	477
Poland	160	105	104	163	355	552
All other	763	1,163	923	877	861	1,179
World	5,088	5,478	6,982	5,879	10,001	13,210
	Value (\$1,000)					
Germany	28,181	33,975	53,131	72,129	130,960	122,587
Japan	14,594	16,420	24,085	58,471	80,177	115,461
Romania	7,132	9,070	13,436	26,884	27,986	40,307
United States	17,657	32,348	32,505	36,522	41,498	37,127
Italy	3,283	3,932	10,588	16,451	24,597	17,714
Austria	665	865	2,748	7,522	7,120	12,159
Korea	7,782	3,652	5,869	2,554	9,461	7,498
China	955	253	442	1,048	4,392	5,924
India	545	605	956	1,666	2,333	5,574
Poland	826	1,563	1,525	2,488	2,681	4,267
All other	10,812	18,538	29,938	28,406	21,972	22,664
World	92,432	121,221	175,223	254,141	353,177	391,282
<p>Note.—These data represent imports for HTS heading 8482.20 (tapered roller bearings, including cone and tapered roller assemblies), which are not directly comparable to the TRB imports subject to the scope of this review.</p> <p>Source: Data from China Customs, as presented by Global Trade Atlas.</p>						

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

The principal raw material in TRBs is bearing-quality steel bar. On an annual basis, total raw material costs were between *** percent of the responding U.S. producers' total costs of goods sold to produce TRBs during 2006-11. Per unit raw material costs fluctuated between 2006 and 2011, increasing by *** percent overall between 2006 and 2011. Per unit raw material costs increased by about *** percent between 2007 and 2008, fell by about *** percent between 2009 and 2010, and in 2011 increased to just above their 2009 level. Four producers and 13 importers indicated that changes in raw material costs had affected their selling prices for TRBs since 2006. Many of these firms indicated that raw material costs had increased. One producer and one importer indicated that changes in these costs did not affect their selling prices.

U.S. Inland Transportation Costs

All five responding U.S. producers and six of 14 responding importers of TRBs from China indicated that their firms generally arrange for transportation to customers' locations. Two responding U.S. producers reported that U.S. inland transportation costs for TRBs represented 3 percent of the delivered price. The 12 responding importers of TRBs from China reported that U.S. inland transportation costs ranged from 1 to 35 percent of the delivered price, with nine importers reporting a range of 1 to 5 percent.

Two of four responding U.S. producers ship at least two-thirds of their sales of TRBs at least 1,000 miles from their production facility, while one other producer sends 95 percent of its shipments between 100 and 1,000 miles. The other U.S. producer, ***, sends 50 percent of its shipments between 100 and 1,000 miles from its production facility, 25 percent less than 100 miles, and the remaining 25 percent more than 100 miles. Five of 12 responding importers send all of their shipments between 100 and 1,000 miles from their U.S. point of shipment and three importers send at least 90 percent of their shipments less than 100 miles from their U.S. point of shipment.

PRICING PRACTICES

Pricing Methods

All five responding U.S. producers and 13 of 16 responding importers reported generally quoting prices on an f.o.b. basis. Four U.S. producers and 12 importers reporting selling terms of net 30 days, while four importers reported payment terms of net 60 days, and one importer reported sales terms of 2/10 net 30. All five responding U.S. producers reported selling TRBs through contracts. In addition, four producers reported selling on a transaction-by-transaction basis and four producers reported using price lists. Nine of 14 responding importers reported selling on a transaction-by-transaction basis. Eight importers reported using contracts, and five importers reported using price lists.

Price Leadership

About one-half of responding purchasers indicated that there are price leaders in the market for TRBs. Seven purchasers named Timken as the price leader and two of these purchasers also named other firms (NTN, JTEKT/Koyo, and SKF). One additional purchaser (***) named NTN as a price leader. Another purchaser (***) indicated that while it didn't feel there were any price leaders, BCA, Timken,

and SKF were the three “big hitters.” One purchaser (***) indicated that *** were not subject to short term price leadership because of annual contracts.

Sales Terms and Discounts

Eleven of 15 importers, but only one of five U.S. producers, reported using no discounts in their sales of TRBs. Four U.S. producers and four importers reported using annual discounts and three U.S. producers and two importers reported using quantity discounts.

Contract vs. Spot Sales

Four of five responding U.S. producers and three of 13 responding importers make at least 70 percent of their sales using long term contracts. Four importers make at least 70 percent of their sales using short term contracts (one year or less) and four importers make at least 97 percent of their sales on a spot basis. One U.S. producer *** makes 45 percent of its sales on a spot basis, 30 percent using short term contracts, and 25 percent using long term contracts.

Producers and importers reported long-term contracts up to six years in length. Most producers and importers reported that their short-term contracts were typically one year in length, although one importer *** reported contracts as short as 30 days. One U.S. producer (***) reported that its short term contracts were for six months.

Producers and importers were asked to compare the prices of TRBs in the U.S. and non-U.S. markets. Over one-half of responding U.S. and Chinese producers and about one-third of responding importers indicated that prices were higher in the U.S. market compared to non-U.S. markets. U.S. producer *** indicated that the antidumping duty keeps prices high in the U.S. market and that the U.S. market is large and attractive. One Chinese producer (***) indicated that the product it sold in the Chinese and third-country markets are much lower priced than the TRBs it sold in the U.S. market because it sells third generation integrated wheel hub units in the U.S. market while the TRBs it sold in Chinese market and other country markets are the first and second generation wheel hub units.

A smaller number of U.S. producers and importers indicated that prices were lower in the U.S. market than other markets. U.S producer *** indicated that in 2011 the market price of TRBs in Australia was \$40 per bearing higher than in the United States due to product quality, product availability, effective customer service, and foreign exchange fluctuation. Some firms also indicated prices were similar or that they could not compare prices.

Timken reported that it obtained higher prices in the United States than in either Canada or Mexico for *** at three of four plants it believes would be most immediately at risk if the order was revoked.¹ The firm also found that of the *** part numbers sold in both the EU and U.S. markets by Timken for which price comparisons are available, *** part numbers are priced higher in the U.S. market by an average of *** percent.² Timken also reported that export prices to the EU for sales from its Chinese facility in Yantai are substantially higher than prices for sales in the Chinese market ***.³

¹ Petitioners’ posthearing brief, p. Williamson 2-1.

² Petitioners’ posthearing brief, p. Williamson 2-3.

³ Petitioners’ posthearing brief, pp. Williamson 2-4 to 2-6.

PRICE DATA

The Commission requested U.S. producers and importers provide quarterly data for the total quantity and f.o.b. value of the following TRB products shipped to unrelated U.S. customers during January 2006-December 2011.⁴

Product 1.-- LM 11949/10--Sets (TS single row, straight 0.75 inch bore cone and TS single row cup, 1.7810 inches in outside diameter ("OD")).

Product 2.-- LM 11949--Cone assemblies (TS single row, straight 0.75 inch bore).

Product 3.-- 25580--Cone assemblies (TS single row, straight 1.75 inch bore).

Product 4.-- LM 67010--Cups (TS single row cup, 2.328 inches in OD).

Product 5.-- LM 48548--Cone assemblies (TS single row, 34.925 mm bore, OD 65.088 mm, width 18.034 mm).

Product 6.-- LM 501349--Cone assemblies (TS single row, 41.275 mm bore, OD 73.431 mm, width 19.558 mm).

Product 7.-- HM 212049--Cone assemblies (TS single row, straight 2.625 inch bore).

Product 8.-- LM 11910- TS single row cup, 1.7810 inches in outside diameter ("OD")

Product 9.-- 28521-Cups (TS single row cup, OD 3.6250", width 0.7813")

Product 10.-- JLM 104910--Cups (TS single row cup, OD 3.23 inches, width 0.85 inches).

Product 11.-- Wheel hub assembly corresponding with BCA/Federal Mogul #515050 and Timken #SP470201

Product 12.-- Wheel hub assembly corresponding with BCA/Federal Mogul #515054 and Timken #SP450301

The price data were based on quarterly U.S. f.o.b. selling price data of U.S. producers and importers for their shipments of the specified TRB products. The four U.S. producers of TRBs (***) and seven importers of TRBs from subject producers in China (***) reported usable price information, but not necessarily for all products or periods. By value, pricing data by responding firms accounted for approximately *** percent of U.S. producers' commercial shipments during 2006 to 2011 and *** percent of reported U.S. imports from subject producers in China.

⁴ During the second review, the Commission collected data for Products 1 to 10. Products 11 and 12 were suggested by the Coalition. Coalition, "Comments on Draft Questionnaires," p. 14.

Price Trends

As show in tables V-1 through V-12 and figure V-1, weighted-average f.o.b. sale prices of the specified TRBs produced domestically and imported from subject producers in China typically increased between 2006-11. Although the trends vary by product, prices increased for all U.S.-produced price products and imports from China sold to end users and decreased for 8 of 12 products imported from China and sold to distributors (see table V-13).

Table V-1
Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 1,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-2
Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 2,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-3
Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 3,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-4
Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 4,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-5
Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 5,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-6

Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 6,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-7

Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 7,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-8

Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 8,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-9

Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 9,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-10

Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 10,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-11

Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 11,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-12

Tapered roller bearings: Weighted-average f.o.b. prices and quantities of domestic and imported product 12,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Figure V-1

Tapered roller bearings: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported product to end users and distributors, by quarters, January 2006-December 2011

* * * * *

Table V-13
Tapered roller bearings: Summary of weighted-average f.o.b. prices for products 1-12 from the United States and China

* * * * *

Table V-14
Tapered roller bearings: Summary of underselling/(overselling) from China, January 2006-December 2011

Item	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
End users	217	3.9 to 75.2	44.9	12	0.8 to 21.5	6.7
Distributors	245	2.1 to 87.2	63.4	10	9.1 to 102.1	39.6
Total	462	2.1 to 87.2	54.7	22	0.8 to 102.1	21.6

Note: In the original investigation, TRBs imported from China undersold U.S.-produced TRBs in all 17 price comparisons, with underselling margins ranging from 22 to 54 percent. Final Staff Report to the Commission, Tapered Roller Bearings and Parts Thereof, and Certain Housing Incorporating Tapered Rollers from Hungary, The People's Republic of China, and Romania, Inv. nos. 731-TA-341, 344, 345 (Final), p. A-96

Source: Compiled from data submitted in response to Commission questionnaires.

Price Comparisons

A total of 484 quarterly price comparisons were possible for sales to end users and distributors between the domestic TRBs products 1-12 and those imported from China during 2006-11 (see table V-14). Prices of imports from China were lower than the U.S. producers' price in 462 of 484 or 95 percent of these quarterly comparisons, with an average underselling margin of 54.7 percent. There were 22 instances of overselling with an average overselling margin of 21.6 percent. For products 11 and 12, both wheel hub products, prices for product imported from subject producers in China were lower than prices of U.S. produced product for all quarterly comparisons.

Li Li Auto indicated that wheel hub assemblies from China were priced lower than U.S.-produced wheel hub assemblies because Chinese producers use cheaper steel as a raw material (1055 carbon steel instead of the 1065 carbon steel used by U.S. producers), the overall cost of producing wheel hub assemblies in China is lower, and a less extensive heating treating process is used.⁸ Respondents also suggested that prices for Chinese wheel hub assemblies were lower since they do not sell to OEMs, while U.S. producers such as Timken sell to OEMs.⁹ They also indicate that iterations of parts sold by U.S. producers may be higher priced, and that Timken competes at a different price level than suppliers of subject imports.¹⁰

Timken indicates that Chinese producers are increasingly supplying OEM purchasers and have already captured a significant part of the market for truck/trailer wheel bearings. It also indicated that nearly every major U.S. purchaser has facilities in China and can work with Chinese operations of multinationals to qualify Chinese TRBs.¹¹ Timken believes that there has been continuous dumping since 2006, but that the order has imposed some discipline on prices.¹²

⁸ Hearing transcript, pp. 192-194 (Xie).

⁹ Hearing transcript, pp. 194-195 (Vander Schaaf).

¹⁰ Coalition's posthearing brief, post-hearing responses to Commission questions, pp. 10-11.

¹¹ Hearing transcript, p. 45 (Griffith).

¹² Hearing transcript, p. 49 (Griffith).

APPENDIX A

***FEDERAL REGISTER* NOTICES AND THE
COMMISSION'S STATEMENT ON ADEQUACY**

the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2010, except as noted (report quantity data in pieces and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in pieces and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S.

imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in pieces and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in each *Subject Country* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country(ies)* since the *Order Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase

production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country(ies)*, and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.
Issued: July 26, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-19314 Filed 7-29-11; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-344 and 391A-393A (Third Review)]

Certain Bearings From China, France, Germany, and Italy; Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Certain Bearings From China, France, Germany, and Italy

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on certain bearings from China, France, Germany, and Italy would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the

Commission;¹ to be assured of consideration, the deadline for responses is August 31, 2011. Comments on the adequacy of responses may be filed with the Commission by October 14, 2011. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* August 1, 2011.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202–205–3193), 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 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On June 15, 1987, the Department of Commerce ("Commerce") issued an antidumping duty order on imports of tapered roller bearings from China (52 FR 22667). On May 15, 1989, Commerce issued antidumping duty orders on imports of ball bearings from France, Germany, and Italy (54 FR 20900, 20902, and 20903). Following first and second five-year reviews by Commerce and the Commission, effective July 11, 2000 and September 15, 2006, respectively, Commerce issued continuations of the antidumping duty orders on imports of certain bearings from China, France, Germany, and Italy (65 FR 42665 and 71 FR 54469). The Commission is now conducting third reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of

material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are China, France, Germany, and Italy.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination concerning tapered roller bearings from China (Investigation No. 731–TA–344), the Commission found one *Domestic Like Product*: tapered roller bearings and parts thereof—finished or unfinished; flange, take-up cartridge, and hanger units incorporating tapered roller bearings, and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, and whether or not for automotive use. In its original determinations concerning ball bearings from France, Germany, and Italy (Investigation Nos. 731–TA–391A–393A), the Commission found ball bearings to be a single *Domestic Like Product*. One Commissioner defined the *Domestic Like Product* differently in the original ball bearings final determinations. In its full first and second five-year review determinations concerning the existing orders on certain bearings, the Commission defined ball bearings and tapered roller bearings as separate *Domestic Like Products*, coextensive with Commerce's scope definitions for each type of bearing. For purposes of this notice, you should report information separately on each of the following two *Domestic Like Products*: (1) ball bearings and (2) tapered roller bearings.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determination concerning tapered roller bearings from China (Inv. No. 731–TA–344), the

Commission found one *Domestic Industry* devoted to the production of the *Domestic Like Product*, as defined above. In its original determinations concerning ball bearings from France, Germany, and Italy (Investigation Nos. 731–TA–391A–393A), the Commission found one *Domestic Industry* devoted to the production of ball bearings. One Commissioner defined the *Domestic Industry* differently in the original ball bearings final determinations. In its full first and second five-year review determinations concerning the existing orders on tapered roller bearings and ball bearings, the Commission found two separate *Domestic Industries*, each devoted to the production of one of the two *Domestic Like Products*, as defined above. For purposes of this notice, you should report information on two *Domestic Industries*, each devoted to the production of one of the following two *Domestic Like Products*: (1) Ball bearings and (2) tapered roller bearings.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b)(19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are not

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 11–5–253, expiration date June 30, 2014. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is August 31, 2011. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is October 25, 2011. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of

sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information. Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information To Be Provided in Response to this Notice of Institution: Please provide the requested information separately for each *Domestic Like Product*, as defined by the Commission in its determinations, and for each of the products identified by Commerce as *Subject Merchandise*. If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of a *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer

or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the *Domestic Industries* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industries*.

(5) A list of all known and currently operating U.S. producers of each *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2005.

(7) A list of 3-5 leading purchasers in the U.S. market for each *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and E-mail address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for each *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of a *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2010, except as noted (report quantity data in units and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of each *Domestic*

Like Product accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce each *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of each *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of each *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of each *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in units and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies)*, provide the following information on your firm's(s')

operations on that product during calendar year 2010 (report quantity data in units and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in each *Subject Country* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Products* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Countries* after 2005, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Products* produced in the United States, *Subject Merchandise* produced in the *Subject Countries*, and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Products and Domestic Industries*; if you disagree with either or both of these

definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: July 26, 2011.

By order of the Commission.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-19318 Filed 7-29-11; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-671-673 (Third Review)]

Silicomanganese From Brazil, China, and Ukraine Institution of a Five-Year Review Concerning the Antidumping Duty Orders on Silicomanganese From Brazil, China, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on silicomanganese from Brazil, China, and Ukraine would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is August 31, 2011. Comments on the adequacy of responses may be filed with the Commission by October 14, 2011. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* August 1, 2011.

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 11-5-255, expiration date June 30, 2011. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

Department received a NSR request from GGB Bearing Technology (Suzhou) Co., Ltd. (“GGB”). GGB’s request was made in June 2011, which is the anniversary month of the *Order*. See 19 CFR 351.214(d).

In its submission, GGB certified that it is the exporter and producer of the subject merchandise upon which the request was based. Pursuant to section 751(a)(2)(B)(i)(I) of the Act and 19 CFR 351.214(b)(2)(i), GGB certified that it did not export TRBs to the United States during the period of investigation (“POI”). In addition, pursuant to section 751(a)(2)(B)(i)(II) of the Act and 19 CFR 351.214(b)(2)(iii)(A), GGB certified that, since the initiation of the investigation, it has not been affiliated with a PRC exporter or producer who exported TRBs to the United States during the POI, including those not individually examined during the investigation. As required by 19 CFR 351.214(b)(2)(iii)(B), GGB also certified that its export activities were not controlled by the central government of the PRC.

In addition to the certifications described above, pursuant to 19 CFR 351.214(b)(2)(iv), GGB submitted documentation establishing the following: (1) The date on which GGB first shipped TRBs for export to the United States and the date on which the TRBs were first entered, or withdrawn from warehouse, for consumption; (2) the volume of its first shipment; and (3) the date of its first sale to an unaffiliated customer in the United States.

The Department conducted U.S. Customs and Border Protection (“CBP”) database queries in an attempt to confirm that GGB’s shipments of subject merchandise had entered the United States for consumption and that liquidation of such entries had been properly suspended for antidumping duties. The Department also examined whether the CBP data confirmed that such entries were made during the NSR POR.¹ The information which the Department examined was consistent with that provided by GGB in its request. See Memorandum to the File titled “Initiation of Antidumping New Shipper Review: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China, A-570-601,” (“Initiation Checklist”) dated concurrently with this notice.

Period of Review

In accordance with 19 CFR 351.214(g)(1)(i)(A), the POR for a NSR

¹ See July 14, 2011, memorandum to the file, regarding “U.S. Customs and Border Protection Data.”

initiated in the month immediately following the anniversary month will be the twelve-month period immediately preceding the anniversary month. Therefore, the POR for this NSR is June 1, 2010, through May 31, 2011. The sales and entries into the United States of subject merchandise produced and exported by GGB occurred during this twelve-month POR.

Initiation of New Shipper Review

Pursuant to section 751(a)(2)(B) of the Act and 19 CFR 351.214(b), the Department finds that the request submitted by GGB meets the threshold requirements for initiation of a NSR for the shipment of TRBs from the PRC produced and exported by GGB. See Initiation Checklist. However, if the information supplied by GGB is later found to be incorrect or insufficient during the course of this proceeding, the Department may rescind the review or apply adverse facts available pursuant to section 776 of the Act, depending upon the facts on record. The Department intends to issue the preliminary results of this NSR no later than 180 days from the date of initiation, and the final results no later than 90 days from the issuance of the preliminary results. See section 751(a)(2)(B)(iv) of the Act.

It is the Department’s usual practice, in cases involving non-market economies, to require that a company seeking to establish eligibility for an antidumping duty rate separate from the country-wide rate provide evidence of *de jure* and *de facto* absence of government control over the company’s export activities. Accordingly, the Department will issue a questionnaire to GGB which will include a section requesting information with regard to GGB’s export activities for separate rates purposes. The review will proceed if the response provides sufficient indication that GGB is not subject to either *de jure* or *de facto* government control with respect to its export of subject merchandise.

The Department will instruct CBP to allow, at the option of the importer, the posting, until the completion of the review, of a bond or security in lieu of a cash deposit for each entry of the subject merchandise from GGB in accordance with section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(e). Because GGB certified that it produced and exported the subject merchandise, the Department will apply the bonding privilege to GGB for all subject merchandise produced and exported by GGB.

To assist in its analysis of the *bona fides* of GGB’s sales, upon initiation of

this new shipper review, the Department will require GGB to submit on an ongoing basis complete transaction information concerning any sales of subject merchandise to the United States that were made subsequent to the POR.

Interested parties requiring access to proprietary information in this NSR should submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305 and 19 CFR 351.306. This initiation and notice are in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214 and 19 CFR 351.221(c)(1)(i).

Dated: July 27, 2011.

Christian Marsh,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2011-19407 Filed 7-29-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year (“Sunset”) Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”), the Department of Commerce (“the Department”) is automatically initiating a five-year review (“Sunset Review”) of the antidumping and countervailing duty orders listed below. The International Trade Commission (“the Commission”) is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers the same orders.

DATES: *Effective Date:* August 1, 2011.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

SUPPLEMENTARY INFORMATION:

Background

The Department’s procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (“Sunset”) Reviews of*

Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset

Reviews is set forth in the Department's Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping and countervailing duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A-570-601	731-TA-344	PRC	Tapered Roller Bearings and Parts Thereof, Finished and Unfinished (3rd Review).	Julia Hancock, (202) 482-1394.
A-570-828	731-TA-672	PRC	Silicomanganese (3rd Review)	Julia Hancock, (202) 482-1394.
A-351-824	731-TA-671	Brazil	Silicomanganese (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-823-805	731-TA-673	Ukraine	Silicomanganese (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-427-801	731-TA-392-A	France	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-428-801	731-TA-391-A	Germany	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-475-801	731-TA-393-A	Italy	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-588-804	731-TA-394-A	Japan	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-412-801	731-TA-399-A	United Kingdom	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-570-901	731-TA-1095	PRC	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
A-533-843	731-TA-1096	India	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
A-560-818	731-TA-1097	Indonesia	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
C-533-844	731-TA-442	India	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
C-560-819	731-TA-443	Indonesia	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department's regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department's Internet Web site at the following address: <http://ia.ita.doc.gov/sunset/>. All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, and service of documents. These rules can be found at 19 CFR 351.303.

This notice serves as a reminder that any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all AD/CVD investigations or proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty*

Proceedings: Interim Final Rule, 76 FR 7491 (February 10, 2011) ("*Interim Final Rule*") amending 19 CFR 351.303(g)(1) and (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in investigations/proceedings initiated on or after March 14, 2011 if the submitting party does not comply with the revised certification requirements.

Pursuant to 19 CFR 351.103(d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under

APO can be found at 19 CFR 351.304-351.306.

Information Required From Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b) wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive

response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.¹ Please consult the Department's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218 (c).

Dated: July 21, 2011.

Christian Marsh,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2011-19402 Filed 7-29-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XA600

Notice of Availability for a Finding of No Significant Impact and Environmental Assessment for Emergency Restoration of Seagrass Impacts From the Deepwater Horizon Oil Spill Response

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of availability; request for comments.

SUMMARY: Officials of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce (NOAA); U.S. Department of Interior; and the five states of Florida, Alabama, Mississippi, Louisiana and Texas are all designated, pursuant to section 1006(b) of the Oil Pollution Act of 1990 (OPA), as trustees (Trustees) for natural resources harmed by this

¹ In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

Incident. NOAA is serving as the Lead Administrative Trustee (LAT) for this emergency seagrass restoration. Under the National Environmental Policy Act, an Environmental Assessment for Emergency Restoration of Seagrass Impacts from the Deepwater Horizon Oil Spill Response (EA) was completed by NOAA, and a Finding of No Significant Impact (FONSI) was signed on July 8, 2011.

DATES: Comments on this EA and FONSI must be received by August 16, 2011.

ADDRESSES: Submit comments to: Kay McGraw, NOAA Restoration Center, Rm 15862, 1315 East West Highway, Silver Spring, MD 20910; or electronically to Kay.McGraw@noaa.gov.

FOR FURTHER INFORMATION CONTACT: Patricia A. Montanio, 301-427-8600.

SUPPLEMENTARY INFORMATION: The purpose of this project is to address injuries to seagrass beds that resulted from Deepwater Horizon (DWH) oil spill response activities. The injuries were caused by motorized boats, and included propeller scars, blowholes from response vessels, and scouring from boom curtains and anchor tethers. The proposed action will restore damaged seagrass beds and decrease risk of secondary injury to nearby seagrass communities. The environmental review process led NOAA to conclude that this action will not have a significant effect on the human environment, therefore an environmental impact statement will not be prepared.

Section 990.26(d) of OPA requires the Trustees to provide notice to the public, to the extent practicable, of any planned emergency restoration actions. Trustees must also provide public notice of the justification for, nature and extent of, and results of emergency restoration actions within a reasonable time frame. NOAA is expediting regulatory clearance of this action due to the emergency nature of it. The Trustees believe the best method to address this requirement is to post a copy of the FONSI and EA on NOAA's Deepwater Horizon Web site at <http://www.gulfspillrestoration.noaa.gov/>. The documents will be available there on August 1, 2011.

NOAA believes it is important to undertake the restoration immediately in order to minimize the possibility of further adverse sea grass impacts that may occur in the absence of immediate action, such as secondary damage that may result from storms or other events. NOAA will accept public comments on this EA and FONSI until August 16,

2011. All comments will be fully considered and included in the administrative record for this action.

Dated: July 26, 2011.

Brian Pawlak,

Acting Director, Office of Habitat Conservation, National Marine Fisheries Service.

[FR Doc. 2011-19403 Filed 7-29-11; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XA609

South Atlantic Fishery Management Council; Public Hearings

AGENCY: Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NMFS).

ACTION: Notice of Public Hearing Series.

SUMMARY: The South Atlantic Fishery Management Council (Council) will hold a series of public hearings regarding Amendment 24 to the Snapper Grouper Fishery Management Plan (FMP) for the South Atlantic Region. See **SUPPLEMENTARY INFORMATION** for the public hearings schedule.

DATES: The series of four public hearings will be held August 22, 2011 through August 25, 2011. The hearings will be held from 5 p.m. until 7 p.m. Council staff will present an overview of the amendment and will be available for informal discussions and to answer questions. Members of the public will have an opportunity to go on record at any time during the meeting hours to record their comments on the public hearing topics for consideration by the Council. Local Council representatives will attend the meetings and take public comment. Written comments will be accepted from August 12, 2011 until 5 p.m. on September 1, 2011. See **SUPPLEMENTARY INFORMATION**.

ADDRESSES: Written comments should be sent to Bob Mahood, Executive Director, South Atlantic Fishery Management Council, 4055 Faber Place Drive, Suite 201, North Charleston, SC 29405, or via e-mail to: SGAmend24PHcomment@safmc.net for Amendment 24 to the Snapper Grouper FMP. Written comments will be received from August 12, 2011 until 5 p.m. on September 1, 2011.

Copies of the public hearing documents are available by contacting Kim Iverson, Public Information Officer,

the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty orders on silicomanganese from Brazil, China, and Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as amended, 76 FR 61937 (October 6, 2011).

DATES: *Effective Date:* November 4, 2011.

FOR FURTHER INFORMATION CONTACT:

Mary Messer ((202) 205-3193), 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) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On November 4, 2011, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (76 FR 45856, August 1, 2011) was adequate and that the respondent interested party group responses with respect to Brazil and Ukraine were adequate, and decided to conduct full reviews of the antidumping duty orders on silicomanganese from Brazil and Ukraine. The Commission found that the respondent interested party group response with respect to China was inadequate. However, the Commission determined to conduct a full review concerning the order on silicomanganese from China to promote administrative efficiency in light of its decision to conduct full reviews with respect to Brazil and Ukraine. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's

statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: November 16, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-30036 Filed 11-21-11; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-344 (Third Review)]

Tapered Roller Bearings From China; Notice of Commission determination To Conduct a Full Five-Year Review

AGENCY: United States International Trade Commission.

ACTION: Notice

SUMMARY: The Commission hereby gives notice that it will proceed with a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty order on tapered roller bearings from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the review will be established and announced at a later date. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as amended, 76 FR 61937 (October 6, 2011).

DATES: *Effective Date:* November 4, 2011.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202) 205-3193), 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) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205-2000. General information concerning the Commission may also be obtained by accessing its internet server ([\[www.usitc.gov\]\(http://www.usitc.gov\)\). The public record for this review may be viewed on the Commission's electronic docket \(EDIS\) at <http://edis.usitc.gov>.](http://</p>
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SUPPLEMENTARY INFORMATION: On November 4, 2011, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act.¹ The Commission found that both the domestic and respondent interested party group responses to its notice of institution (76 FR 45853, August 1, 2011) were adequate.² A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: November 16, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-30040 Filed 11-21-11; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-442-443 and 731-TA-1095-1097 (Review)]

Certain Lined Paper School Supplies From China, India, and Indonesia; Notice of Commission Determinations To Conduct Full Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty orders on certain lined paper school supplies from India and Indonesia and the antidumping duty orders on certain lined paper school supplies from China, India, and Indonesia would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further

¹ Chairman Deanna Tanner Okun did not participate.

² Commissioner Charlotte R. Lane dissented from the majority, instead finding that the respondent interested party group response was inadequate and determining to proceed to an expedited review.

This review and notice are in accordance with sections 751(a)(1), 751(a)(2)(B)(iv), 751(a)(3), and 777(i) of the Act.

Dated: November 30, 2011.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2011-31281 Filed 12-5-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-601]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On August 1, 2011, the Department of Commerce ("Department") initiated the third sunset review of the antidumping duty order on tapered roller bearings and parts thereof, finished and unfinished ("TRBs") from the People's Republic of China ("PRC") pursuant to section 751(c) of the Tariff Act of 1930, as amended ("Act"). On August 16, 2011, the Timken Company ("Timken"), a domestic producer and the petitioner in the TRBs less-than-fair-value investigation, notified the Department that it intended to participate in the sunset review. On August 16, 2011, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW"), a union that represents workers engaged in the manufacturing of tapered roller bearings and parts thereof in the United States, also notified the Department that it intended to participate in the sunset review. The Department did not receive a notice of intent to participate from any respondent interested party. Based on the notices of intent to participate and adequate response filed by Timken and USW (together, "the domestic parties"), and the lack of response from any respondent interested party, the Department conducted an expedited (120-day) sunset review of the antidumping duty order on tapered roller bearings from the PRC pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2). See *Antidumping Duty Order; Tapered*

Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China, 52 FR 22667 (June 15, 1987), as amended, *Tapered Roller Bearings From the People's Republic of China; Amendment to Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance With Decision Upon Remand*, 55 FR 6669 (Feb. 26, 1990) ("Order"). As a result of this sunset review, the Department finds that revocation of the Order would likely lead to continuation or recurrence of dumping, at the levels indicated in the "Final Results of Sunset Review" section of this notice, *infra*.

DATES: *Effective Date:* December 6, 2011.

FOR FURTHER INFORMATION CONTACT:

Lindsey Novom; AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; *telephone:* (202) 482-5256.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2011, the Department initiated a sunset review of the order on TRBs pursuant to section 751(c) of the Act. See *Initiation of Five-Year ("Sunset") Review*, 76 FR 45778, 45779 (August 1, 2011) ("*Sunset Initiation*"). On August 16, 2011, the Department received a timely notice of intent to participate in the sunset review from the domestic parties, pursuant to 19 CFR 351.218(d)(1)(i). In accordance with 19 CFR 351.218(d)(1)(ii)(A), Timken claimed interested party status under section 771(9)(C) of the Act as a domestic producer. USW is a certified or recognized union that represents workers engaged in manufacturing the domestic like product, and therefore, is an interested party pursuant to section 771(9)(D) of the Act.

On August 31, 2011, Timken and USW collectively filed an adequate substantive response in the sunset review within the 30-day deadline as specified in 19 CFR 351.218(d)(3)(i). The Department did not receive a substantive response from any respondent interested party in the sunset review. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of the *Order*.

Scope of the Order

The products covered by the order are tapered roller bearings and parts thereof, finished and unfinished, from the PRC; flange, take up cartridge, and hanger units incorporating tapered roller

bearings; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use. These products are currently classifiable under Harmonized Tariff Schedule of the United States ("HTSUS") item numbers 8482.20.00, 8482.91.00.50, 8482.99.15, 8482.99.45, 8483.20.40, 8483.20.80, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.80, 8708.99.80.15¹ and 8708.99.80.80.² Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope of the order and this review is dispositive.

Subsequent to the issuance of the order, we issued the following scope rulings:

On February 7, 2011, in response to an inquiry from Blackstone OTR LLC and OTR Wheel Engineering, Inc. (collectively, "Blackstone OTR"), the Department ruled that Blackstone OTR's wheel hub assemblies are included in the scope of the order.³

On April 18, 2011, in response to an inquiry from New Trend Engineering Limited ("New Trend"), the Department ruled that: (1) New Trend's splined and non-splined wheel hub assemblies without antilock braking system ("ABS") elements are included in the scope of the order; and (2) New Trend's wheel hub assemblies with ABS elements are also included in the scope of the *Order*.⁴

On June 14, 2011, in response to an inquiry from Bosda International (USA) LLC ("Bosda"), the Department ruled that Bosda's wheel hub assemblies are included in the scope of the *Order*.⁵

On August 2, 2011, in response to an inquiry from DF Machinery International, Inc. ("DF Machinery"), the Department ruled that DF

¹ Effective January 1, 2007, the HTSUS subheading 8708.99.8015 is renumbered as 8708.99.8115. See United States International Trade Commission ("USITC") publication entitled, "Modifications to the Harmonized Tariff Schedule of the United States Under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988," USITC Publication 3898 (Dec. 2006) found at www.usitc.gov.

² Effective January 1, 2007, the HTSUS subheading 8708.99.8080 is renumbered as 8708.99.8180. Id.

³ See Memorandum entitled "Tapered Roller Bearings from the People's Republic of China: Final Scope Ruling on Blackstone OTR LLC and OTR Wheel Engineering, Inc.'s Wheel Hub Assemblies and TRBs," dated February 7, 2011.

⁴ See Memorandum entitled, "Tapered Roller Bearings from the People's Republic of China: Final Scope Ruling on New Trend Engineering Ltd.'s Wheel Hub Assemblies," dated April 18, 2011.

⁵ See Memorandum entitled "Tapered Roller Bearings from the People's Republic of China Final Scope Determination on Bosda's Wheel Hub Assemblies," dated June 14, 2011.

Machinery's agricultural hub units are included in the scope of the *Order*.⁶

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review is addressed in the accompanying Issues and Decision Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, which is hereby adopted by this notice. See the Department's memorandum entitled, "Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China," dated concurrently with this notice ("I&D Memo"). The issues discussed in the accompanying I&D Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the dumping margin likely to prevail if the *Order* is revoked. Parties can obtain a public copy of the I&D Memo which is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Services System (IA ACCESS). Access to IA ACCESS is available in the Central Records Unit room 7046 of the main Department of Commerce building. In addition, a complete version of the I&D Memo can be accessed directly on the Web at <http://trade.gov/ia>. The signed I&D Memo and the electronic versions of the I&D Memo are identical in content.

Final Results of Sunset Review

Pursuant to section 751(c) of the Act, the Department determines that revocation of the *Order* on TRBs would likely lead to continuation or recurrence of dumping at the rates listed below:

Exporters/producers	Weighted-average margin (percent)
China National Machinery Import & Export Corp	0.03
Zhejiang Wanxiang Group	0.11
Zhejiang Machinery Import & Export Corp	0.11
Luoyang Bearing Corporation	3.20
Premier Bearing & Equipment, Ltd	5.60
Liaoning Mec Group, Ltd.	9.72

⁶ See Memorandum entitled "Tapered Roller Bearings and Parts Thereof, finished and Unfinished, from the People's Republic of China-Final Scope Determination on DF Machinery's Agricultural Hub Units," dated August 3, 2011.

Exporters/producers	Weighted-average margin (percent)
China National Machinery and Equipment Import & Export Corp	31.05
PRC-wide	31.05

Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 29, 2011.

Paul Piquado,
Assistant Secretary for Import Administration.

[FR Doc. 2011-31297 Filed 12-5-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-901]

Notice of Amended Final Results of the Antidumping Duty Administrative Review of Certain Lined Paper Products From the People's Republic of China

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* December 6, 2011.

FOR FURTHER INFORMATION CONTACT: Victoria Cho, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-5075.

SUPPLEMENTARY INFORMATION:

Summary

As a result of the decision of the Court of International Trade ("Court") in *Association of American School Paper Suppliers v. United States*, Court

Number 09-00163, Slip Op. 11-101 (August 11, 2011), the Department of Commerce ("the Department") has recalculated the rates for the separate rate companies¹ in the first administrative review of certain lined paper products ("CLPP") from the People's Republic of China ("PRC"), for the period of review ("POR") April 17, 2006 through August 31, 2007.

Background

On April 14, 2009, the Department published its final results of the administrative review for CLPP from the PRC for the period April 17, 2006, through August 31, 2007.² The Department individually examined one company, Shanghai Lian Li Paper Products Co., Ltd. ("Lian Li"). In its *Final Results*, the Department determined to apply the weighted-average dumping margin calculated for Lian Li to the separate rate companies. On December 22, 2009, the Department published amended final results, to correct for certain ministerial errors in the *Final Results*.³

The Association of American School Paper Suppliers challenged the Department's *Amended Final* at the Court. On July 27, 2010, the Court remanded the case for the Department to revisit its determination concerning the selection of information to calculate surrogate financial values. On August 11, 2011, the Court sustained the Department's final results of redetermination.⁴ On August 25, 2011, the Department published an amended final results in which it recalculated Lian Li's rate.⁵ However, in that notice,

¹ Hwa Fuh Plastics Co. Ltd./Li Teng Plastics (Shenzhen) Co., Ltd.; Leo's Quality Products Co., Ltd./Denmax Plastic Stationery Factory; and the Watanabe Group (consisting of the following companies: Watanabe Paper Product (Shanghai) Co. Ltd.; Watanabe Paper Product (Linqing) Co. Ltd. (Watanabe Linqing); and Hotrock Stationery (Shenzhen) Co. Ltd.

² See *Certain Lined Paper Products From the People's Republic of China: Notice of Final Results of the Antidumping Duty Administrative Review*, 74 FR 17160 (April 14, 2009) ("Final Results").

³ See *Notice of Amended Final Results of the Antidumping Duty Administrative Review of Certain Lined Paper Products from the People's Republic of China*, 74 FR 68036 (December 22, 2009) ("Amended Final").

⁴ *Association of American School Paper Suppliers v. United States*, Court Number 09-00163, Slip Op. 11-101 (August 11, 2011).

⁵ *Certain Lined Paper Products From the People's Republic of China: Notice of Court Decision Not in Harmony With Final Results of Administrative Review and Notice of Amended Final Results of Administrative Review Pursuant to Court Decision*, 76 FR 53116 (August 25, 2011). The Department recalculated Lian Li's rate as determined in *Certain Lined Paper Products From the People's Republic of China: Notice of Court Decision Not in Harmony With Final Results of Administrative Review and Notice of Amended Final Results of Administrative*

Wisconsin

- Greendale Historic District, Village of Greendale, WI.

Proposed Amendments to Existing Designations

- Hamilton Grange, New York (updated documentation and boundary revision).
- Nantucket Historic District, Nantucket County, MA (updated and additional documentation).

B. National Historic Trails Program*Proposed National Historic Trail*

- Proposed Chisholm and Great Western National Historic Trail, KS, NE., OK, TX (national significance recommendation).

C. National Natural Landmarks (NNL) Program

NNL Program matters will be considered at the business meeting on the morning of May 23, during which the Board may consider the following:

Nomination for New NNL Designation

Colorado

- Big Spring Creek, Saguache County, CO.

The board meeting will be open to the public. The order of the agenda may be changed, if necessary, to accommodate travel schedules or for other reasons. Space and facilities to accommodate the public are limited and attendees will be accommodated on a first-come basis. Anyone may file with the Board a written statement concerning matters to be discussed. The Board also will permit attendees to address the Board, but may restrict the length of the presentations, as necessary to allow the Board to complete its agenda within the allotted time. Before including your address, telephone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Draft minutes of the meeting will be available for public inspection about 12 weeks after the meeting in the 12th floor conference room, 1201 I Street, NW., Washington, DC.

Dated: March 15, 2012.

Bernard Fagan,

Chief, Office of Policy.

[FR Doc. 2012-6931 Filed 3-21-12; 8:45 am]

BILLING CODE 4312-52-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-344 (Third Review)]

Tapered Roller Bearings From China; Scheduling of a Full Five-Year Review

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on tapered roller bearings from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. § 1675(c)(5)(B). For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* March 16, 2012.

FOR FURTHER INFORMATION CONTACT: Jennifer Merrill (202-205-3188), 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 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On November 4, 2011, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (76

FR 72213, November 22, 2011). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the review and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. § 1677(9), who are parties to the review. A party granted access to BPI following publication of the Commission's notice of institution of the review need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the review will be placed in the nonpublic record on May 31, 2012, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on June 19, 2012, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before June 13, 2012. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference

to be held at 9:30 a.m. on June 14, 2012, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is June 11, 2012. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is July 2, 2012; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before July 2, 2012. On July 24, 2012, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before July 26, 2012, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. Please be aware that the Commission's rules with respect to electronic filing have been amended. The amendments took effect on November 7, 2011. See 76 FR 61937 (Oct. 6, 2011) and the newly revised Commission's Handbook on E-Filing, available on the Commission's Web site at <http://edis.usitc.gov>.

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (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 review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: March 16, 2012.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2012-6917 Filed 3-21-12; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-783]

Certain GPS Navigation Products, Components Thereof, and Related Software; Termination of Investigation on the Basis of Settlement

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review the presiding administrative law judge's initial determination ("ID") (Order No. 14) granting a joint motion to terminate the above-captioned investigation on the basis of a settlement agreement.

FOR FURTHER INFORMATION CONTACT: Sidney A. Rosenzweig, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 708-2532. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by

contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on July 7, 2011, based on a complaint filed by Honeywell International Inc. of Morristown, New Jersey ("Honeywell") that alleged a violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in the importation, sale for importation, and sale within the United States after importation of certain GPS navigation products, components thereof, and related software, by reason of the infringement of certain claims of U.S. Patent Nos. 5,461,388, 6,088,653, 6,865,452, and 7,209,070. 76 FR 39896 (July 7, 2011). The notice of investigation named as respondents Furuno Electric Co., Ltd. of Nishinomiya, Japan, and Furuno U.S.A., Inc. of Camas, Washington (collectively, "Furuno").

On February 9, 2012, Honeywell and Furuno jointly moved to terminate the investigation in its entirety on the basis of a settlement agreement. On February 28, 2012, the ALJ granted the motion as an ID. Order No. 14 at 2.

No petitions for review of the ID were filed. The Commission has determined not to review the ID.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in sections 210.21 and 210.42 of the Commission's Rules of Practice and Procedure (19 CFR 210.21, 210.42).

Issued: March 16, 2012.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2012-6907 Filed 3-21-12; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-750]

Certain Mobile Devices, and Related Software Thereof; Notice of Commission Decision To Review in Part and on Review To Affirm a Final Determination Finding No Violation of Section 337; Termination of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review in part the presiding administrative law judge's ("ALJ") final initial determination ("ID") issued on January

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY
in
Tapered Roller Bearings from China, Inv. No. 731-TA-344,
(Third Review)

On November 4, 2011, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)).¹

The Commission received an individually adequate response, containing company-specific information, from The Timken Company (“Timken”), a domestic producer of tapered roller bearings (“TRBs”).² Because Timken accounts for a significant percentage of domestic TRB production, the Commission determined that the domestic interested party group response was adequate.

The Commission received individually adequate responses from respondents Peer Bearing Company, a U.S. importer of TRBs from China, and SKF (Shanghai) Automotive Technology Co. Ltd., Beijing Nankou SKF Railway Bearing Co., SKF (Dalian) Bearings and Precision Technology Co. Ltd., and Changshan Peer Bearing Co., Ltd., Chinese producers and/or exporters of TRBs. Because these respondents account for a significant share of the exports of subject merchandise from China to the United States, the Commission found that the respondent interested party group response was adequate.³

Because both group responses were adequate, the Commission determined to conduct a full review in this proceeding.

A record of the Commissioners’ votes is available from the Office of the Secretary and on the Commission’s website (<http://www.usitc.gov>).

¹ Chairman Deanna Tanner Okun did not participate.

² The response was also filed on behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC.

³ Commissioner Charlotte R. Lane found the respondent group response to be inadequate, and therefore voted to expedite this review.

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject: Tapered Roller Bearings from China
Inv. No.: 731-TA-344 (Third Review)
Date and Time: June 19, 2012 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room, 500 E Street (room 101), SW, Washington, D.C.

CONGRESSIONAL WITNESSES:

The Honorable Sherrod Brown, United States Senator, Ohio

The Honorable Betty Sutton, U.S. Representative, 13th District, Ohio

The Honorable James B. Renacci, U.S. Representative, 16th District, Ohio

The Honorable Bob Gibbs, U.S. Representative, 18th District, Ohio

OPENING REMARKS:

In Support of Continuation of Order (**Terence P. Stewart,**
Stewart and Stewart)

In Opposition to Continuation of Order (**Lyle B. Vander Schaaf,**
Brink, Hofer, Gilson & Lione)

**In Support of the Continuation of
the Antidumping Duty Order:**

Stewart and Stewart
Washington, D.C.
on behalf of

The Timken Company (“Timken”)
United Steel, Paper and Forestry, Rubber, Manufacturing,
Energy, Allied Industrial and Service Workers
International Union, AFL-CIO-CLC (“USW”)

James W. Griffith, President *and* Chief
Executive Officer, Timken

Phil Fracassa, Senior Vice President and Controller,
Bearings & Power Transmission (B&PT) Group,
Timken

Steven P. Russell, Manager, Marketing, North America –
Light Vehicle Systems, Heavy Truck and
Off-Highway, Timken

Thomas Tecklenburg, Director, Automotive and Heavy
Duty Aftermarket, Timken

Gary Schall, Plant Manager, Lincolnton Plant, Timken

Dennis Brommer, USW Subdistrict Director, USW
Subdistrict 2, Canton, Ohio

Terence P. Stewart)
Eric P. Salonen)
) – OF COUNSEL
Philip A. Butler)
Jennifer M. Smith)

**In Opposition to the Continuation of
the Antidumping Duty Order:**

Brinks, Hofer, Gilson & Lione
Washington, D.C.
on behalf of

Dana Holding Corporation

Joseph Heckendorn, Senior Counsel for International
Trade Compliance, Dana Holding Corporation

Heidi Day, Global Commodity Manager – Bearings,
Dana Holding Corporation

Lyle B. Vander Schaaf) – OF COUNSEL

Brinks, Hofer, Gilson & Lione
Washington, D.C.
on behalf of

The Coalition of Exporters and Importers
of Wheel Hub Assemblies from China

Steven Chang, Sales Manager, Bosda International
USA LLC

Zhimin (“Jeremy”) Peng, Overseas Sales Director,
Zhejiang Sihe Machine Co., Ltd.

Melody Peng, Translator for Zhejiang Sihe Machine Co., Ltd.

Nancy Xie, Chief Executive Officer, Li Li Auto USA

Steve Bearden, Chief Executive, H. B. International
Marketing Services, Inc.

Kong Aixiang, General Manager, Zhejiang Zhaofeng
Mechanical and Electronic Co., Ltd.

Harry Li, Translator for Mr. Kong

Lyle B. Vander Schaaf) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Order (**Terence P. Stewart,**
Stewart and Stewart)

In Opposition to Continuation of Order (**Lyle B. Vander Schaaf,**
Brinks, Hofer, Gilson & Lione)

APPENDIX C
SUMMARY DATA

Table C-1
TRBs: Summary data concerning the U.S. market, 2006-11

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Table C-2
Wheel hub assemblies: Summary data concerning the U.S. market, 2006-11

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Table C-3
TRBs (excluding wheel hub assemblies): Summary data concerning the U.S. market, 2006-11

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APPENDIX D

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS,
U.S. PURCHASERS, AND FOREIGN PRODUCERS
CONCERNING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY
AND COUNTERVAILING DUTY ORDERS AND THE LIKELY
EFFECTS OF REVOCATION**

All responses in appendix D contain information that would reveal confidential operations and therefore have been deleted from this report.

APPENDIX E
RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS, AND
U.S. PURCHASERS REGARDING THE DEGREE TO WHICH WHEEL HUB
ASSEMBLIES AND TAPERED ROLLER BEARINGS ARE THE SAME

All responses in appendix E contain information that would reveal confidential operations and therefore have been deleted from this report.

