Chassis and Subassemblies from China

Investigation Nos. 701-TA-657 and 731-TA-1537 (Preliminary)

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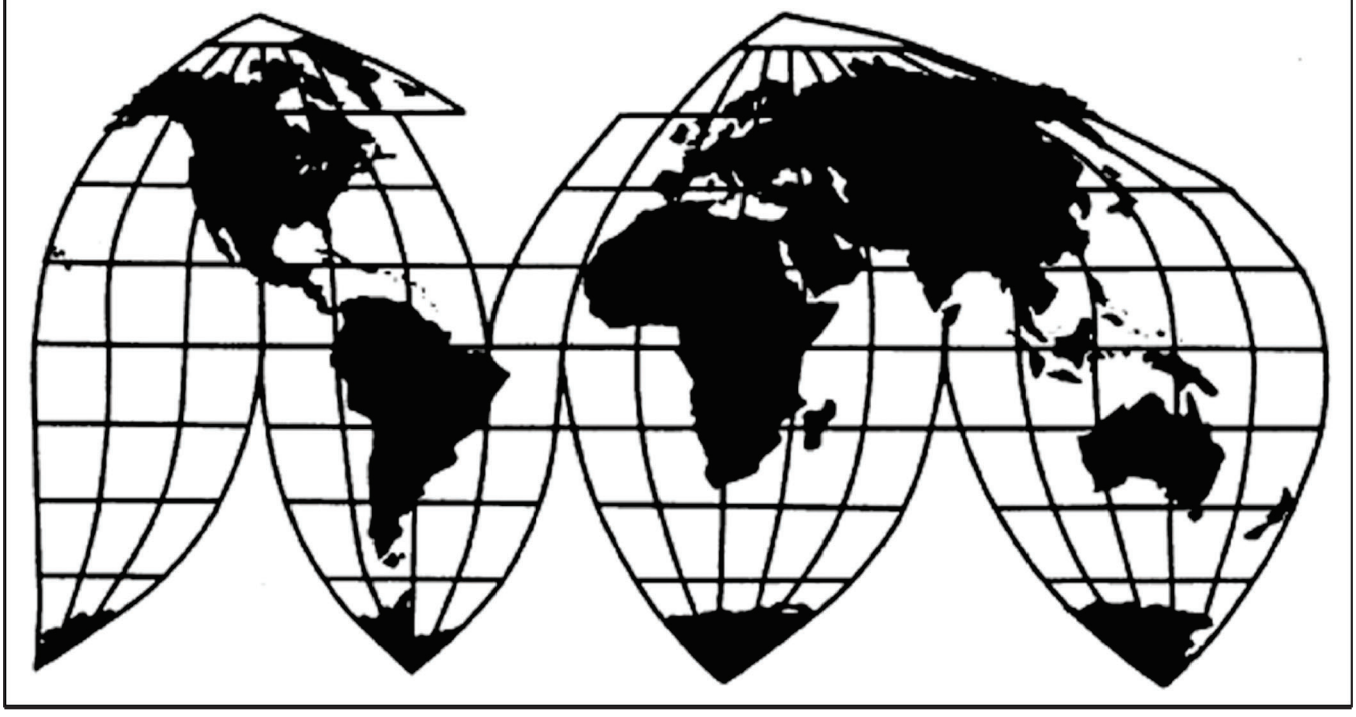

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-657 and 731-TA-1537 (Preliminary)

Chassis and Subassemblies from China

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain chassis and subassemblies thereof ("chassis") from China, provided for in subheadings 8716.39.00 and 8716.90.50 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV") and to be subsidized by the government of China.[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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

[2] 85 FR 52552 (August 26, 2020); 85 FR 52549 (August 26, 2020).

BACKGROUND

On July 30, 2020, the Coalition of American Chassis Manufacturers, consisting of Cheetah Chassis Corporation, Fairless Hills, Pennsylvania, Hercules Enterprises, LLC, Hillsborough, New Jersey, Pitts Enterprises, Inc., Pittsview, Alabama, Pratt Industries, Inc., Bridgman, Michigan, and Stoughton Trailers, LLC, Stoughton, Wisconsin, filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of chassis from China and LTFV imports of chassis from China. Accordingly, effective July 30, 2020, the Commission instituted countervailing duty investigation No. 71-TA-657 and antidumping duty investigation No. 731-TA-1537 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of August 5, 2020 (85 FR 47400). In light of the restrictions on access to the Commission building due to the COVID–19 pandemic, the Commission conducted its conference through written testimony and video conference on August 20, 2020. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of chassis and subassemblies from China that are allegedly sold in the United States at less than fair value and are allegedly subsidized by the government of China.

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

II. Background

The Coalition of American Chassis Manufacturers, comprised of five U.S. producers of chassis – Cheetah Chassis Corporation ("Cheetah"), Hercules Enterprises, LLC ("Hercules"), Pitts Enterprises, Inc. ("Pitts"), Pratt Industries, Inc. ("Pratt"), and Stoughton Trailers, LLC ("Stoughton") (collectively "Petitioner") – filed the petitions in these investigations on July 30, 2020. Representatives for Petitioner appeared at the staff conference[3] accompanied by counsel and Petitioner submitted a postconference brief.[4] The Truck Trailer Manufacturers Association, Inc. ("TTMA"), a trade association of truck trailer, including chassis, producers in

[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[2] *American Lamb Co.*, 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[3] In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted the conference in these investigations by video conference on Aug. 20, 2020, and written witness testimony, as set forth in procedures provided to the parties.

[4] *See* Letter from Robert E. DeFrancesco, III, Wiley Rein LLP, to the Honorable Lisa R. Barton, Re: Chassis and Subassemblies from China: Post-Conference Brief (Aug. 25, 2020) ("Petitioner's Postconference Brief").

North America, did not appear at the staff conference but submitted a nonparty statement in support of the petitions.[5]

Several respondent entities participated in these investigations. Representatives for CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles"), an importer of subject merchandise and parent company of CIMC-group foreign producers, exporters, and importers of subject merchandise, and CIMC Intermodal Equipment, LLC ("CIE"), an importer and assembler of subject merchandise and U.S. subsidiary of CIMC Vehicles (collectively, "CIMC" or "CV"), appeared at the staff conference accompanied by counsel and submitted a postconference brief.[6] Representatives for Interpool, Inc., d/b/a TRAC Intermodal, a purchaser and lessor of chassis, and the Institute of International Container Lessors, Ltd. ("IICL"), a trade association of lessors of chassis, appeared at the staff conference accompanied by counsel and IICL submitted a nonparty statement in opposition to the petitions.[7] The American Trucking Associations ("ATA"), a trade association of purchasers and lessors/lessees of chassis, did not appear at the staff conference but submitted a nonparty statement in opposition to the petitions.[8]

Domestic industry data in the Commission's report are based on the questionnaire responses of five firms, accounting for 95.1 percent of U.S. production of chassis and subassemblies in 2019.[9] U.S. import data are based on the questionnaire responses from six U.S. importers (four of which are CIMC-group affiliated companies) believed to account for nearly all imports of chassis and subassemblies from subject and nonsubject sources.[10] Foreign industry data and related information are based on the questionnaire responses of three firms, all CIMC-group affiliated companies, which are estimated to account for approximately ***

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[5] *See* Letter from Jeffery Sims, Truck Trailer Manufacturers Association, Inc., to the Honorable Lisa R. Barton, Re: Chassis and Subassemblies from China: Comments from the Truck Trailer Manufacturers Association, Inc. (Aug. 28, 2020) ("TTMA's Nonparty Statement").

[6] *See* Letter from Ting-Ting Kao, White & Case LLP, to the Honorable Lisa R. Barton, Re: Certain Chassis and Subassemblies from the People's Republic of China Investigation Nos. 701-TA-657 and 731-TA-1537 (Preliminary): Post-Conference Brief (Aug. 25, 2020) ("CV's Postconference Brief").

[7] *See* Letter from Duane W. Layton, Mayer Brown LLP, to the Honorable Lisa R. Barton, Re: Chassis and Subassemblies from China: Post-Conference Brief of Institute of International Container Lessors, Ltd. (Aug. 25, 2020) ("IICL's Nonparty Statement").

[8] *See* Letter from Bob Costello, American Trucking Associations, to the Honorable Lisa R. Barton, Re: Certain Chassis and Subassemblies from the People's Republic of China Investigation No. 701-TA-657 and 731-TA-1537 (Preliminary): Comments from the American Trucking Associations (Aug. 25, 2020) ("ATA's Nonparty Statement").

[9] Confidential Report, INV-SS-109 (Sept. 4, 2020) ("CR") and Public Report ("PR") at I-4, III-1. The five firms providing usable U.S. producer questionnaire responses are the petitioning firms: Cheetah, Hercules, Pitts, Pratt, and Stoughton. CR/PR at Table III-1. CIE, the U.S.-based subsidiary of CIMC Vehicles, which, until recently, primarily assembled subassemblies imported from China into complete chassis at two U.S. facilities, also responded to the U.S. producer questionnaire. Its status as a domestic producer is discussed in Section IV.B. below.

The petition identified another small U.S. producer, Pro-Haul, which Petitioner estimated produced *** chassis (or *** percent of reported U.S. production) in 2019. This firm did not respond to the Commission staff's repeated requests for a questionnaire response. CR/PR at III-1 n.1.

[10] CR/PR at I-4 n.10, IV-1.

percent of U.S. imports of chassis and subassemblies from China in 2019,[11] and, according to the responding firms' estimates, account for approximately *** percent of overall production of chassis and subassemblies in China and *** percent of total exports to the United States of chassis and subassemblies produced in China.[12]

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[13] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "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."[14] In turn, 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."[15]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[16] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[17] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[18] The decision regarding the

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[11] This percentage reflects that in their questionnaire responses, when asked to report exports of chassis and subassemblies to the United States, the responding foreign producers reported ***. However, these foreign producers also included an attachment to their questionnaires that reports the number of *** exported to the United States. Adding the number of *** reported to the number of *** reported results in reported exports to the United States that account for all U.S. imports of complete chassis and subassemblies from China in 2019. *See* CR/PR at VII-3 n.4.

[12] CR/PR at I-4, VII-3.

[13] 19 U.S.C. § 1677(4)(A).

[14] 19 U.S.C. § 1677(4)(A).

[15] 19 U.S.C. § 1677(10).

[16] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[17] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Cir. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[18] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds

appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[19] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[20] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[21]

A. Scope Definition

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as:

> *The merchandise covered by this investigation is chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of*

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defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[19] *See*, *e.g.*, *Cleo*, 501 F.3d at 1299; *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); *Torrington*, 747 F. Supp. at 749 n.3 ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

In a semifinished products analysis, the Commission examines the following: (1) the significance and extent of the processes used to transform the upstream into the downstream articles; (2) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) whether there are perceived to be separate markets for the upstream and downstream articles; and (5) differences in the costs or value of the vertically differentiated articles. *See*, *e.g.*, *Fluid End Blocks from China, Germany, India, and Italy*, Inv. Nos. 701-TA-632-635 and 731-TA-1466-1468 (Prelim.), USITC Pub. 5017 (Feb. 2020) at 5 n.16; *Glycine from India*, *Japan*, *and Korea*, Inv. Nos. 731-TA-1111-1113 (Prelim.), USITC Pub. 3921 (May 2007) at 7; *Artists' Canvas from China*, Inv. No. 731-TA-1091 (Final), USITC Pub. 3853 (May 2006) at 6; *Live Swine from Canada*, Inv. No. 731-TA-1076 (Final), USITC Pub. 3766 (Apr. 2005) at 8 n.40; *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Prelim.), USITC Pub. 3533 (Aug. 2002) at 7.

[20] *See*, *e.g.*, S. Rep. No. 96-249 at 90–91 (1979).

[21] *See*, *e.g.*, *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748–49*; see also* S. Rep. No. 96-249 at 90–91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off (RORO) and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins or similar attachment devices to engage the corner fittings on the container or other payload.

Subject merchandise includes, but is not limited to, the following subassemblies:

• Chassis frames, or sections of chassis frames, including kingpins or kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;

• Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, axles, brake chambers, locking pins, and tires and wheels;

• Landing gear (legs) or landing gear assemblies, for connection to the chassis frame, capable of supporting the chassis when it is not engaged to a tractor; and

• Assemblies and/or components that connect to the chassis frame or a section of the chassis frame, such as, but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis.

Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this investigation.

Subject merchandise also includes chassis, whether finished or unfinished, entered with or for further assembly with components such as, but not limited to: Hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

Processing of finished and unfinished chassis and components such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, or any other processing either in the country of manufacture of the in-scope product or in a third country does not remove the product from

the scope. Inclusion of other components not identified as comprising the finished or unfinished chassis does not remove the product from the scope.

This scope excludes dry van trailers, refrigerated van trailers and flatbed trailers. Dry van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself. Refrigerated van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems. Flatbed (or platform) trailers consist of load-carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

The finished and unfinished chassis subject to this investigation are typically classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 8716.39.0090 and 8716.90.5060. Imports of finished and unfinished chassis may also enter under HTSUS subheading 8716.90.5010. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.[22]

Chassis are skeletal rectangular framed trailers used to transport shipping containers. The rectangular frame is made up of steel with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers attached to the chassis. Chassis are designed to carry containers of various sizes, usually ranging from 20 feet to 53 feet in the United States. The majority of chassis in the United States are 40-foot, and the next most prevalent size is 53-foot. Subassemblies (including chassis frames, running gear assemblies, landing gear assemblies, and components that can be used to connect a chassis to another chassis) are also included in the scope.[23]

[22] *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 85 Fed. Reg. 52552, 52556-57 (Aug. 26, 2020); *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 85 Fed. Reg. 52549, 52552 (Aug. 26, 2020).

[23] CR/PR at I-8 to I-9.

B. Arguments of the Parties

Petitioner's *Arguments*. Petitioner requests that the Commission define a single domestic like product, coextensive with the scope of these investigations.[24] It argues that chassis subassemblies are part of the same domestic like product as fully assembled chassis. It claims that the processes used to transform subassemblies into assembled chassis are not complicated or extensive. Furthermore, according to Petitioner, chassis subassemblies are dedicated to the production of the final chassis and cannot be used for any other product. It also argues that there are few differences in the physical characteristics of subassemblies and final chassis, as both are primarily made from steel products and ultimately have an intended use for cargo transportation. Petitioner further argues that chassis and subassemblies do not have separate markets, and that the minimal shipments of certain types of subassemblies are typically replacement parts for repair of the chassis to the same finished chassis customer. Finally, Petitioner claims that subassemblies combined account for the vast majority of the total cost of goods sold ("COGS") for the final chassis.[25]

Respondents' *Arguments*. CV does not dispute the definition of the domestic like product proposed by the Petitioner in the preliminary phase of these investigations.[26] No other respondent entity addressed the definition of the domestic like product.

C. Analysis

We consider below whether in-scope subassemblies should be included in the same domestic like product as fully assembled chassis. Based on an analysis of the semifinished domestic like product factors, we define a single domestic like product consisting of all chassis and subassemblies thereof, coextensive with the scope of these investigations.

Extent of Processes Used to Transform Upstream Product into Downstream Product. The four major subassemblies for the chassis are the frame, the running gear, landing gear assemblies, and lighting and electrical system.[27] The running gear, air brake system, and lighting and electrical system are made up of components that are produced by third parties and combined together by the chassis manufacturer and installed on the chassis to produce a finished product. The running gear is made up of tires, hub and drum assemblies, axles and suspensions, brake chambers, and other components. The chassis frame consists of steel parts that are cut and welded together. Final assembly of the chassis is a seven-stage process,

[24] Petitioner's Postconference Brief at 3.

[25] Petitioner's Postconference Brief at Exhibit 1, pp. 1-6.

[26] CV's Postconference Brief at 3; Conf. Tr. at 216 (Kendler).

[27] CR/PR at I-12. The scope definition includes, but is not limited to, four types of subassemblies: (1) Chassis frames, (2) Running gear assemblies or axle assemblies for connection to the chassis frame, (3) Landing gear (legs) or landing gear assemblies, and (4) Assemblies and/or components that connect to the chassis frame or a section of the chassis frame, such as, but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis. *See* 85 Fed. Reg. at 52552, 52556-57.

including final inspection.[28] Every responding U.S. producer and importer indicated that the process to transform subassemblies into fully assembled chassis is not significant or particularly labor or capital intensive.[29]

Dedication for Use. In their questionnaire responses, every responding U.S. producer and importer indicated that there are no uses for chassis subassemblies other than for the production of the finished chassis.[30] At the conference, witnesses further explained that the chassis frame is only used in chassis production, while many of the other subassemblies and components (*e.g.*, landing gear legs, air brakes, axles, suspension, *etc*.) could be used in other types of trailers.[31]

Differences in Physical Characteristics and Functions of the Upstream and Downstream Articles. Every responding U.S. producer and two of six importers indicated that there are no differences in physical characteristics and functions for subassemblies and fully assembled chassis.[32] The four importers that indicated that there are differences in physical characteristics were the four CIMC-group importers, which gave an identical explanation for their response: ***.[33]

Separate Markets. Every responding U.S. producer and importer indicated that there is no market for chassis subassemblies distinct from the market for fully assembled chassis.[34] The record indicates that U.S. producers had *** commercial U.S. shipments of subassemblies and that the *** of their commercial sales were fully assembled chassis.[35] In the same vein, domestic industry witnesses testified at the conference that while domestic producers have aftermarket sales of chassis parts and components, these sales are not "for someone else to incorporate {them} into their finished product," but instead are "primarily more related towards damage and repair."[36]

Differences in Value. Every responding U.S. producer and importer indicated that there is not a significant difference in the cost or value between the group of subassemblies that comprise a full chassis and fully assembled chassis.[37] The average unit values ("AUVs") of U.S. producers' U.S. shipments of complete chassis ranged from $*** to $*** per chassis during 2017 to 2019, while those reported for individual subassemblies were much lower, ranging

[28] CR/PR at I-12 to I-18, Figs. I-5 to I-13.

[29] CR/PR at Table I-1.

[30] CR/PR at Table I-1.

[31] CR/PR at I-9 *citing* Conf. Tr. at 217, 219 (Anderson) ("{landing gear suppliers} sell to van builders, {refrigerated trailer} builders, flatbed builders, even to some of the different industries that were mentioned this morning"), 218 (Sonzala).

[32] CR/PR at Table I-1.

[33] CR/PR at I-19 n.33.

[34] CR/PR at Table I-1.

[35] U.S. producers' U.S. shipments of complete chassis ranged from *** to *** chassis on an annual basis from 2017 to 2019, while their shipments of all subassemblies combined ranged from *** to *** subassemblies on an annual basis. CR/PR at Table D-1.

[36] Conf. Tr. at 92-93 (Whalin), (Gill), (Katz), (Musick).

[37] CR/PR at Table I-1.

from $*** for landing gear subassemblies to $*** for running gear subassemblies.[38] The record, however, does not contain data concerning the AUV of each subassembly used in a typical finished chassis, notably frame subassemblies. With respect to the raw material costs for fully assembled chassis, running gears accounted for the largest share of the domestic producers' raw material costs (ranging from *** percent (***) to *** percent (***)), followed by steel (including steel components) (ranging from *** percent (***) to *** percent (***)), other material inputs (ranging from *** percent (***) to *** percent (***)), and electrical components (ranging from *** percent (***) to *** percent (***)).[39] Raw material costs for production of full chassis, which primarily represents subassemblies, accounted for the majority of the domestic producers' COGS, ranging from *** to *** percent from 2017 to 2019.[40]

Conclusion. Based on the record in the preliminary phase of these investigations, we define a single domestic like product consisting of all chassis and subassemblies thereof. It does not appear that the physical characteristics of the four major subassemblies change significantly when assembled together to form a completed chassis and the record indicates that subassemblies have no functions other than being attached to a chassis or other type of trailer. There are very few commercial sales of subassemblies. Most of the COGS of fully assembled chassis reflects the cost of the running gear subassembly and steel components. In light of these considerations and the absence of any contrary argument, we find that chassis subassemblies are not a distinct domestic like product(s) from completed chassis. Therefore, we define a single domestic like product coextensive with the scope of these investigations, consisting of all domestically produced chassis and subassemblies thereof.

IV. Domestic Industry

The domestic industry is defined 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."[41] 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.

These investigations raise the issue of whether the domestic activities of CIE, which assembles chassis subassemblies imported from China into completed chassis *** are sufficient to constitute domestic production. In deciding whether a firm qualifies as a domestic producer of the domestic like product, the Commission generally analyzes the overall nature of a firm's

[38] CR/PR at Table D-1.

[39] CR/PR at VI-11. *** reported in its U.S. producers' questionnaire that the chassis frame amounts to *** percent of its total COGS. *** U.S. Producer Questionnaire Response at III-7. *See also* Conf. Tr. at 168 (Sonzala) (the welded and coated frame for the chassis "accounts for approximately only 20 to 30 percent of the total value of the chassis"). *** further reported the running gear subassembly constitutes *** percent of its total raw material costs and that ***. *** U.S. Producer Questionnaire Response at III-9c and III-9a.

[40] CR/PR at Table VI-1.

[41] 19 U.S.C. § 1677(4)(A).

U.S. production-related activities, although production-related activity at minimum levels could be insufficient to constitute domestic production.[42]

A. Arguments of the Parties

Petitioner's Arguments. Petitioner argues that the Commission should define the domestic industry as all U.S. manufacturers of chassis defined in the scope. It maintains that assemblers of chassis subassemblies such as CIE do not perform sufficient production-related activities in the United States to be included in the domestic industry.[43]

Respondents' Arguments. No respondent entity contested the definition of the domestic industry in the preliminary phase of these investigations. In particular, CV does not argue that CIE should be considered part of the domestic industry for purposes of the preliminary phase of these investigations.[44]

B. Analysis

We consider below whether the production-related activities of CIE are sufficient to constitute domestic production. We find that CIE's assembly operations *** during the January 1, 2017 to March 31, 2020 period of investigation ("POI") did not constitute sufficient production-related activities for CIE to be considered a domestic producer.

Source and Extent of Capital Investment. CIE reported investment costs of $*** for assembly-only operations and $*** for full subassembly and final assembly operations, while the five petitioning U.S. producers reported *** investment costs for full subassembly and final assembly operations, ranging from $*** to $*** for four of the five U.S. producers.[45]

Technical Expertise Involved. On a scale of one (minimally complex, intense, and important) to five (extremely complex, intense, and important), *** petitioning U.S. producers reported that assembly-only operations were one out of five (minimally complex, intense, and important), while CIE reported that assembly-only operations were ***. CIE explained that the

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[42] The Commission generally considers six factors: (1) source and extent of the firm's capital investment; (2) technical expertise involved in U.S. production activities; (3) value added to the product in the United States; (4) employment levels; (5) quantity and type of parts sourced in the United States; and (6) any other costs and activities in the United States directly leading to production of the like product. No single factor is determinative and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation. *Dioctyl Terephthalate (DOTP) from Korea*, Inv. No. 731-TA-1330 (Final), USITC Pub. 4713 at 7 n.23 (Aug. 2017).

[43] Petitioner's Postconference Brief at Exhibit 1, p. 7-10.

[44] CV's Postconference Brief at 15. *See also* Conf. Tr. at 221 (Kao) ("We're not suggesting that CIE be considered part of the domestic industry for purposes of the preliminary determination here").

[45] CR/PR at III-5 n.6. The remaining producer, ***, reported investment costs as $***. *Id.* Additionally, CIE made a capital investment of $5 million in 2019 in order to establish production at its U.S. facilities of subassemblies (other than chassis frame assemblies) for fabrication into complete chassis. CR/PR at III-1 n.1. However, in its U.S. producer questionnaire response, CIE reported *** production of *** chassis in 2019 and the same amount in January-March ("interim") 2020. *Id.*

"***."[46] Consequently, CIE's *** the production process itself. CV depicts CIE's assembly process largely to entail ***.[47]

Value Added. CV states that CIE's conversion costs (direct labor and factory cost/overhead) for assembly of a *** based on *** direct hours per chassis unit were $*** as compared to its conversion costs for its new full subassembly and final assembly operations based on *** direct hours per chassis unit of $***.[48] On an annual basis, raw materials costs (which would include costs for components), constituted between *** percent of the petitioning U.S. producers' COGS from 2017 to 2019.[49]

Employment Levels. CIE did not report its employment levels for its assembly operations. Rather, CIE reported *** employees for its full subassembly and final assembly operations but explained that ***.[50]

Quantity and Parts Sourced in the United States. A witness for CIE testified that CIE's frame subassemblies are sourced from CIMC-affiliated producers in China,[51] but at least some subassemblies may be sourced domestically.[52] CIE's U.S. importer's questionnaire response indicates that its imports of chassis frames from China were *** units in 2017, *** units in 2018, and *** units in 2019, and that its imports of landing gear subassemblies from China were *** units in 2017 and *** units in 2018.[53] By contrast, CIE's commercial U.S. shipments of imported chassis and subassemblies were *** units in 2017, *** units in 2018, and *** units in 2019.[54]

Other Costs and Activities in the United States. A witness for CIE described the three ways that chassis are imported and sold in the United States: "First, CV receives an order and DCVC {Dongguan CIMC Vehicle Company} and SCVC {Shenzhen CIMC Vehicle Company} produce the chassis frames and assembles the outsourced components together as a complete chassis. … These chassis are then shipped to one of CIE's facilities and CIE then unloads the chassis from the container, inspects and prepares for delivery. Second, CV receives an order

[46] CR/PR at III-5 n.6.

[47] CV's Postconference Brief at Exhibit 24, Attachment B.

[48] CV's Postconference Brief at Exhibit 1, p.15. CV's conversion costs (direct labor plus other factory costs) for its new full assembly and final assembly operations equate to a value added of *** percent when divided by CV's reported unit raw material costs ($*** per chassis) plus unit conversion costs ($***). *See id.*; CIE's U.S. Producer Questionnaire Response at III-9a.

[49] CR/PR at Table VI-1. On an annual basis, value added for petitioning producers (direct labor plus other factory costs as a percentage of COGS) ranged between *** percent and *** percent from 2017 to 2019. *Id.*

[50] CIE's U.S. Producer Questionnaire Response at II-11.

[51] Conf. Tr. at 172-73 (Anderson) (testifying that, for two of the three ways chassis are imported to the United States, chassis frames are imported from CIMC-affiliated producers in China, and, for the third way, fully assembled chassis are imported from China).

[52] Conf. Tr. at 218 (Anderson) (confirming that CIE "at least sources landing gear from domestic suppliers").

[53] CIE's U.S. Importer Questionnaire Response at II-5c. CIE ***. *Id*.

[54] CIE's U.S. Importer Questionnaire Response at II-5a. CIE's commercial U.S. shipments of chassis and chassis subassemblies were *** units in interim 2020. *Id.*

and DCVC or SCVC produces the gooseneck and frame subassembly. The subassemblies are shipped to one of CIE's manufacturer's facilities. There, the frame subassemblies will be assembled as complete chassis frame{s} together with other outsourced components. … Third, CIE takes an order and sources the frame subassembly from DCVC. The frame subassemblies and outsourced components are assembled at one of CIE's two facilities. CIE delivers the chassis to the customer."[55]

Conclusion. CIE's assembly operations encompassed a modest capital investment, particularly compared with production of completed chassis, and are not technically complex. The record, although incomplete, indicates that these operations neither add substantial value to the product nor employ substantial workers. Moreover, CIE inputs many of the components it assembles from its affiliates in China. ***.[56] In light of these considerations, and in the absence of any contrary argument, we find that CIE's assembly operations *** during the POI are not sufficient to constitute domestic production.[57]

Based on our finding of what constitutes sufficient production-related activities, there are no related parties issues in these investigations.[58] We consequently define the domestic industry to encompass all domestic producers of completed chassis (or those subassemblies listed in the scope), but not CIE.[59]

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition generally shall be deemed negligible.[60]

Based on data submitted in response to the Commission's U.S. importers' questionnaires, subject imports from China accounted for *** percent of total U.S. imports of

[55] Conf. Tr. at 172-73 (Anderson).

[56] CV states that CIE intends to hire additional plant workers and staff "as it ramps up U.S. production." CV's Postconference Brief at 15.

[57] In any final phase of these investigations, we intend to issue CIE a U.S. producers' questionnaire and will further consider CIE's status as a domestic producer with respect to any increase in its subassembly and final assembly production operations.

[58] None of the U.S. producers are related to exporters or importers of subject merchandise. CR/PR at III-2. None of the producers reported imports of chassis from any subject source during the POI. CR/PR at III-10 & n.10.

[59] As previously discussed, the domestic producers that submitted data to the Commission for the preliminary phase investigations are the five firms in the petitioning coalition.

[60] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)). The exceptions to this general rule are inapplicable to these investigations.

chassis and subassemblies in the 12-month period (July 2019 to June 2020) preceding the filing of the petitions.[61] Thus, we find that subject imports from China are not negligible.

VI. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[62] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[63] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[64] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[65] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[66]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[67] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[68] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential

[61] CR/PR at Table IV-3.

[62] 19 U.S.C. §§ 1671b(a), 1673b(a).

[63] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[64] 19 U.S.C. § 1677(7)(A).

[65] 19 U.S.C. § 1677(7)(C)(iii).

[66] 19 U.S.C. § 1677(7)(C)(iii).

[67] 19 U.S.C. §§ 1671b(a), 1673b(a).

[68] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[69]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[70] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[71] Nor does the

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[69] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. U.S. Int'l Trade Comm'n*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. U.S. Int'l Trade Comm'n*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[70] Uruguay Round Agreements Act Statement of Administrative Action (SAA), H.R. Rep. 103-316, vol. I at 851-52 (1994) ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[71] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute

"by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[72] It is clear that the existence of injury caused by other factors does not compel a negative determination.[73]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[74] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports."[75] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[76]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[77] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[78]

"does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[72] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[73] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[74] *Mittal Steel*, 542 F.3d at 876 & 78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology."), *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[75] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[76] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[77] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[78] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

1. Demand Conditions

Chassis are used for transporting cargo containers of various sizes. Fifty-three-foot chassis ("domestic chassis") are typically used to transport domestic containers, while 40-foot chassis ("marine chassis") are typically used for international shipping containers.[79] CV estimates that marine chassis are the most common type of chassis used in the United States, representing 80 percent of the U.S. chassis market by volume, and are purchased primarily by leasing companies.[80] Domestic chassis are the second most common type of chassis, representing 15 to 20 percent of the U.S. market, and are purchased by leasing companies, trucking companies, and railroads. Specialty chassis, or chassis produced for specialty containers, account for the small remaining portion of the U.S. market.[81]

U.S. producers and importers sold chassis mainly to end users during the POI, a channel of distribution that includes leasing companies, trucking companies, and railroads, although both U.S. producers and importers sold a relatively higher share of their commercial shipments to distributors and dealers in 2018 than in other years and interim periods in the POI.[82]

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[79] CR/PR at II-1.

[80] *See* CR/PR at II-1. The Federal Motor Carrier Safety Administration (FMCSA), of the U.S. Department of Transportation (USDOT), implemented regulations in 2009 that required providers of chassis to establish certain recordkeeping and audit programs. CR/PR at II-1 n.3. According to CV and industry studies provided in its brief, these regulations led to the divestment of chassis fleets by ocean carriers, with leasing companies primarily taking their place. Leasing companies own chassis fleets and lease them to operators, such as trucking companies and railroads, and have established chassis pools to facilitate operators' usage of chassis. CR/PR at II-1 n.3 & 8; CV's Postconference Brief at 3, 6-8, Exhibits 11-12.

[81] *See* CR/PR at II-1; CV's Postconference Brief at 3-4. U.S. producers reported that *** percent of their U.S. shipments of chassis in 2019 were designed for international shipping containers, *** percent were designed for domestic containers, and *** percent were designed for other types of containers. Importers reported that *** percent of their U.S. shipments were designed for international shipping containers, *** percent were designed for domestic containers, and *** percent were designed for other types of containers. CR/PR at Table IV-7. Domestic producers reported pricing product sales of domestic chassis (53-foot chassis) in 2017 and 2018, though they comprised a smaller share of reported pricing product sales than marine chassis in those years. CR/PR at Tables V-3 and V-4.

[82] CR/PR at Table II-2. On an annual basis, U.S. producers' U.S. shipments to end users ranged from *** to *** percent from 2017 to 2019, while shipments to distributors and dealers ranged from *** to *** percent. *Id.* Importers' U.S. shipments to end users ranged from *** percent to *** percent, while shipments to distributors and dealers ranged from *** percent to *** percent. *Id.* In any final phase of these investigations, we intend to investigate the extent to which purchasers operate, as opposed to lease or hold in inventory, each type of chassis that they purchase.

U.S. demand for chassis depends on shipping trends, including freight movement for products imported into the United States and exported from the United States, and freight movement within the United States.[83] However, there is not a one-to-one correspondence between shipping trends and chassis purchases, as leasing companies and operators maintain fleets of chassis. Turnover in those fleets also affects demand for chassis, and the average life cycle of a chassis is approximately 20 years.[84]

U.S. merchandise trade, an indicator of the volume of goods being transported around the United States, rose from January 2017 until October 2018, and then fluctuated until December 2019. In 2020, U.S. merchandise trade fell due to the effects of the COVID-19 pandemic and economic lockdowns.[85]

Most market participants reported fluctuating U.S. demand for chassis since January 1, 2017.[86] U.S. producer *** reported that demand fluctuated due to changing levels of domestic and international freight, firms replacing aging fleets of chassis, and regulatory changes. U.S. producer *** added that demand generally follows the economy and ocean freight.[87]

Apparent U.S. consumption of complete chassis and subassemblies fluctuated during the full years of the POI. Apparent U.S. consumption increased from *** units in 2017 to *** units in 2018, or by *** percent, and declined to *** units in 2019, or by *** percent; overall apparent U.S. consumption decreased by *** percent from 2017 to 2019.[88]

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[83] CR/PR at II-8.

[84] CR/PR at II-8. According to CV and an industry study provided by it, as of 2017 almost half of the marine chassis in the United States were built before 1997. CV's Postconference Brief at 8, Exhibit 3. In any final phase of these investigations, we intend to investigate further the average age of purchasers' chassis fleets, as well as the extent to which replacing older units affects purchases of chassis.

[85] CR/PR at II-8, Fig. II-1. Petitioner reported that *** for *** fluctuated but increased overall by *** percent from 2017 to 2019. CR/PR at II-9; Petitioner's Postconference Brief at 5-7.

Petitioner further claims that chassis registration data provide another indicator of annual demand for chassis, as chassis must be registered before they can be used on U.S. roadways. A witness for Cheetah testified at the conference, however, that chassis registration data is not "100 percent" consistent among states. Conf. Tr. at 61-62 (Katz). Petitioner reported that chassis registrations increased by *** percent from 2017 to 2018 and decreased by *** percent from 2018 to 2019, for an overall increase of *** percent from 2017 to 2019. Petitioner's Postconference Brief at 7-8.

[86] CR/PR at Table II-5. Petitioner argues that demand for chassis in the United States is not likely to increase in the future, as the new chassis that entered the U.S. market during the POI are likely to last for several more years and economic contractions related to the COVID-19 pandemic are likely to cause a continued downturn in chassis demand. Petitioner's Postconference Brief at 46. In contrast, CV states that the outlook for chassis demand is somewhat uncertain due to the COVID-19 pandemic, but initial forecasts indicate a return to pre-pandemic levels. Consequently, it predicts that chassis demand will likely stabilize and/or increase in the near term. CV's Postconference Brief at 11-12.

[87] CR/PR at II-9.

[88] CR/PR at Tables IV-3, C-1. Apparent U.S. consumption was *** percent lower in interim 2020 when it was *** units, than in interim 2019, when it was *** units. *Id.*

The parties dispute the extent to which fluctuations in apparent U.S. consumption reflect fluctuations in demand for chassis or a surge of subject imports prior to implementation of tariffs under

2. Supply Conditions

Subject imports were the largest source of supply in the U.S. market. Subject imports' share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, and *** percent in 2019.[89] Subject imports were imported either as fully assembled chassis or as subassemblies.[90] CIE, as well as its affiliated CIMC-group companies, were responsible for *** exports and imports of subject merchandise from China into the United States during the POI.[91]

The domestic industry was the second largest source of supply in the U.S. market. The domestic industry's share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, and *** percent in 2019.[92] During the POI, the domestic industry consisted of five firms whose individual production capacity in 2019 ranged from *** to *** units and whose total production capacity was *** units, which exceeded apparent consumption in 2017 and 2019.[93]

Nonsubject imports' share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, and *** percent in 2019.[94] *** was the sole known reported source of nonsubject imports.[95]

3. Substitutability and Other Conditions

The current record indicates that there is a moderate-to-high degree of substitutability between domestically produced chassis and chassis imported from China. However, availability, quality, and flexibility in lead times and deliveries somewhat limit the

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Section 301 of the Trade Act of 1974, 19 U.S.C. § 2411 ("Section 301 tariffs") in excess of demand. *See* Petitioner's Postconference Brief at 6-7; CV's Postconference Brief at 10-11, 28-29. We discuss both this dispute and Section 301 tariffs further below.

[89] CR/PR at Table IV-4. Subject imports' share of apparent U.S. consumption was *** percent in interim 2019 and *** percent in interim 2020. *Id.* We explain further our methodology for computing subject import volume and market share in section VI.C. below.

[90] *See* CR/PR at Table D-2.

[91] CR/PR at VII-3 n.4.

[92] CR/PR at Table IV-4. The domestic industry's share of apparent U.S. consumption was *** percent in interim 2019 and *** percent in interim 2020. *Id.*

[93] CR/PR at Tables III-4, IV-4. The parties dispute the extent to which the domestic industry is capable of supplying demand in the U.S. chassis market. *See* Petitioner's Postconference Brief at 10-13; CV's Postconference 12-15; IICL's Nonparty Statement at 1-4; ATA's Nonparty Statement at 2-3. As discussed further below, in any final phase investigations, we intend to further examine whether the domestic industry's reported capacity and capacity utilization data conform to its actual production abilities. We intend to examine the issue in terms of the domestic industry's capacity to supply the various product types, including: 1) marine chassis, 2) domestic chassis, and 3) specialty chassis. We also intend to examine the extent to which the domestic industry is investing or plans to invest in United States plants, facilities and workforce, as well as other relevant factors.

[94] CR/PR at Table IV-4. Nonsubject imports' share of apparent U.S. consumption was *** percent in interim 2019 and *** percent in interim 2020. *Id.*

[95] CR/PR at II-7, Table IV-2.

substitutability between domestic and subject import chassis.[96] All U.S. producers reported that U.S. and subject import chassis are always interchangeable, and all importers reported that they are always or frequently interchangeable.[97]

Price is an important factor in purchasing decisions, although quality and availability/capacity are also important factors. The main purchasing factors identified by purchasers responding to the Commission's lost sales/lost revenue survey were quality, capacity, price, and meeting a delivery schedule.[98] When asked to report the top three factors considered in their purchasing decisions, responding purchasers most frequently cited quality and availability/capacity (cited a total of nine times each), with price/cost cited a total of six times.[99]

U.S. producers and importers provided disparate responses to the significance of non-price differences in their sales of chassis in the United States. All U.S. producers reported that non-price factors were never important, while all importers reported that they were always important. *** reported that subject imports are better quality, have faster delivery, including "just-in-time" delivery options, upgrades and customizations, special designs, and better service.[100]

The primary raw material inputs for chassis and subassemblies are steel and steel components. The cost of hot-rolled steel fluctuated but increased overall during the POI, rising from January 2018 to July 2018, then maintaining a plateau through July 2019, after which costs fluctuated downward but remained at levels higher than in January 2018.[101] Other raw

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[96] CR/PR at II-10.

[97] CR/PR at Table II-7. ***, reported that Chinese and domestic chassis were always interchangeable. CR/PR at II-11.

[98] CR/PR at II-10.

[99] CR/PR at Table II-6. No purchaser reported price/cost to be the first-most important purchasing factor, two purchasers reported it was the second-most important factor, and four reported it was the third-most important purchasing factor. *Id.*

[100] CR/PR at II-12, Table II-8. CV argues that substitutability between the domestic like product and subject imports is limited and that price differentials are less meaningful given the importance of non-price factors to purchasers. According to CV, these include its ability to fulfill large-volume orders, to produce high-quality products, and to offer extended warranty and delivery services. CV's Postconference Brief at 18-25, 36-38. Certain purchasers responding to the Commission's lost sales/lost revenue survey did indicate that subject imports are superior in quality, at least with respect to standard marine chassis, and that subject producers offer superior warranties and manufacturing and delivery capabilities. CR/PR at II-11, II-11 n.43, II-12 n.47, V-3 (citing responses of purchasers ***). As previously discussed, however, numerous purchasers also identified price as an important purchasing factor. CR/PR at Table II-6. In any final phase of these investigations, we intend to examine the extent to which factors other than price affect purchasing decisions, including by issuing purchaser questionnaires asking about the relative importance of price and various non-price factors in purchasing decisions and about the comparability of the imported and domestic products with respect to these various factors.

[101] CR/PR at Fig. V-1. Four U.S. producers and four importers reported that tariffs imposed pursuant to Section 232 of the Trade Expansion Act of 1962, 19 U.S.C. § 1862, on imported steel products caused raw material prices to fluctuate, and one U.S. producer and importer described the tariffs as having caused raw material prices to increase. CR/PR at V-2.

materials and components used in the production of chassis include tires and wheels, landing gear assemblies, paint, air brake systems, and electrical systems.[102] Raw materials as a share of the domestic industry's COGS increased slightly over the full years of the POI from *** percent in 2017 to *** percent in 2018 and *** percent in 2019.[103]

All responding U.S. producers reported using transaction-by-transaction negotiations for selling chassis, while most importers reported using transaction-by-transaction negotiations as well as contracts.[104] U.S. producers reported selling the vast majority of their chassis on the spot market, while importers reported selling the vast majority of their chassis through short-term contracts ranging from 60 to 150 days.[105]

Chassis are primarily produced to order. U.S. producers reported that *** percent of their commercial shipments were produced to order. Importers reported that *** percent of their commercial shipments were produced to order.[106]

Chassis subject to these investigations have been subject to Section 301 tariffs beginning in September 2018 at 10 percent *ad valorem* and increasing to 25 percent *ad valorem* in May 2019.[107] U.S producers and importers had often divergent responses regarding the impact of imposition of the 301 tariffs. U.S. producers reported that imposition of the tariffs had no impact on the U.S. supply of chassis, but most importers reported that the U.S. supply of chassis fluctuated. Three out of five U.S. producers reported in their questionnaire responses that imposition of the tariffs had no impact on the supply of chassis imported from China, but do argue that the announcement of plans to impose 301 tariffs prompted efforts to increase subject imports prior to imposition of the duties.[108] Most importers reported that imposition of 301 tariffs caused the supply of subject imports to decrease.[109] Most U.S. producers reported that the prices for chassis did not change with imposition of 301 tariffs, while most importers reported prices increased due to the Section 301 tariffs.[110]

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[102] CR/PR at V-1.

[103] CR/PR at Table VI-1. The ratio of raw materials-to-COGS was lower in interim 2020, at *** percent, than in interim 2019, at *** percent. *Id.*

[104] CR/PR at Table V-1.

[105] CR/PR at V-4, Table V-2.

[106] CR/PR at II-10.

[107] CR/PR at I-8.

[108] CR/PR at Table II-1. Petitioner argues that subject imports "exploded" the month following imposition of the Section 301 tariffs and that chassis were "clearly intended to have arrived one month earlier, prior to duty imposition." Furthermore, Petitioner claims that a large volume of subject imports imported in 2018 due to the Section 301 tariffs was stored as inventory, leading to an inventory overhang in the market. CR/PR at II-4. Petitioner asserts that "CIMC used (and continues to use) '***' prices to offload these chassis." Petitioners' Postconference Br. at 3. As discussed further below, we intend to investigate in any final phase of these investigations the extent to which fluctuations in apparent U.S. consumption reflect a surge of imports of Chinese chassis prior to and during implementation of the Section 301 tariffs in excess of demand.

[109] CR/PR at Table II-1.

[110] CR/PR at Table II-1.

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[111] Subject imports increased from *** units (chassis and subassemblies combined) in 2017 to *** units in 2018, or by *** percent, and decreased to *** units in 2019, or by *** percent, for an overall decrease of *** percent from 2017 to 2019.[112]

Subject imports' share of apparent U.S. consumption by quantity increased from *** percent in 2017 to *** percent in 2018, or by *** percentage points, before decreasing to *** percent in 2019, or by *** percentage points, for an overall decrease of *** percentage points from 2017 to 2019.[113] The ratio of subject imports to the domestic industry's production increased from *** percent in 2017 to *** percent in 2018 and decreased to *** percent in 2019.[114]

Despite their fluctuations in quantities and market share, subject imports maintained the predominant presence in the U.S. market throughout the POI, accounting for at least *** of apparent U.S. consumption in each full year.[115] In light of the foregoing, we find, for purposes of these preliminary determinations, that the volume of subject imports is significant in absolute terms and relative to U.S. consumption and production.

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[111] 19 U.S.C. § 1677(7)(C)(i).

[112] CR/PR at IV-2, Table IV-2. The *** units of subject imports in interim 2020 were *** percent lower than the *** units in interim 2019. *Id.*

CV argues that subject imports should be measured by value, on the premise that quantity measurements overstate subject imports by treating equivalently both a complete chassis and a lesser-valued chassis subassembly. CV's Postconference Brief at 26-27. We have determined to follow our usual practice of using quantity-based measurements of import volume in these preliminary determinations. We find that use of quantity-based measurements does not skew our analysis. Subject import trends for purposes of apparent U.S. consumption are the same whether measured in quantity or value, although the subject imports' market share figures are higher if assessed on quantity basis. *See* CR/PR at Table IV-4. Furthermore, subject imports maintained *** of the U.S. market for chassis throughout the POI (at least *** percent for all years and interim periods), even when measuring apparent U.S. consumption by value. *Id*. We also observe that, when measuring apparent U.S. consumption by U.S. producers' U.S. shipments and U.S. importers' imports of complete chassis only, subject imports' share of the quantity of apparent U.S. consumption was still *** (never below *** percent for all years and *** percent for interim periods) and *** subject imports were complete chassis throughout the POI. *See* CR/PR at Tables IV-5, D-2.

[113] CR/PR at Tables IV-4, C-1. Subject import market share was higher, by *** percentage points, in interim 2020 when it was *** percent than interim 2019 when it was *** percent. *Id.*

[114] CR/PR at Table IV-2. The ratio of subject imports to domestic production was higher in interim 2020 when it was *** percent than in interim 2019 when it was *** percent. *Id.*

[115] *See* CR/PR at Table IV-4.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[116]

As addressed in Section VI.B.3 above, the record indicates there is a moderate-to-high degree of substitutability between the domestic like product and subject imports and price is an important factor in purchasing decisions, although availability, quality, and flexibility in lead times and deliveries somewhat limit substitutability.

The Commission collected quarterly pricing data from U.S. producers and importers on four chassis products shipped to unrelated U.S. customers during the POI.[117] Five U.S. producers and four importers provided usable pricing data, although not all firms reported pricing for all products for all quarters.[118] Pricing data reported by these firms accounted for approximately 47.5 percent of U.S. producers' U.S. shipments of chassis and 53.0 percent of U.S. shipments of subject imports from China in 2019.[119]

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[116] 19 U.S.C. § 1677(7)(C)(ii).

[117] CR/PR at V-5. Product 1 is tandem axle gooseneck chassis for carriage of 53-foot domestic containers. Product 2 is tandem axle gooseneck chassis for carriage of 40-foot ISO containers. Product 3 is extendable tandem axle chassis for carriage of 20-foot ISO containers. Product 4 is triaxle chassis capable of extension for carriage of heavy 20-foot up to 40-foot containers. *Id.*

[118] CR/PR at V-5.

[119] CR/PR at V-5. CV questions the reliability of the pricing data, arguing that: (1) it is unclear how U.S. producers ***; (2) the descriptions of the pricing products fail to account for premium upgrades and other optional features, as well as specialty chassis produced by domestic producers; and (3) sales made to different customer categories at different levels of trade may result in price differences that should be taken into account. CV's Postconference Brief at 35. Both U.S. producers and importers indicated that most of their U.S. shipments of chassis were designed for marine containers and both indicated that most of their U.S. shipments were to end users, as opposed to distributors/retailers. *See* CR/PR at Tables II-2, IV-7. Consequently, notwithstanding CV's objections, the pricing data appear to reflect overlapping sales in product type and level of trade. Nonetheless, in any final phase of these investigations, we intend further to examine pricing product definitions if needed to improve the comparability of pricing data while maintaining good coverage. We invite the parties in their comments on draft questionnaires to address how pricing product definitions can be defined to improve comparability, if needed.

The pricing data show that there was pervasive underselling throughout the POI.[120] Subject imports consisting of *** chassis undersold the domestic like product in 44 of 49 (or 89.8 percent) quarterly comparisons, at margins ranging from *** to *** percent. Subject imports consisting of *** chassis oversold the domestic like product in five of 49 (or 10.2 percent) quarterly comparisons, at margins ranging from *** to *** percent.[121]

Information collected in the lost sales/lost revenue survey further supports a finding that subject imports were often priced lower than the domestic like product and indicates that subject imports took sales from the domestic industry as a result. Of the 12 purchasers responding to the lost sales and lost revenue survey, 11 reported that, since 2017, they had purchased subject imports instead of the domestic like product. All 11 of these purchasers reported that subject imports were lower priced than the domestic like product, and two of these purchasers reported that price was the primary reason for their decision to purchase subject imports rather than the domestic like product.[122] These two purchasers estimated that they purchased a total quantity of *** lower-priced chassis from China instead of the domestic like product, with price a primary reason for their purchase.[123] These lost sales exceeded the domestic industry's total full-year shipments in 2017 and 2019.[124]

In light of the foregoing, indicating both that subject imports were pervasively priced lower than the domestic like product and that the subject imports took an appreciable quantity of sales from the domestic industry due to lower prices, we find, for purposes of our preliminary determinations, that the underselling by subject imports was significant.

We have examined price trends for the domestic like product and subject imports. We observe that prices for domestically produced products 3 and 4 declined over the POI, with decreases from the first quarter of 2017 to the first quarter of 2020 of *** percent and ***

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[120] There were instances of underselling by subject imports during every year of the POI for all four pricing products, as well as instances of underselling for Products 2 and 4 during interim 2020. *See* CR/PR at Tables V-3 to V-6.

[121] CR/PR at Table V-8.

[122] CR/PR at Table V-11. Nine of 11 purchasers reported that price was not the primary reason for their decision to purchase subject imports rather than the domestic like product. CR/PR at V-11. Non-price reasons identified by purchasers included quality, capacity and availability of supply, and flexible delivery schedules. *Id.* Petitioner contends that additional responding purchasers acquired subject imports rather than domestically produced products due to price. Of the nine purchasers reporting that price was not the primary reason for their decision to purchase subject imports rather than the domestic like product, Petitioner submitted email correspondence from two of these purchasers, one from March 2019 and one from September 2019, that indicated that price was a reason for their decision to purchase subject imports rather than the domestic like product. *See* Petitioner's Postconference Brief at 30-31, Exhibits 6 and 15.

[123] CR/PR at Table V-11.

[124] The domestic industry's total full-year shipments were *** units in 2017 and *** units in 2019. CR/PR at Table III-6. The domestic industry's U.S. shipments were *** units in 2017, *** units in 2018, *** units in 2019, and *** units in interim 2020. *Id*. The lost sales are equivalent to *** percent of the domestic industry's total U.S. shipments during the POI. *Derived from* CR/PR at Tables III-6, V-11.

percent, respectively.[125] By contrast, during this period, the price for domestically produced product 1 increased by *** percent and the price for domestically produced product 2 increased by *** percent.[126] Subject import prices for all four pricing products rose during this period.[127] We observe that product 2 involved the largest sales quantities for both the domestic product and the subject imports.[128]

We have also considered whether the domestic industry was prevented from obtaining price increases, which otherwise would have occurred, to a significant degree, due to subject imports. While fluctuating with apparent U.S. consumption, the domestic industry's COGS were higher in 2019 than in 2017.[129] The domestic producers' COGS to net sales ratio was high and increased throughout the POI.[130] When both apparent U.S. consumption and the volume of subject imports increased from 2017 to 2018, the domestic producers' net sales AUVs did not increase commensurately with unit COGS, suggesting a price-cost squeeze.[131] The pattern of AUVs increasing less rapidly than unit COGS recurred when both subject import volume and apparent U.S. consumption decreased from 2018 to 2019.[132] The current record does not reflect the extent to which U.S. producers' prices are responsive to changes in demand or apparent U.S. consumption, as opposed to changes in other factors such as COGS. Consequently, we cannot conclude, for purposes of our preliminary determinations, that subject imports did not prevent price increases for the domestic like product, which otherwise would have occurred, to a significant degree.[133] In any final phase of these investigations, we

[125] CR/PR at Table V-7. Prices for domestically produced product 3 generally increased from the first quarter of 2017 to the last quarter of 2019, before decreasing in the first quarter of 2020 to a level below the first quarter of 2017. *See* CR/PR at Table V-5. Similarly, prices for domestically produced product 4 decreased from the first quarter of 2017 to the second quarter of 2017, but then generally increased from the second quarter of 2017 to the first quarter of 2020. *See* CR/PR at Table V-6.

[126] CR/PR at Table V-7.

[127] CR/PR at Table V-7.

[128] *See* CR/PR at Tables V-4, V-8.

[129] CR/PR at Table VI-1. The domestic industry's total COGS was $*** in 2017, $*** in 2018, and $*** in 2019. The increase in 2019 relative to 2017 was due to increases in raw material costs, which were $*** in 2017 but $*** in 2019. Labor and other factory costs were slightly *** in 2019 than in 2017. *Id*.

[130] *See* CR/PR at Table VI-1. Domestic producers' ratio of COGS to net sales increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019. *Id.* It was higher in interim 2020 when it was *** percent than in interim 2019 when it was *** percent. *Id.*

[131] *See* CR/PR at Tables IV-4, VI-1. The domestic producers' net sales AUVs increased from $*** per unit in 2017 to $*** per unit in 2018, while unit COGS increased from $*** per unit in 2017 to $*** per unit in 2018. CR/PR at Table VI-1.

[132] *See* CR/PR at Tables IV-4, VI-1. The domestic producers' net sales AUVs increased from $*** per unit in 2018 to $*** per unit in 2019. Their unit COGS increased from $*** per unit in 2018 to $*** per unit in 2019. CR/PR at Table VI-1.

[133] We also observe that, of the 12 responding purchasers, two reported that U.S. producers had reduced prices in order to compete with lower-priced imports from China, four reported that U.S. producers had not reduced prices, and six reported that they did not know. The reported estimated price reduction ranged from *** percent. CR/PR at Table V-12.

intend further to examine whether the domestic industry experienced a price-cost squeeze due to the presence of low-priced subject imports. We invite the parties, in their comments on draft questionnaires, to provide comments on how the Commission can further investigate this issue.

In light of the foregoing, we find, for purposes of our preliminary determinations, that subject imports significantly undersold the domestic like product and gained appreciable sales at the expense of the domestic industry. We consequently find that the subject imports had significant adverse price effects.

E. Impact of the Subject Imports[134]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[135]

The domestic industry's capacity rose from 2017 to 2019.[136] By contrast, its production,[137] capacity utilization,[138] and U.S. shipments[139] all fluctuated but decreased overall from 2017 to 2019 by *** percent, *** percentage points, and *** percent, respectively.[140] The domestic industry's inventories increased each year from 2017 to 2019 and increased

[134] Commerce initiated an antidumping duty investigation based on an estimated dumping margin of 188.05 percent for chassis from China. CR/PR at I-6; *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 85 Fed. Reg. 52552, 52555 (Aug. 26, 2020).

[135] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[136] Capacity rose from *** units in 2017 to *** units in 2018 and then declined to *** units in 2019. It was *** units in interim 2019 and interim 2020. CR/PR at Table III-4.

[137] The domestic industry's production increased from *** units in 2017 to *** units in 2018, before decreasing to *** units in 2019. CR/PR at Table III-4. Its production was lower in interim 2020, at *** units, than in interim 2019, at *** units. *Id*.

[138] Capacity utilization increased from *** percent in 2017 to *** percent in 2018, before decreasing to *** percent in 2019. CR/PR at Table III-4. Capacity utilization was lower in interim 2020, at *** percent, than in interim 2019, at *** percent. *Id*.

[139] U.S. shipments increased from *** units in 2017 to *** units in 2018, before decreasing to *** units in 2019. CR/PR at Table III-6. U.S. shipments were lower in interim 2020, at *** units, than in interim 2019, at *** units. *Id*.

[140] CR/PR at Table C-1.

overall by *** percent.[141] Its share of apparent U.S. consumption fluctuated but increased overall from 2017 to 2019 by *** percentage points.[142]

The domestic industry's employment indicators generally fluctuated but increased overall from 2017 to 2019. Its production and related workers ("PRWs"),[143] total hours worked,[144] and wages paid[145] all fluctuated but increased overall from 2017 to 2019 by *** percent, *** percent, and *** percent, respectively.[146] Its hourly wages increased each year from 2017 to 2019 and rose overall by *** percent.[147] Finally, its productivity decreased each year from 2017 to 2019 and declined overall by *** percent.[148]

The domestic industry's net sales revenues fluctuated on an annual basis and fell from 2017 to 2019.[149] Its gross profits, operating income, and net income decreased overall from 2017 to 2019.[150] Gross profits decreased by *** percent from 2017 to 2019.[151] Operating income was *** in 2017 and 2018 but *** in 2019.[152] Net income also followed this pattern.[153]

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[141] CR/PR at Table C-1. End-of-period inventories increased from *** units in 2017 to *** units in 2018 and *** units in 2019. CR/PR at Table III-7. Inventories were lower in interim 2020, at *** units, than in interim 2019, at *** units. *Id*.

[142] CR/PR at Table C-1. The domestic industry's share of apparent U.S. consumption by quantity decreased from *** percent in 2017 to *** percent in 2018, before increasing to *** percent in 2019. CR/PR at Table IV-4. Its share of apparent U.S. consumption was lower in interim 2020, at *** percent, than in interim 2019, at *** percent. *Id.*

[143] The domestic industry's PRWs increased from *** in 2017 to *** in 2018, before decreasing to *** in 2019. CR/PR at Table III-8. PRWs were lower in interim 2020, at ***, than in interim 2019, at ***. *Id*.

[144] Total hours worked increased from *** hours in 2017 to *** hours in 2018, before decreasing to *** hours in 2019. CR/PR at Table III-8. Total hours worked were lower in interim 2020, at *** hours, than in interim 2019, at *** hours. *Id*.

[145] Wages paid increased from $*** in 2017 to $*** in 2018, before decreasing to $*** in 2019. CR/PR at Table III-8. Wages paid were lower in interim 2020, at $***, than in interim 2019, at $***. *Id*.

[146] CR/PR at Table C-1.

[147] CR/PR at Table C-1. Hourly wages increased from $*** per hour in 2017 to $*** per hour in 2018 and $*** per hour in 2019. CR/PR at Table III-8. Hourly wages were higher in interim 2020, at $*** per hour, than in interim 2019, at $*** per hour. *Id*.

[148] CR/PR at Table C-1. Productivity per thousand hours decreased from *** units in 2017 to *** units in 2018 and *** units in 2019. CR/PR at Table III-8. Productivity per thousand hours was lower in interim 2020, at *** units, than in interim 2019, at *** units. *Id*.

[149] Net sales revenues increased from $*** in 2017 to $*** in 2018 and then declined to $*** in 2019. They were lower in interim 2020 at $*** than in interim 2019 at $***. CR/PR at Table VI-1.

[150] CR/PR at Table VI-1. The domestic industry's gross profits, operating income, and net income were all lower in interim 2020 than in interim 2019. *Id.*

[151] CR/PR at Table C-1. Gross profits increased from $*** in 2017 to $*** in 2018, before decreasing to $*** in 2019. CR/PR at Table VI-1. Gross profits were lower in interim 2020, at $***, than in interim 2019, at $***. *Id*.

[152] Operating income increased from $*** in 2017 to $*** in 2018, before decreasing to *** in 2019. CR/PR at Table VI-1. Operating income was lower in interim 2020, at ***, than in interim 2019, at ***. *Id*. The domestic industry's operating income-to-net-sales ratio decreased each year from ***

The domestic industry's capital expenditures[154] and research and development expenses[155] fluctuated but decreased overall from 2017 to 2019 by *** percent and *** percent, respectively.[156] All five domestic producers reported actual negative effects on investment and growth and development due to the subject imports.[157]

The record of the preliminary phase of these investigations indicates that a significant volume of subject imports undersold the domestic like product to a significant degree. Moreover, information collected in response to the lost sales/lost revenue survey indicates that the domestic industry lost an appreciable quantity of sales to subject imports due to the subject imports' lower prices. Thus, for purposes of our preliminary determinations, we find that subject imports caused the domestic industry's shipments and revenues to be lower than they would have been otherwise. Furthermore, we cannot conclude, for purposes of our preliminary determinations, that subject imports did not have an additional effect on the domestic industry's revenues and financial performance due to price suppression. In light of these considerations, we find that subject imports had a significant adverse impact on the domestic industry.

We have also considered the role of factors other than subject imports to ensure that we are not attributing injury from other factors to subject imports. We first consider that the record indicates reduced levels of apparent U.S. consumption in 2019 and interim 2020. Notwithstanding this, subject imports maintained a significant presence in the U.S. market and pervasively undersold the domestic like product throughout the POI and gained sales at the expense of the domestic industry. We next consider the presence of nonsubject imports. These maintained only a small presence in the U.S. market during the POI and cannot explain

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percent in 2017 to *** percent in 2018 and *** percent in 2019, for an overall decrease of *** percentage points. CR/PR at Tables VI-1, C-1. The operating income-to-net-sales ratio was *** percentage points lower in interim 2020, at *** percent, than in interim 2019, at *** percent. *Id.*

[153] Net income decreased from $*** in 2017 to $*** in 2018 and *** in 2019. CR/PR at Table VI-1. Net income was lower in interim 2020, at ***, than in interim 2019, at ***. *Id*. The domestic industry's net income-to-net-sales ratio decreased each year from *** percent in 2017 to *** percent in 2018 and *** percent 2019, for an overall decrease of *** percentage points. CR/PR at Tables VI-1, C-1. The net income-to-net-sales ratio was *** percentage points lower in interim 2020 at *** percent than in interim 2019 at *** percent. *Id.*

[154] Capital expenditures increased from $*** in 2017 to $*** in 2018, before decreasing to $*** in 2019. CR/PR at Table VI-4. Capital expenditures were higher in interim 2020, at $***, than in interim 2019, at $***. *Id*.

[155] Research and development ("R&D") expenses increased from $*** in 2017 to $*** in 2018, before decreasing to $*** in 2019. CR/PR at Table VI-4. R&D expenses were lower in interim 2020, at $***, than in interim 2019, at $***. *Id*.

[156] CR/PR at Table C-1. Additionally, the domestic industry's net assets fluctuated but increased overall from 2017 to 2019. CR/PR at Table VI-6. Operating return on assets declined each year from 2017 to 2019. *Id.*

[157] CR/PR at Table VI-7.

the sales the domestic industry lost to lower-priced subject imports.[158] Therefore, for purposes of our preliminary determinations, we do not find that changes in demand or the presence of nonsubject imports explain the adverse effects that we have attributed to the subject imports.

The parties dispute the extent to which the current condition of the domestic industry is linked to the 2018 increase in subject imports. Petitioner argues that the increase in volume of subject imports in 2018 was far in excess of demand and reflects an attempt to rush product into the United States before the imposition of Section 301 tariffs. Petitioner claims that, in October 2018 alone, official import statistics show that subject imports totaled 18,435 chassis, which we observe is more than twice the size of the domestic industry's total net sales quantity for 2018.[159] Petitioner contends that this 2018 import surge depressed demand in 2019 and interim 2020, led to a buildup of U.S. inventories of subject imports in 2018 and an inventory overhang in 2019 and 2020, and thus contributed to the domestic industry's declines in 2019.[160] By contrast, CV argues that subject imports were simply responding to increased demand in 2018 and points out that U.S. shipments of chassis from all sources – subject, nonsubject, and domestic – increased in advance of the Section 301 tariffs on imports from China and declined thereafter.[161]

The record indicates that U.S. importers' ratios of end-of-period U.S. inventories of subject imports to either subject imports or U.S. shipments of subject imports were at period lows in 2018, at *** percent and *** percent, respectively.[162] Furthermore, importers reported that *** percent of their commercial shipments were produced to order, with only *** percent shipped from inventories.[163] The record of this preliminary phase further does not indicate, for example, whether purchasers bought subject imports in 2018 that were held in inventory or otherwise not put into use, which may suggest such purchases were done primarily to avoid Section 301 tariffs and not reflective of actual demand. In any final phase investigations, we intend further to investigate the reasons and significance of the increase in subject import volume and market share in 2018 and whether and how these increases affected the domestic industry later in the POI. In particular, we intend to investigate to what extent the increase in subject imports in 2018 reflected purchasers' need to increase their supply of chassis for current use, or whether such purchases were put into inventory for future use. We invite the

[158] Nonsubject imports' share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, and *** percent in 2019. It was *** percent in interim 2019 and *** percent in interim 2020. CR/PR at Table IV-4.

[159] Petitioner's Postconference Br. at 22. The domestic industry's total net sales quantity was *** units in 2018. CR/PR at VI-1.

[160] *See* Petitioner's Postconference Brief at 21-25.

[161] *See* CV's Postconference Brief at 10-11, 28-29.

[162] *See* CR/PR at Table VII-7. The ratio of subject import U.S. inventories to subject imports was *** percent in 2017, *** percent in 2018, and *** percent in 2019. *Id.* It was *** percent in interim 2019 and *** percent in interim 2020. *Id.* The ratio of subject import U.S. inventories to U.S. shipments of subject imports was *** percent in 2017, *** percent in 2018, and *** percent in 2019. *Id.* It was *** percent in interim 2019 and *** percent in interim 2020. *Id.*

[163] CR/PR at II-10.

parties, in their comments on draft questionnaires, to suggest ways for the Commission further to investigate this issue.

CV makes several arguments that the domestic industry is unable or unwilling to satisfy U.S. purchasers' demand for high volume orders of standard chassis on flexible delivery schedules.[164] It consequently argues that subject imports won sales for which the domestic industry could not compete and did not displace a significant volume of U.S. producers' U.S. shipments.[165] Petitioner disputes this, claiming that U.S. producers can and do produce higher volume products but are being pushed out of supplying these products because of subject imports. It further contends that while Chinese producers targeted larger volume orders first, pushing U.S. producers into smaller orders, the domestic like product and subject imports also compete for smaller volume orders.[166]

We initially observe that nine of 11 responding purchasers indicated that their purchases of subject imports, rather than the domestic like product, were primarily because of factors such as limitations on the domestic producers' production capacity, the immediate availability of subject imports, and the ability of subject producers' to meet delivery requirements.[167] Nevertheless, CV's arguments with respect to non-price differences between domestic and subject import chassis and the purported limitations of the domestic industry to supply high volume orders do not explain the appreciable amount of sales that the domestic industry lost due to purchasers that expressly indicated they purchased subject imports due to lower prices. In any final phase investigations, we intend further to explore the parties' arguments about the domestic industry's ability or inability to supply high volume purchasers. In particular, we intend to examine whether the domestic industry's reported capacity and capacity utilization data conform to its actual production abilities, as well as the extent to which subject imports and the domestic like product compete over different order volumes. We invite the parties, in their comments on draft questionnaires, to suggest ways for the Commission to further investigate this issue.

VII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of chassis and subassemblies from China that are allegedly sold in the United States at less than fair value and subsidized by the government of China.

[164] *See* CV's Postconference Brief at 4-10, 12-18. *See also* IICL's Nonparty Statement at 1-4; ATA's Nonparty Statement at 2-3.

[165] *See* CV's Postconference Brief at 29-34, 41.

[166] *See* Petitioner's Postconference Brief at 17-18.

[167] *See* CR/PR at Table V-11.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by the Coalition of American Chassis Manufacturers ("CACM"),[1] on July 30, 2020, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of certain chassis and subassemblies thereof ("chassis")[2] from China. The following tabulation provides information relating to the background of these investigations.[3] [4]

Effective date	Action
July 30, 2020	Petitions filed with Commerce and the Commission; institution of Commission investigations (85 FR 47400, August 5, 2020)
August 19, 2020	Commerce's notices of initiation (Countervailing Duty: 85 FR 52549, August 26, 2020; Antidumping Duty: 85 FR 52552, August 26, 2020))
August 20, 2020	Commission's conference
September 11, 2020	Commission's vote
September 14, 2020	Commission's determinations
September 21, 2020	Commission's views

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

[1] CACM is comprised of Cheetah Chassis Corporation, Fairless Hills, Pennsylvania ("Cheetah"); Hercules Enterprises, LLC, Hillsborough, New Jersey ("Hercules"); Pitts Enterprises, Inc., Pittsview, Alabama ("Pitts"); Pratt Industries, Inc., Bridgman, Michigan ("Pratt"); and Stoughton Trailers, LLC, Stoughton, Wisconsin ("Stoughton").

[2] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

[3] Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[4] A list of witnesses appearing at the conference is presented in appendix B of this report.

shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[5]

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[6]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the

[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[6] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy/dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Chassis are skeletal rectangular-framed trailers used to transport intermodal cargo containers. The leading U.S. producers of chassis are Cheetah, Hercules, and Pratt, while the leading producer of chassis outside the United States is CIMC Vehicles (Group) Co., Ltd. ("CIMC" or "CV") of China. This firm and its affiliates are also the leading U.S. importers of chassis from China.[7] The leading importer of product from nonsubject sources (primarily Mexico) is Hyundai Translead ("Hyundai"). U.S. purchasers of chassis include leasing companies, dealers, or major trucking fleets. Leading responding purchasers include ***.

Apparent U.S. consumption of chassis totaled approximately *** chassis ($***) in 2019. At least six firms were known to produce chassis in the United States in 2019.[8] U.S. producers' U.S. shipments of chassis totaled *** chassis ($***) in 2019, and

[7] The vast majority of subject imports reported in Importers' Questionnaire responses are attributed to CIMC-affiliated companies. These affiliates include wholly owned Chinese subsidiaries Dongguan CIMC Vehicle Co., Ltd, ("DCVC") and Shenzhen CIMC Vehicle Co., Ltd. ("SCVC"), which were foreign producers and importers of subject merchandise during the POI. CV is also the parent company of wholly owned US subsidiary CIMC Intermodal Equipment, LLC ("CIE"), which was an assembler of chassis subassemblies and importer of subject merchandise during the POI. For more information, see Part IV. Organizational charts of CIMC's corporate structure are provided in CIMC's postconference brief, exh. 23.

[8] The petitioner identified a sixth firm, Pro-Haul, which it believes to be a small U.S. producer of chassis. CIE, a U.S.-based subsidiary of CIMC, recently began producing subassemblies in the U.S. for assembly into complete chassis. For more information, see Part III.

accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from subject sources totaled *** chassis ($***) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from nonsubject sources totaled *** chassis ($***) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of five firms that accounted for 95.1 percent of U.S. production of chassis and chassis subassemblies during 2019.[9] U.S. imports are based on questionnaire responses of six firms (four of which are related companies of CIMC) believed to account for nearly all imports of chassis and chassis subassemblies from subject and nonsubject sources.[10] Foreign industry data and related information is based on the questionnaire responses of three firms, all affiliated with CIMC, which account for approximately *** percent of U.S. shipments of imports from China in 2019, and, according to estimates requested of the responding Chinese producers, approximately *** percent of overall production of chassis in China and *** percent of total exports to the United States of chassis produced in China.

Previous and related investigations

Chassis have not been the subject of any prior countervailing or antidumping duty investigations in the United States.[11]

[9] Based on estimates provided by the petitioner. Petition, p. 3.

[10] CIMC reports that it is the only exporter of subject merchandise from China to the United States, and further notes that it agrees with the petitioner that Hyundai's imports from Mexico represent the only notable source of nonsubject imports of chassis. CIMC's postconference brief, pp. 16-18.

[11] On June 1, 2015, the Commission determined that the establishment of an industry in the United States was not materially retarded by reason of imports of 53-foot domestic dry containers from China. *53-Foot Domestic Dry Containers from China, Investigation Nos. 701-TA-514 and 731-TA-1250 (Final)*, USITC Publication 4537, June 2015, p. 1. Though chassis was not the subject merchandise in those investigations, such containers are a common product carried by chassis. Conference transcript, pp. 29-30 (Wahlin).

Nature and extent of alleged subsidies and sales at LTFV

Alleged subsidies

On August 26, 2020, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on chassis from China.[12] Commerce identified the following government programs in China on which it is initiating an investigation:[13]

1. Provision of Non-Steel Inputs for Less than Adequate Remuneration ("LTAR")
    a. Provision of Electricity for LTAR
    b. Provision of Land for LTAR to the Certain Chassis Industry
    c. Provision of Land for LTAR in Industrial and Other Special Economic Zones
    d. Provision of Land to State-Owned Enterprises by the Government of the People's Republic of China ("GOC") for LTAR
2. Provision of Steel Inputs for LTAR
    a. Provision of Hot-Rolled Steel Sheet and Plate for LTAR
    b. Provision of Galvanized Steel for LTAR
3. Provision of Structural Steel Shapes for LTAR
    a. Provision of Wire Rod for LTAR
    b. Provision of Steel Bar for LTAR
    c. Provision of Steel Beams for LTAR
    d. Provision of Steel Channels for LTAR
    e. Provision of Steel Angles for LTAR
    f. Provision of Hollow Structural Shapes for LTAR
4. Provision of Services for LTAR
    a. Provision of International Ocean Shipping Services for LTAR
5. Subsidized Financing to the Chassis Industry
    a. Government Directed Debt Restructuring in the Chinese Chassis Industry
    b. Policy Loans to the Chassis Industry
6. Subsidies Under the State Capital Operating Budget
    a. Capital Injections and Other Payments from the State Capital Operating Budget
7. Grant Programs
    a. Foreign Trade Development Fund Grants
    b. Export Assistance Grants

[12] 85 FR 52549, August 26, 2020.

[13] Enforcement and Compliance, Office of AD/CVD Operations, Countervailing Duty Investigation Initiation Checklist, Certain Chassis and Subassemblies Thereof from the People's Republic of China, August 19, 2020, pp. 7-32.

c. Interest Payment Subsidies
d. Subsidies for Development of Famous Brands and Chinese World Top Brands
e. State Key Technology Fund Grants
f. Grants for Retiring Outdated Capacity/Industrial Restructuring
g. Grants for Energy Conservation and Emissions Reduction

8. Tax Programs
    a. Income Tax Reductions for High and New Technology Enterprises
    b. Tax Offsets for Research and Development under the Enterprise Income Tax Law
    c. Income Tax Credits for Domestically Owned Companies Purchasing Domestically Procured Equipment
    d. Import Tariff and Value-Added Tax Exemptions on Imported Equipment in Encouraged Industries
9. Export Subsidies and Export Credit Insurance
    a. Export Loans from Chinese State-Owned Banks
    b. Export Seller's Credit and Export Buyer's Credit

Alleged sales at LTFV

On August 26, 2020, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigation on product from China.[14] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 188.05 percent for product from China.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[15]

> *The merchandise covered by this investigation is chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off (RORO) and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins*

[14] 85 FR 52549, August 26, 2020.
[15] 85 FR 52549, August 26, 2020; 85 FR 52552, August 26, 2020.

or similar attachment devices to engage the corner fittings on the container or other payload.

Subject merchandise includes, but is not limited to, the following subassemblies:

• Chassis frames, or sections of chassis frames, including kingpins or kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;
• Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, axles, brake chambers, locking pins, and tires and wheels;
• Landing gear (legs) or landing gear assemblies, for connection to the chassis frame, capable of supporting the chassis when it is not engaged to a tractor; and
• Assemblies and/or components that connect to the chassis frame or a section of the chassis frame, such as, but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis.

Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this investigation.
Subject merchandise also includes chassis, whether finished or unfinished, entered with or for further assembly with components such as, but not limited to: hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

Processing of finished and unfinished chassis and components such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, or any other processing either in the country of manufacture of the in-scope product or in a third country does not remove the product from the scope. Inclusion of other components not identified as comprising the finished or unfinished chassis does not remove the product from the scope.

This scope excludes dry van trailers, refrigerated van trailers and flatbed trailers. Dry van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels

(doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself. Refrigerated van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems. Flatbed (or platform) trailers consist of load-carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is imported under the following provisions of the Harmonized Tariff Schedule of the United States ("HTS"): 8716.39.0090 and 8716.90.5060. The 2020 general rate of duty is free for HTS subheading 8716.39.00 and 3.1 percent *ad valorem* for HTS subheading 8716.90.50. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Chassis and chassis parts that enter the United States under either HTS 8716.39.0090 or 8716.90.5060 were included in the USTR's third enumeration ("Tranche 3") of products originating in China that became subject to an additional 10 percent ad valorem Section 301 duties, effective September 24, 2018. The duties were increased to 25 percent ad valorem, effective May 10, 2019, and remain in effect at this rate at this time.[16] Effective August 12, 2020, some exclusions have been granted for components that may be used in chassis.[17]

The product

Description and applications

Chassis are skeletal rectangular-framed trailers used to transport shipping containers (figure I-1). The rectangular frame is made up of steel with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system to secure the shipping container or containers attached to the chassis. Chassis are designed to carry containers of various sizes (usually ranging from 20-foot

[16] 83 FR 47974, September 21, 2018 and 84 FR 20459, May 9, 2019. See also U.S. notes 20(e) and 20(f), subchapter III of chapter 99 of the HTSUS.

[17] See U.S. note 20(xx) to subchapter III of HTS chapter 99. *HTSUS (2020) Revision 16, USITC Publication 5095*, July 2020, p. 99-III-165; Petitioner's postconference brief, exh. 1, pp. 20-24.

to 53-foot in the United States). The majority (approximately 65 percent) of chassis in the United States are 40-foot.[18] The next largest category is 53-foot chassis, which make up 15 to 20 percent of the market.[19]

Some chassis are built with a sliding or adjustable suspension to accommodate different container sizes. The subassemblies (chassis frames, running gear assemblies, landing gear assemblies, and components that can be used to connect a chassis to another chassis) are also included in the scope. The chassis frame is only used in chassis production,[20] while many of the other components (e.g., landing gear legs, air brakes, axles, suspension, etc.) could be used in other types of trailers.[21]

Figure I-1: A Completed Chassis

Source: Petition, p. 6.

The "kingpin" is located at the front of the chassis and is used to connect the chassis to a road tractor. A few feet behind the kingpin is the "landing gear", designed to support the front of the chassis when the kingpin is not attached to a road tractor. Containers are secured to the chassis using a twistlock in a corner casting (figures I-2 and I-3). The twistlock is inserted into the corner casting, then the end is twisted so it cannot be withdrawn again.[22]

[18] CIE Manufacturing, "Chassis 101," (accessed August 7, 2020).
[19] CIMC's postconference brief, p. 3.
[20] Petitioner's postconference brief, pp. 3-4.
[21] Conference transcript, pp. 217, 219 (Anderson); Conference transcript, p. 218 (Sonzala).
[22] A video showing how a twistlock works is located: *How Double Ended Twist Locks for Shipping Containers Work,* https://www.youtube.com/watch?v=Sz8smq6ddok, retrieved August 27, 2020.

Figure I-2: Corner Casting (empty)

Source: Petitioner Response to Commerce's Supplemental Questions on General Issues Volume I of the Petition, p. 2.

Figure I-3: Twistlock that has been inserted into a corner casting

Source: Petitioner Response to Commerce's Supplemental Questions on General Issues Volume I of the Petition, p. 2.

Chassis have an air-brake system, which uses compressed air to transmit pressure from the driver control to service brakes and emergency brakes.[23] An interlocking hose coupling, or "glad hands" connector, connects air brake hoses from the chassis to the road tractor (figure I-

[23] Petition, exh. I-5, Certification of Container Chassis, 70.

4). The system is tested in accordance with the Truck Trailer Manufacturer's Association Recommended Practice RP12. The brakes must comply with FMVSS Standard 121.[24]

Figure I-4: Glad hands hose assembly (10 ft)

Source: *Zoro webpage*, https://www.zoro.com/velvac-gladhand-hose-assy-10-ft-145110/i/G9488491/

The rear of the chassis features an axle with wheels and tires, as well as brake lights, running lights, and a rear bumper. Chassis usually have eight to twelve wheels, two to three rows of "dualies" (where there are two wheels next to each other) on each side of the axle. The rear bumper must comply with Federal Motor Vehicle Safety Standards (FMVSS) 223 and 224.[25]

The petitioner and CIMC highlighted several differences between the subject chassis and domestically manufactured chassis. CIMC's 53-foot chassis frames are often imported in two pieces: one 40-foot piece, and one 13-foot gooseneck. The two parts are then bolted together after import. Domestically manufactured 53-foot chassis tend to have a frame where all of the joints are welded together.[26] CIMC's chassis frames are also painted using an e-

[24] Petition, exh.I-4, AAR Manual of Standards and Recommended Practices Intermodal Equipment Manual, 22.

[25] Exhibit I-4 of Petition, AAR Manual of Standards and Recommended Practices Intermodal Equipment Manual, 20.

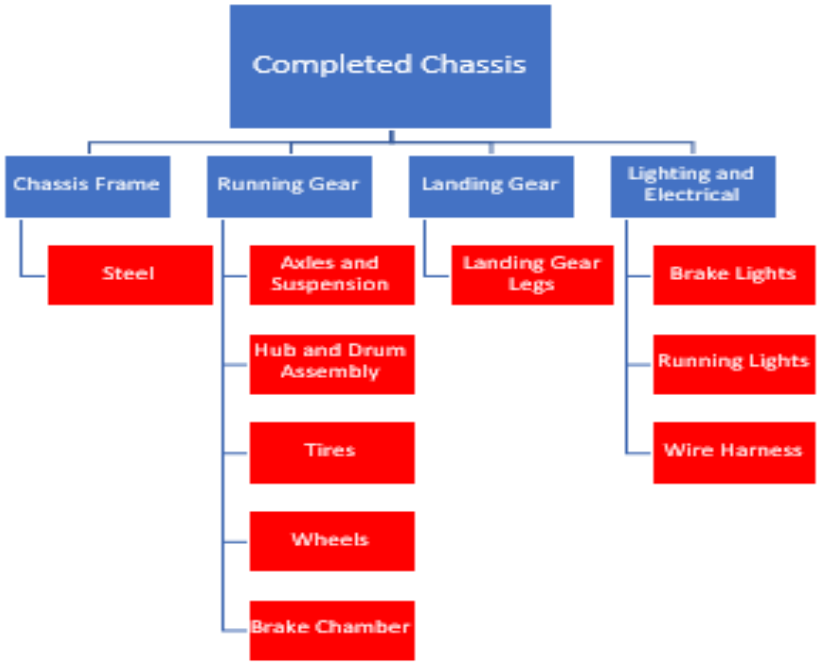
[26] Conference transcript, p. 55 (Fenton).

coating process that reportedly provides greater protection against corrosion, and are reportedly 400 pounds lighter.[27]

Manufacturing processes

The four major subassemblies for the chassis are the frame, the running gear assembly, landing gear, and lighting and electrical system (figure I-5). The running gear, air brake system, and lighting and electrical system are made up of components that are produced by third parties, assembled by the chassis manufacturer, and installed on the chassis to produce a finished product. The running gear assembly is made up of tires, hub and drum assemblies, axles and suspensions, brake chambers, and other components.

Figure I-5: Chassis, subassembly, and components



Source: Staff constructed based on information in the Petition and testimony.

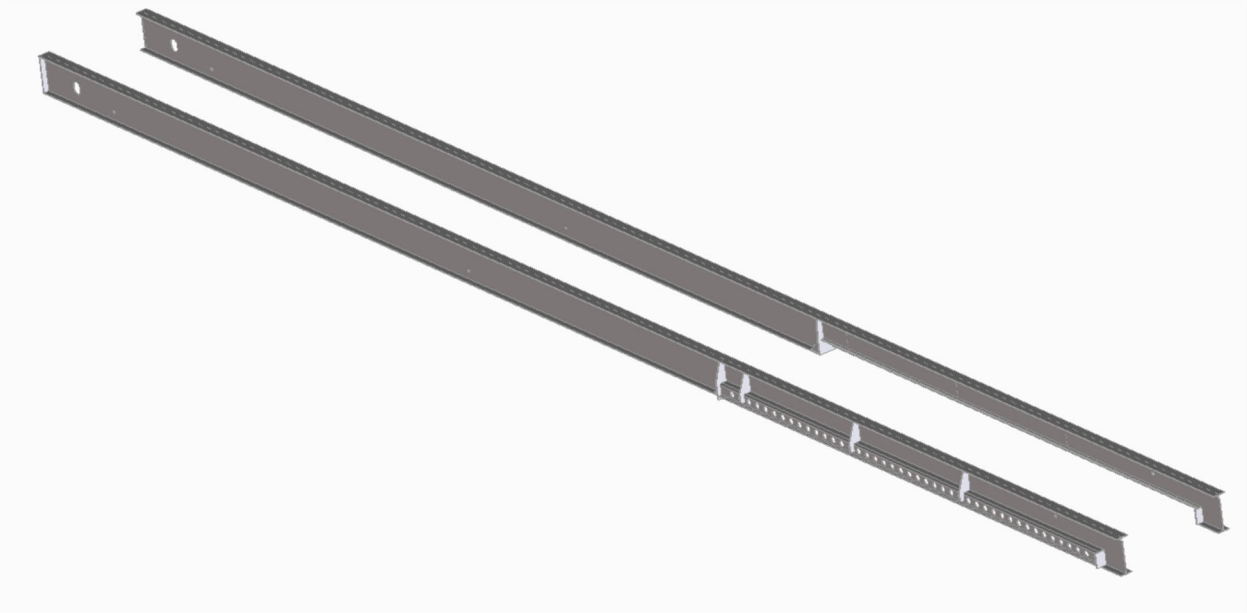
Note.--Blue items tend to be assembled at the chassis production plant using components, while red items are produced by outside suppliers.

The chassis frame consists of welded steel parts in three basic segments: front, or forward beam and front crossmember assembly; middle assembly; and rear, or rear crossmember including the Rear Impact Guard assembly. Steel I-beams (the long external

[27] Conference transcript, pp. 164 (Sonzala), 180 (Awad), and 190 (Vandeloo); Respondent post-conference brief, pp. 36-37.

beams in the figure below), box beams (a hollow beam made up of four solid beams), channels (a beam in what appears to be a c-shape), and angles (beam that forms more of an L-shape) are cut and welded together in the shape of the frame (figures I-6 and I-7). The gooseneck is welded on next (figure I-8). U.S. manufacturers use manual welding, while CIMC uses robotic welding.[28]

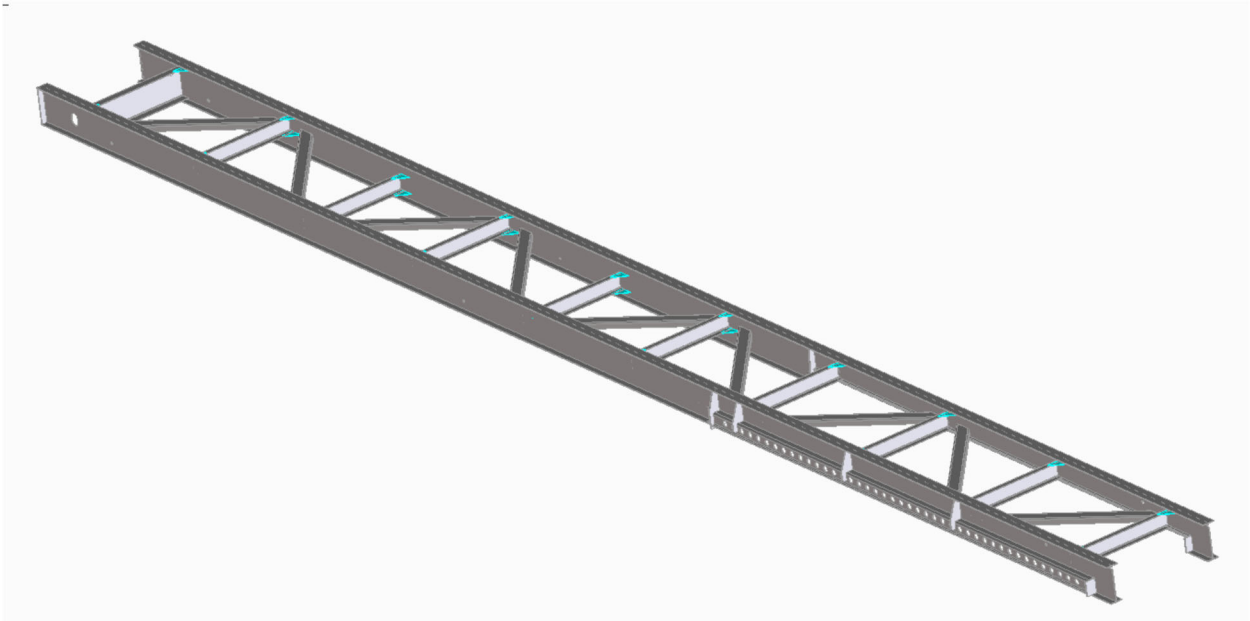
Figure I-6: Chassis main frame subassembly with main beams



Source: Petitioner Conference Testimony, General Sequence of Assembly of 53ft Chassis, p. 3.

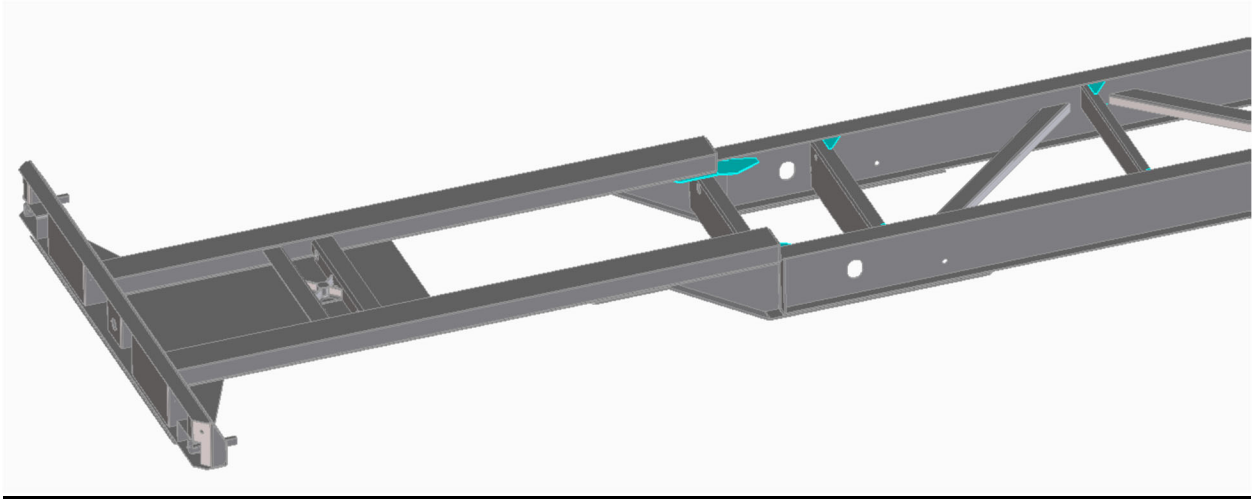
[28] Petition at 10; Conference transcript, pp. 142 (Wahlin) and 164 (Sonzala).

Figure I-7: Chassis main frame subassembly with crossmembers diagonals and slide rails



Source: Petitioner Conference Testimony, General Sequence of Assembly of 53ft Chassis, p. 4.

Figure I-8: Gooseneck combined with main frame

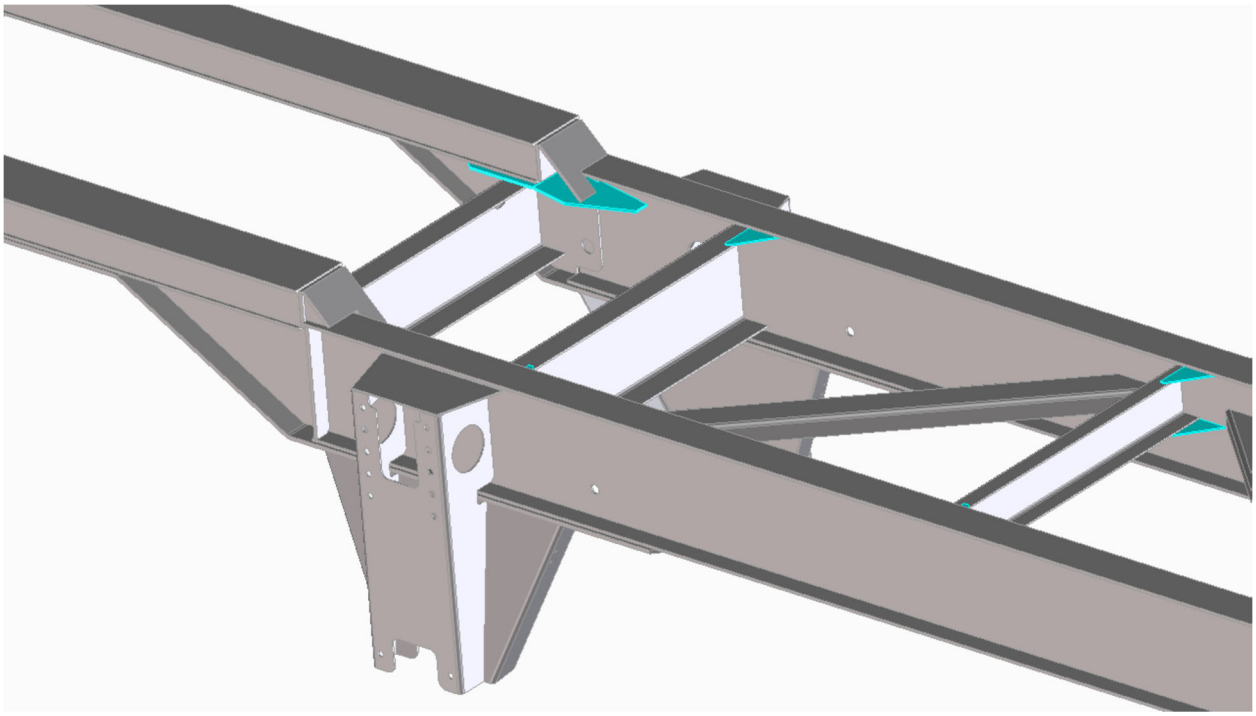


Source: Petitioner Conference Testimony, General Sequence of Assembly of 53ft Chassis, p. 11.

After the steel parts are welded together and coated, the air brake system and electrical components are added. Final assembly of the chassis is a seven-stage process:

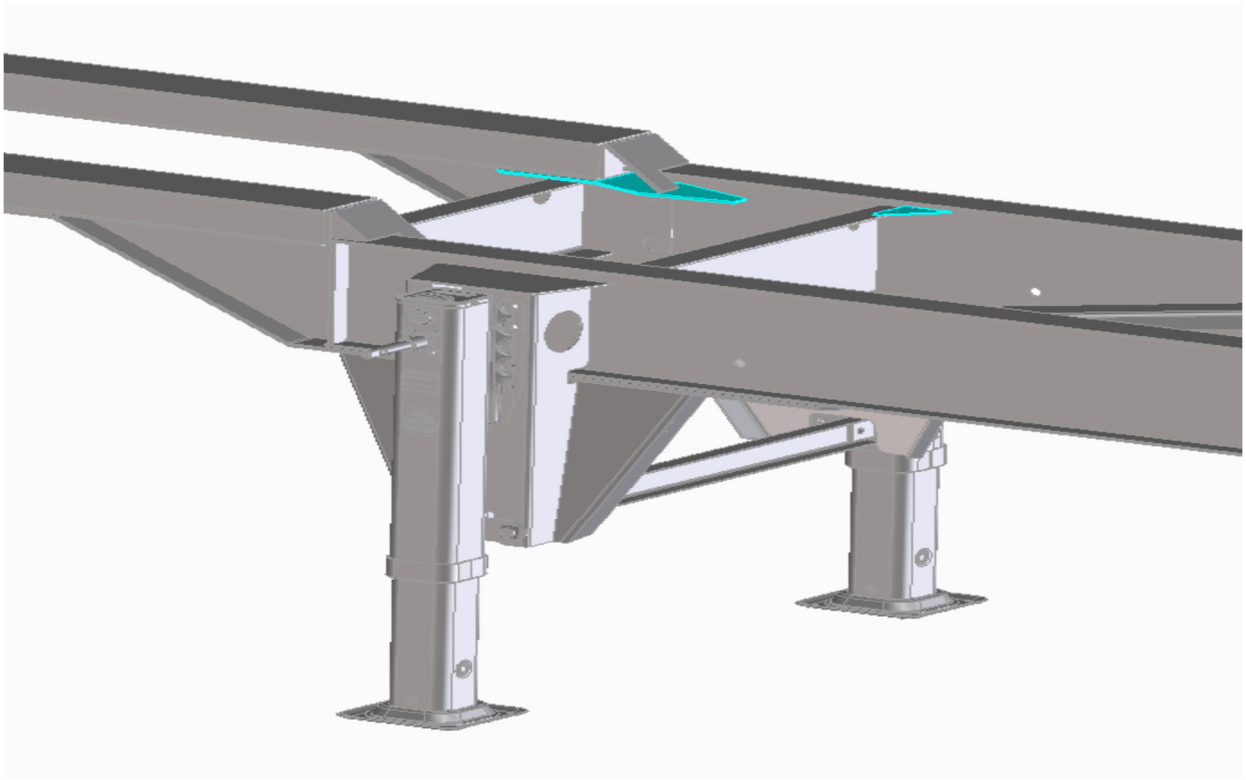
1. The front assembly is oriented with king pin (the part that attaches to a road tractor for towing) facing upward so the landing gear and cross-brace can be attached (figures I-9 and I-10).

Figure I-9: Landing Gear Mounting Attached to Frame



Source: Petitioner Conference Testimony, General Sequence of Assembly of 53ft Chassis, p. 16.

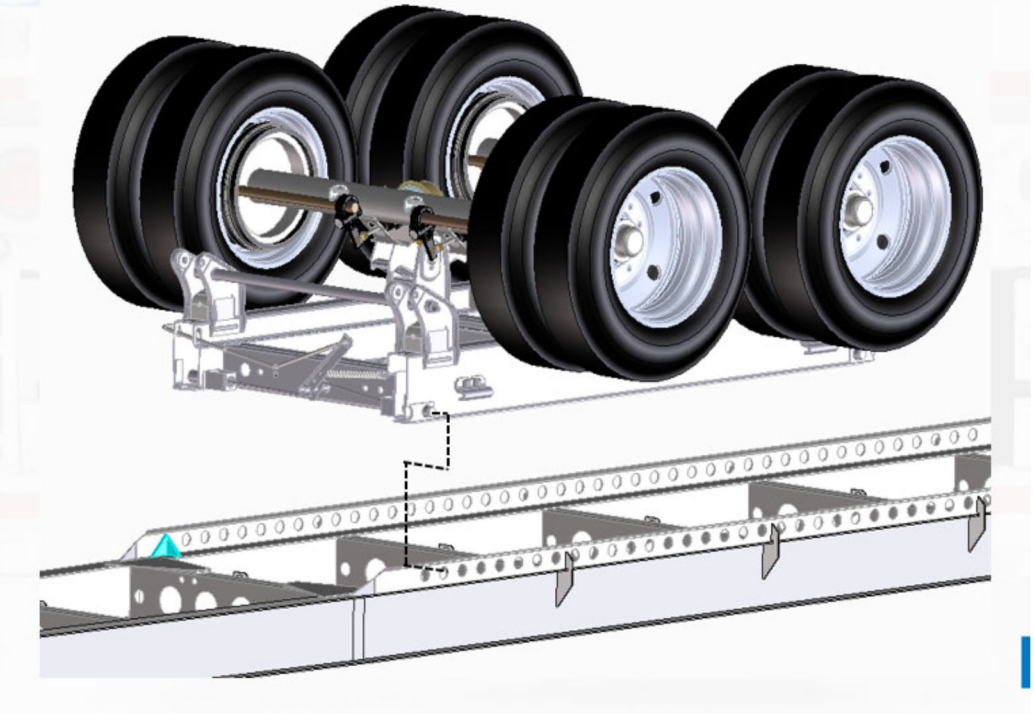
Figure I-10: Landing Gear and Crossbrace Installed



Source: Petitioner Conference Testimony, General Sequence of Assembly of 53ft Chassis, p. 17.

2. The mainframe is inverted for the installation of the axle/wheel/tire portion of the suspension (i.e., running gear) (figure I-11).

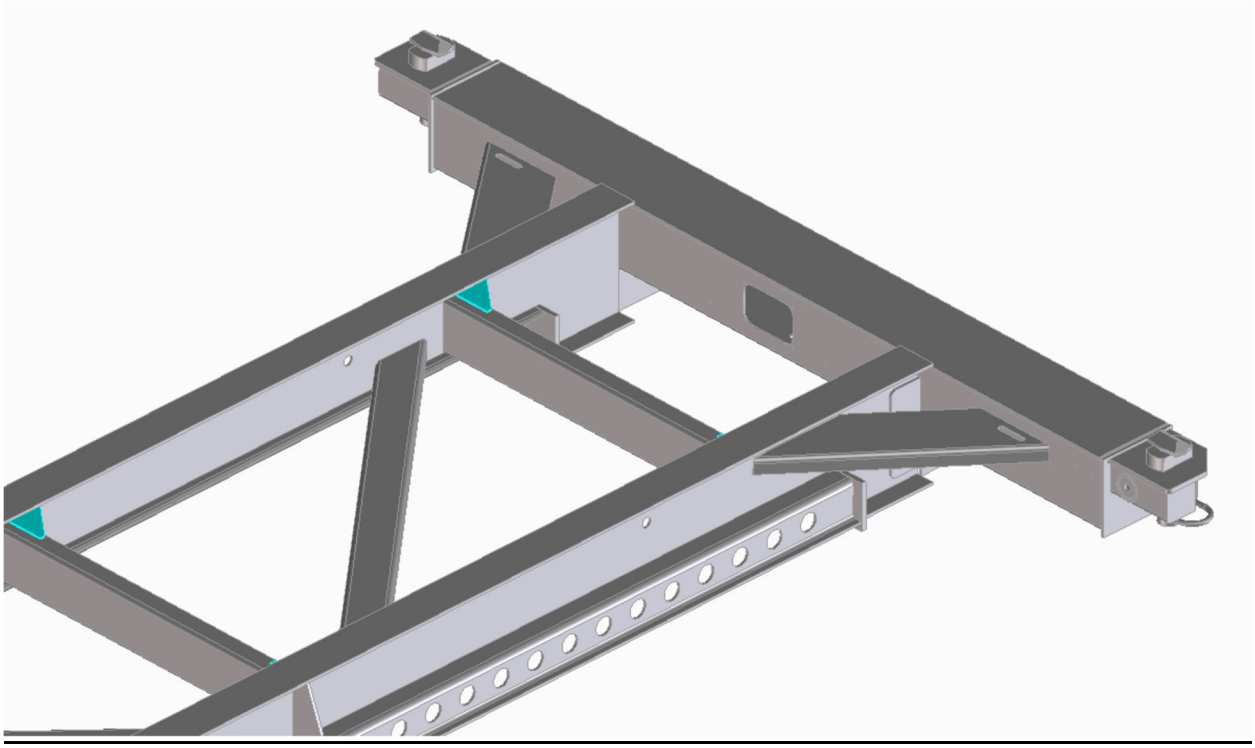
Figure I-11: Running Gear Assembly



Source: Petition, p. 9.

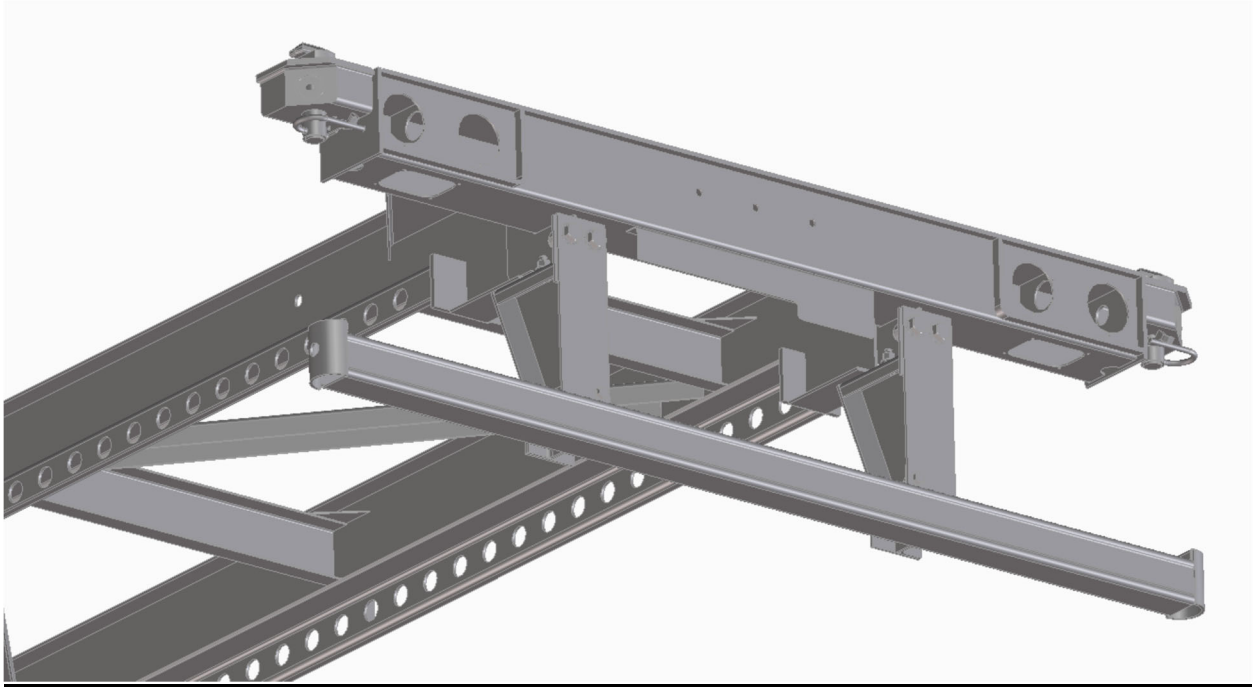
3. The front and mainframe are oriented in an upright position and the connection just behind the landing gear is completed.
4. The rear section is attached to the rear portion of the main beam behind the suspension (figures I-12 and I-13). CACM firms tend to weld the bumper to the frame, while the respondents tend to bolt it.

Figure I-12: Rear bolster attached to main frame



Source: Petitioner Conference Testimony, General Sequence of Assembly of 53ft Chassis, p. 13.

Figure I-13: Rear Impact Guard Attached to Main Frame



Source: Petitioner Conference Testimony, General Sequence of Assembly of 53ft Chassis, p. 14.

5. Axle alignment procedure is performed.
6. Air and electrical connections are completed from section to section using glad hands connectors for the air brakes and a plug and socket for the electrical connection.
7. The final inspection, including light check, air brake timing tests, and Federal Highway Administration ("FHWA") inspection is accomplished.

Though the manufacturing process in the United States and China have much in common, there are some differences according to petitioning firms and CIMC. CACM firms (i.e., the petitioner) fabricate the steel beams and weld them together on the same site as the assembly plant, while for larger chassis CIMC constructs the chassis frame in China, then sends the frame (and other subassemblies) to a facility in the United States for assembly.[29] Also, CIMC uses robotic welders to construct the steel frame while CACM firms tends to use manual or semi-automated processes. Many items that are welded together by CACM firms are often bolted by CIMC. For example, the rear impact guard (bumper) is bolted on by CIMC, but it is welded on by CACM firms.[30] Both CACM firms and CIMC use components that are made by third parties as inputs into subassemblies outside of the chassis frame.

Domestic like product issues

The petitioner proposes that the Commission should define a single domestic like product, co-extensive with the scope of the investigations, and in particular that the Commission should define finished chassis and chassis subassemblies to comprise a single like product.[31] Respondent CIMC does not dispute the definition of the domestic like product proposed by the petitioner in these preliminary investigations.[32]

U.S. producers and importers were asked to assess any differences between complete chassis and in-scope subassemblies of chassis based on factors the Commission typically considers in a semi-finished products analysis, including: (1) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (2) whether there are perceived to be separate markets for the upstream and downstream articles; (3) differences in the physical characteristics and functions of the upstream and downstream

[29] Smaller chassis are assembled in China. Petitioner's postconference brief, exh. 1, pp. 11-12; and CIMC's postconference brief exh1, 4-5.

[30] Conference transcript, p. 257 (Anderson).

[31] Petitioner's postconference brief, pp. 3-4, and exh. 1, pp. 1-6.

[32] CIMC's postconference brief, p. 3.

articles; (4) differences in the costs or value of the vertically differentiated articles; and (5) the significance and extent of the processes used to transform the upstream into the downstream articles. Responses provided by firms are summarized in table I-1 below (where a 'no' response generally corresponds to indicating no differences or distinctions between complete chassis and in-scope subassemblies of chassis).[33]

Table I-1
Chassis: U.S. producers' and importers' response to semi-finished product analysis questions

Item	U.S. producers		U.S. importers	
	No	Yes	No	Yes
	Number of firms responding (count)			
Semi-finished.-- Other uses	5	---	6	---
Separate markets	5	---	6	---
Differences in characteristics	5	---	2	4
Differences in cost	5	---	6	---
Transformation intensive	5	---	6	---

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

[33] The four "yes" responses given regarding differences in characteristics were provided by the four CIMC-related importers (see Part IV), who gave an identical explanation for this response: "***."

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Chassis are used for transporting cargo containers of various container sizes, typically 20 feet, 40 feet, 45 feet, or 53 feet.[1] Fifty-three foot chassis ("domestic chassis") are typically used to transport domestic containers, while 40-foot chassis ("marine chassis") are typically used for international shipping containers.[2] The American Association of Railroads and the American Bureau of Shipping maintain specifications and standards specific to certain types of chassis; however, not all chassis, domestic or otherwise, meet each of the specifications in these standards.[3] Chassis must be registered before they can be used on public roadways.[4] Some chassis are made for specific containers and applications.[5] The average life-span of a container chassis is 20 years.[6] Respondents estimate that the average age of the U.S. marine chassis fleet is between 19 and 26.5 years.[7]

Marine chassis are the most common type of chassis in the U.S. market by volume and are used primarily by leasing companies or chassis pools.[8] Marine chassis represent approximately 80 percent of the U.S. chassis market.[9] Domestic chassis are the second largest type of chassis, representing 15 to 20 percent of the U.S. market, and are purchased by trucking fleets, leasing pools, and railroads.[10] Specialty chassis, or chassis produced for specialty containers, account for approximately 5 percent or less of the chassis market.[11] Respondents

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[1] Chassis can also be built to carry more than one container. Containers carried on chassis include marine containers, containers transported over land, tank containers for liquids or sand, containers without sides (flat racks), generators, and waste containers. Petition, pp. 5-6.

[2] Conference transcript, pp. 66-67 (Katz).

[3] Petition, p. 7. The Federal Motor Carrier Safety Administration (FMCSA) implemented roadability regulations in June 2009 that required intermodal equipment providers to establish recordkeeping and audit programs. These requirements were perceived as burdensome, thus causing various ocean carriers to divest their chassis fleets. CIMC's postconference brief, pp. 5-6.

[4] Petition, exh. I-3; Conference transcript, pp. 61-62 (Katz).

[5] For example, an ISO tank chassis has a drop in the middle of the chassis to maintain a lower center of gravity for the ISO container. Conference transcript, pp. 102-105 (Katz, Gill, Musick).

[6] Conference transcript, p. 162 (Sonzala).

[7] CIMC's postconference brief, p. 8.

[8] Leasing companies took the place of ocean carriers after their exit from the chassis market. Leasing companies own chassis fleets and lease them to operators, such as trucking lines, and established chassis pools to facilitate different carriers' usage of chassis. CIMC's postconference brief, pp. 3, 6-8.

[9] CIMC's postconference brief, p. 3.

[10] Conference transcript, pp. 174 (Ash).

[11] CIMC's postconference brief, p. 4.

stated that marine and domestic chassis are sold in high volume orders, while specialty chassis are produced and ordered in lower volumes.[12]

Chassis can be imported either fully assembled or as subassemblies, with most or all of the integral parts to assemble chassis into a finished form.[13] U.S. producers fabricate or weld subassemblies, or they may purchase some welded steel parts such as shadow box assemblies used in the running gear, while imported subassemblies are bolted together.[14]

The U.S. chassis market is supplied by U.S. producers, Chinese imports, and imports from nonsubject countries such as Mexico.[15] The Chinese CIMC group[16] is the largest manufacturer of chassis in the world, and announced in January 2020 it would move some of its chassis production from China to South Gate, California, and Emporia, Virginia.[17] [18] Chinese chassis are subject to section 301 tariffs[19] and some chassis raw materials are subject to section 232 tariffs.[20]

Chassis purchasers include leasing companies, dealers, or major trucking fleets.[21] Big box stores, which have begun to integrate their logistics and shipping, have started purchasing chassis as well.[22] Some purchasers prefer single-sourcing chassis for consistency and maintenance purposes.[23]

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[12] CIMC's postconference brief, pp. 3-4.

[13] Petition, p. 7.

[14] Conference transcript, pp. 53, 55 (Fenton).

[15] U.S. produced chassis accounted for *** percent of the U.S. market while Chinese chassis accounted for *** percent in 2019. The remaining *** percent of the U.S. market was supplied by nonsubject imports. Petitioner notes that it does not believe there are "meaningful quantities of chassis imports" from other nonsubject countries. Petition, p. 24.

[16] The CIMC group provided four separate importer questionnaire responses under CIMC Intermodal Equipment, LLC ("CIE"); CIMC Vehicles (Group) Co., Ltd. ("CV"); Dongguan CIMC Vehicle Co., Ltd. ("DCVC"); and Shenzhen CIMC Vehicle Co., Ltd. ("SCVC"). These responses have been reported separately throughout this section, unless otherwise indicated.

[17] Petition, Exhibit I-26.

[18] CIE reported that it would move its chassis production to the United States due to "the trade war" between China and the United States and the high cost of operating in China due to tariffs. Dan Ronan, Chassis Maker CIMC Intermodal Equipment to Change Name to CIE Manufacturing, Transport Topics, January 13, 2020. https://www.ttnews.com/articles/chassis-maker-cimc-intermodal-equipment-change-name-cie-manufacturing, retrieved August 18, 2020.

[19] See below for a discussion of the impact of the section 301 tariffs.

[20] See Part V for a discussion of the impact of the section 232 tariffs.

[21] Petition at 17; CIMC's postconference brief at 6-7.

[22] Conference transcript, pp. 96-97 (Wahlin, Katz), and pp.175-177 (Ash).

[23] Conference transcript, pp. 260-263 (VandeLoo, Awad)

Apparent U.S. consumption of chassis fluctuated during 2017-19. Apparent consumption increased by *** percent from *** units in 2017 to *** units in 2018, before decreasing to *** units in 2019. Overall, apparent U.S. consumption in 2019 was *** percent lower than in 2017. Apparent consumption in January to March 2020 was *** percent lower compared to January to March 2019.

Impact of Section 301 tariffs

As discussed in Part I, chassis subject to these investigations have been subject to section 301 tariffs beginning in September 2018 of 10 percent *ad valorem*, which were increased to 25 percent in May 2019.[24] As shown in table II-1, U.S. producers and importers had mixed responses regarding the impact of the 301 tariffs, with U.S. producers reporting that the tariffs had no impact on the U.S. supply of chassis and importers reporting that the U.S. supply of chassis fluctuated. In addition, U.S. producers reported that prices for chassis did not change, while importers reported prices increased due to the section 301 tariffs.

Table II-1
Chassis: U.S. producers and U.S. importers firms' responses regrading impact of 301 tariffs

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Impact on U.S. supply of chassis:				
U.S. producers	---	5	---	---
Importers	---	---	1	5
Impact on China's supply of chassis:				
U.S. producers	2	3	---	---
Importers	1	---	4	1
Impact on supply from sources other than China:				
U.S. producers	---	4	1	---
Importers	---	1	---	5
Impact on prices:				
U.S. producers	---	4	---	1
Importers	4	---	1	1
Impact on overall demand for chassis:				
U.S. producers	1	2	---	2
Importers	---	1	---	5
Impact on chassis raw materials:				
U.S. producers	2	2	---	1
Importers	---	1	---	5

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

[24] *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 48,000, September 21, 2018; *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 20,459, May 9, 2019.

The petitioner alleged that imports of Chinese chassis "exploded" the month following the imposition of section 301 tariffs on Chinese chassis and that these chassis were "clearly intended to have arrived one month earlier, prior to duty imposition."[25] The petitioner added that a large volume of chassis imported in 2018 due to the section 301 tariffs were stored as inventory, leading to an inventory overhang in the market.[26] Respondents argued that the increased imports in 2018 were because of increased demand from their customers due to an "ongoing chassis shortage" and that increased Chinese imports were market driven.[27]

Channels of distribution

U.S. producers and importers sold mainly to trucking companies/end users, although both U.S. producers and importers sold a relatively higher share of commercial shipments to distributors and dealers in 2018, as shown in table II-2.

Table II-2
Chassis: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, January 2017-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Share of U.S. shipments (percent)				
U.S. producers: to End users / Trucking	***	***	***	***	***
to Distributors / Dealers	***	***	***	***	***
U.S. importers: China to End users / Trucking	***	***	***	***	***
to Distributors / Dealers	***	***	***	***	***
U.S. importers: Nonsubject to End users / Trucking	***	***	***	***	***
to Distributors / Dealers	***	***	***	***	***
U.S. importers: All sources: to End users / Trucking	***	***	***	***	***
to Distributors / Dealers	***	***	***	***	***

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

Geographic distribution

U.S. producers and importers reported selling chassis to all regions in the United States (table II-3). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000

[25] Petitioner's postconference brief, pp. 22.
[26] Petitioner's postconference brief at 9.
[27] CIMC's postconference brief, pp. 10-11.

miles. Importers sold *** percent of sales within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-3
Chassis: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Subject U.S. Importers
Northeast	5	4
Midwest	5	4
Southeast	4	4
Central Southwest	3	4
Mountain	2	4
Pacific Coast	3	4
Other	1	3
All regions (except Other)	2	4
Reporting firms	5	4

Note: All other U.S. markets, including AK, HI, PR, and VI.

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

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding chassis from U.S. producers and from China. CIMC group provided separate foreign producer questionnaires for its Chinese operations in Dongguan, Yangzhou, and Shenzhen; however, all three entities are related.

Table II-4
Chassis: Supply factors that affect the ability to increase shipments to the U.S. market

	Capacity (units)		Capacity utilization (percent)		Ratio of inventories to total shipments (percent)		Shipments by market, 2019 (percent)		Able to shift to alternate products
Country	2017	2019	2017	2019	2017	2019	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	***	***	***	***	***	***	***	***	2 of 5
China	***	***	***	***	***	***	***	***	3 of 3

Note: Responding U.S. producers accounted for virtually all of U.S. production of chassis in 2019. Responding foreign producer/exporter firms accounted for all of U.S. imports of chassis from China during 2019. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

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

Domestic production

Based on available information, U.S. producers of chassis have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced chassis to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of large amounts of unused capacity and some ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include a limited ability to shift shipments from alternate markets or inventories.

Capacity increased from 2017 to 2019 while production fluctuated, resulting in a *** decrease in capacity utilization from 2017 to 2019. Production increased by *** percent from 2017 to 2018, before decreasing by *** percent in 2019. Major export markets include Canada, Suriname, and Trinidad. Petitioner noted that domestically produced chassis are not typically exported due to differences in highway safety laws, such as bridge and weight laws. Exporting chassis to other markets would require creating a new product specifically for that market.[28]

Other products that producers reportedly can produce on the same equipment as chassis are trailers and flatbeds, including log trailers. Factors affecting U.S. producers' ability to shift production include machinery limitations, as trailers and flatbeds are generally heavier and taller than chassis, and the time and money required to change the production machinery.

One firm *** reported that it had experienced supply constraints since January 1, 2017. *** reported it did not bid on a sale in 2018 as it knew CIMC would underbid it with a price it was unable to match.

Subject imports from China

Based on available information, producers of chassis from China have the ability to respond to changes in demand with large changes in the quantity of shipments of chassis to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the ability to shift shipments from inventories, and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include the somewhat limited ability to shift shipments from alternate markets.

CIMC group's capacity *** by *** percent from 2017 to 2019, and production fluctuated over the same period. Production increased by *** percent from 2017 to 2018, before falling by *** percent from 2018 to 2019. Similarly, capacity utilization fluctuated from *** percent in 2017 to *** percent in 2018, and to *** percent in 2019. The CIMC

[28] Conference transcript, pp. 146-149 (Katz, Gill).

group reported that its operations in Dongguan, Yangzhou, and Shenzhen exported to ***.[29] CIMC group noted in its questionnaires that ***.

Other products that CIMC group reportedly can produce on the same equipment as chassis are ***. Factors affecting foreign producers' ability to shift production include the ***.

No importers reported experiencing supply constraints since January 1, 2017.

Imports from nonsubject sources

Nonsubject imports from *** accounted for *** percent of total U.S. imports in 2019. Importers did not report any other nonsubject source of chassis.

U.S. demand

Based on available information, the overall demand for chassis is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute products and the small cost share of chassis in its ultimate end-use service, intermodal transport.

End uses and cost share

Chassis are a final good product that account for a small share of the cost of the end-use services in which it is used. As a part of an intermodal transport service, importer *** reported that chassis represented 5.0 percent of the total cost of the service.[30] Petitioner also noted that chassis are a "very, very small part of the cost" of the final transport service.[31]

[29] Yangzhou CIMC ***. CIMC's postconference brief, exh. 1., pp. 3-4. For more information, see Part VII.

[30] Almost all responding firms reported that chassis are 100 percent of the final good product. *** was the only firm to place the chassis in the context of a service, which it described as "transportation of products on road."

[31] Conference transcript, pp.108-109 (Katz).

Business cycles

Two of five U.S. producers and five of six importers indicated that the market was subject to business cycles or conditions of competition. Specifically, U.S. producer *** reported that chassis purchases increase in the second and third quarter of the year for Christmas deliveries. Importer *** reported that freight demand is seasonal, and freight volumes shift from the west coast to the east coast. It also added that lower fuel prices can cause a shift from rail to highway transportation, and decreased demand for chassis.

Demand trends

Chassis are used in the transportation of intermodal cargo containers, including marine containers.[32] U.S. demand for chassis depends both on shipping trends, including freight movement for products imported into the United States and exported from the United States, and the total amount of movement and freight being moved within the United States.[33] However, there is not a one-to-one correspondence between freight activity and chassis purchases, as freight carriers and intermodal pool operators maintain existing fleets of chassis. Turnover in those fleets also affects total chassis demand, and the average life cycle of a container chassis is approximately 20 years.[34]

As shown in figure II-1, U.S. merchandise trade,[35] an indicator of the volume of goods being transported around the United States, rose from January 2017 until October 2018, and then fluctuated until December 2019. In 2020, U.S. merchandise trade fell due to the effects of the COVID-19 pandemic and lockdowns.[36]

[32] Petition, pp. 5-6.

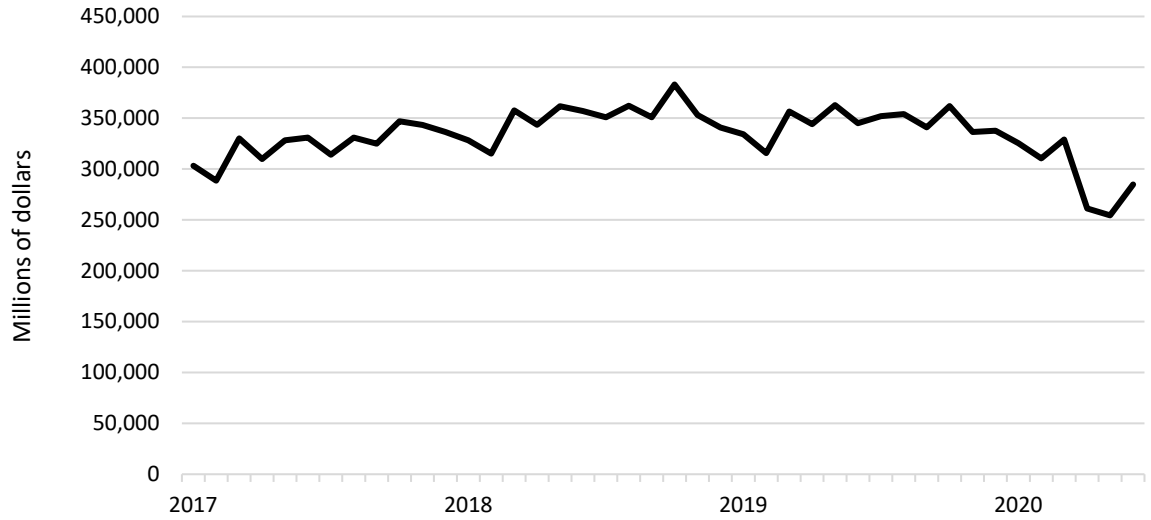
[33] Conference transcript, pp. 74-75; Petitioner's postconference brief p. 5; Email from ***, August 12, 2020.

[34] Conference transcript, p. 162 (Sonzala); Email from ***, August 12, 2020.

[35] Defined as U.S. imports plus U.S. exports.

[36] The COVID-19 Rail Freight Recovery Index provided by FTR shows that North American intermodal freight declined substantially from February through April and has since recovered to pre-shutdown phase levels. The data are not available for U.S. intermodal freight. Petitioner's postconference brief, exh. 23.

Figure II-1
U.S. merchandise trade volume, January 2017-June 2020



Source: Census Bureau, https://www.census.gov/foreign-trade/balance/c0015.html. Accessed August 18, 2020.

Petitioner also reported that *** from 2017 to 2019.[37]

Most firms reported fluctuating U.S. demand for chassis since January 1, 2017 (table II-5). U.S. producer *** reported that demand fluctuated due to changing levels of domestic and international freight, firms replacing aging fleets of chassis, and regulatory changes. U.S. producer *** added that demand generally follows the economy and ocean freight. Some U.S. producers reported that there was a surge of Chinese chassis prior to the section 301 tariff implementation. Importer *** reported that demand had decreased and noted that it could not match prices offered by ***.

Table II-5
Chassis: Firms' responses regarding U.S. demand and demand outside the United States

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	1	---	---	4
Importers	---	---	2	3
Demand outside the United States				
U.S. producers	---	---	---	3
Importers	---	1	---	3

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

[37] ***. Petitioner's postconference brief, pp. 5-6.

Substitute products

Substitutes for chassis are limited and most U.S. producers and importers reported that there were no substitutes. U.S. producers *** reported flatbed trailers can sometimes be used as substitutes, but rarely. Petitioner stated that flatbed trailers cannot be used as substitutes due to height and weight restrictions.[38]

Substitutability issues

The degree of substitution between domestic and imported chassis depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced chassis and chassis imported from China. Availability, quality, and flexibility in lead times and deliveries somewhat limit substitutability between domestic and subject import chassis.

Lead times

Chassis are primarily produced-to-order. U.S. producers reported that *** percent of their commercial shipments were produced-to-order, with lead times averaging *** days. The remaining *** percent of their commercial shipments came from inventories, with lead times averaging *** days. Importers reported that *** percent of their commercial shipments were produced-to-order, with lead times averaging *** days, and the remaining *** percent were from U.S. inventories with lead times averaging *** days. Petitioner noted that only U.S. producer Cheetah produced for inventory,[39] and most firms produce-to-order.[40]

Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations[41] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for chassis. The major purchasing factors identified by firms include quality, capacity, price, and meeting a delivery schedule.

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[38] Conference transcript, pp. 105-107 (Fenton, Katz, Gill, Musick).

[39] Cheetah stated that it had hoped to fill more orders for chassis following the section 301 tariffs. Conference transcript, p. 124 (Katz).

[40] Conference transcript, p. 124-125 (Katz, Wahlin, Gill, Musick).

[41] This information is compiled from responses by purchasers identified by Petitioner to the lost sales lost revenue allegations. See Part V for additional information.

Table II-6
Chassis: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Item	1st	2nd	3rd	Total
	Number of firms (number)			
Quality	7	2	---	9
Availability / Capacity	2	7	---	9
Price / Cost	---	2	4	6
All other factors	3	1	7	NA

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

Purchaser *** reported that U.S. producers have "insufficient capacity" and cannot produce the number of chassis needed in a specified time frame, and also noted that Chinese chassis offer the "latest manufacturing technologies."[42] Other purchasers *** also reported the importance of manufacturing processes.[43] Purchaser *** reported that China's production capacity can "easily meet U.S. demand" which allows for a quick response to increased demand. *** also reported that CIMC produces a better 20-foot and 40-foot standard chassis than domestic producers' standard chassis of the same size, but that U.S.-produced specialty chassis are "slightly better" in quality than the comparable Chinese product.

Comparison of U.S.-produced and imported chassis

In order to determine whether U.S.-produced chassis can generally be used in the same applications as imports from China, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-7, U.S producers reported that domestic and Chinese chassis were always interchangeable, and importers reported that they were always or frequently interchangeable. ***, reported that Chinese and domestic chassis were always interchangeable. [44]

[42] These latest technologies include being "environmentally-friendly, electro-static paint, and robotic welding which improve value and quality/longevity."

[43] *** both reported that Chinese chassis manufacturing capabilities were more advanced or superior compared to domestic chassis; *** did not make the same distinction.

[44] Importer *** reported that it had no familiarity with domestic and Chinese chassis.

Table II-7
Chassis: Interchangeability between chassis produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers			
	A	F	S	N	A	F	S	N
United States vs. China	5	---	---	---	1	4	---	---
United States vs. Other	5	---	---	---	---	---	---	---
China vs. Other	5	---	---	---	---	---	---	---

Note: A = Always, F = Frequently, S = Sometimes, N = Never.

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of chassis from the United States, subject, or nonsubject countries. As seen in table II-8, U.S. producers reported that non-price factors were never important, and importers reported they were always important. *** reported that Chinese chassis are of better quality, have faster delivery, including "just-in-time" delivery options, upgrades and customizations, special designs, and better service.

Table II-8
Chassis: Significance of differences other than price between chassis produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers			
	A	F	S	N	A	F	S	N
United States vs. China	---	---	---	5	5	---	---	---
United States vs. Other	---	---	---	5	---	---	---	---
China vs. Other	---	---	---	5	---	---	---	---

Note: A = Always, F = Frequently, S = Sometimes, N = Never.

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

Respondents argued that warranties are an important non-price factor, and that Chinese chassis are sold with a 7-to-10 year warranty, which covers about half the life of the chassis, and that its warranties were superior to warranties offered by U.S. producers.[45] Petitioner stated that the industry standard for warranties is five years.[46] Purchasers *** listed warranties as one of their most important major purchasing factor.[47]

[45] Conference transcript, p. 165 (Sonzala).
[46] Petitioner's postconference brief, pp. 15-16; and exh. 1, pp. 25-26.
[47] Purchaser *** was the only purchaser to indicate that Chinese warranties were superior to domestic warranties.

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of five firms that accounted for 95.1 percent of U.S. production of chassis during 2019.

U.S. producers

The Commission issued a U.S. producer questionnaire to seven firms based on information contained in the petition. Five firms provided usable data on their operations.[1] Staff believes that these responses represent nearly all U.S. production of chassis and chassis subassemblies in 2019.

Table III-1 lists U.S. producers of chassis, their production locations, positions on the petition, and shares of total production.

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[1] The petition identified another small U.S. producer, Pro-Haul, which the petitioner estimated produced *** chassis (or *** percent of reported U.S. production) in 2019. The firm did not respond to staff's repeated requests for questionnaire submission.

Staff also sent a questionnaire response to CIMC Intermodal Equipment, LLC ("CIE", also known as CIE Manufacturing), a U.S.-based subsidiary of CIMC which until recently primarily assembled chassis subassemblies imported from China into complete chassis at two U.S. facilities. This firm returned a U.S. producers' questionnaire response reporting production of *** chassis in 2019 and the same amount in January-March ("interim") 2020. These chassis were produced as part of a "***", and *** sold ***. The firm further explained their data by reporting, "***." CIE's U.S. producers' questionnaire response, p. 25.

In September 2019, CIE decided to establish production in the United States of subassemblies for fabrication into complete chassis, with the exception of chassis frame subassemblies which continue to be imported from China (which the firm testified amounts to 20 to 30 percent of the total value of the chassis). Conference transcript, pp. 166-167 (Sonzala). This involved a $5 million investment in 2019 in "properties, tooling, {and} remodeling" of its facilities in South Gate, California and Emporia, Virginia. Conference transcript, p. 206 (Anderson). CIMC does not argue that CIE should be considered part of the domestic industry. CIMC's postconference brief at 15.

Given CIE's *** data reported in its questionnaire and the nature of its ***, its data have not been incorporated into the staff report, though its questionnaire response is referenced in this Part where relevant.

Table III-1
Chassis: U.S. producers of chassis, their positions on the petition, production locations, and shares of reported production, 2019

Firm	Position on petition	Production location(s)	Share of production (percent)
Cheetah	Petitioner	Berwick, PA Sumter, SC	***
Hercules	Petitioner	Hillsborough, NJ	***
Pitts	Petitioner	Pittsview, AL	***
Pratt	Petitioner	Bridgman, MI Niles, MI	***
Stoughton	Petitioner	Stoughton, WI Evansville, WI	***
Total			100.0

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

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms. No U.S. producers are related to foreign producers of the subject merchandise or U.S. importers of the subject merchandise. As described further below, *** reported purchasing *** of chassis from a U.S. importer of chassis from China in 2017.

Table III-2
Chassis: U.S. producers' ownership, related and/or affiliated firms

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2017.

Table III-3
Chassis: U.S. producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changes in operations
Plant openings:	
***	***
Consolidations:	
***	***
Prolonged shutdowns or curtailments:	
***	***
***	***
***	***

Table continued on next page.

Table III-3--Continued
Chassis: U.S. producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changes in operations
Prolonged shutdowns or curtailments (Continued):	
***	***
Other:	
***	***
***	***

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

U.S. production, capacity, and capacity utilization

Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization.

While reported capacity and production both increased from 2017 to 2018, production decreased from 2018 to 2019 while capacity maintained at similar levels, resulting in an increase in capacity utilization from 2017 to 2018 and then a drop in utilization from 2018 to 2019. Specifically, production increased *** percent from 2017 to 2018 but decreased *** percent from 2018 to 2019, for an overall decrease of *** percent. Production in interim 2020 was *** percent lower than in interim 2019. Capacity increased *** percent from 2017 to 2018 due to an increase in capacity reported by ***[2], and declined *** from 2018 to

[2] *** calculated its capacity based on "***." *** U.S. producers' questionnaire at II-3c.

2019, for an overall increase of *** percent from 2017-19. Capacity was the same in interim 2019 and interim 2020.

Due to decreases in production from 2018 to 2019, capacity utilization decreased *** percentage points from 2017 to 2019. Capacity utilization was *** percentage points lower in interim 2020 than in interim 2019, due to decreased production in the latter period compared to interim 2019.[3]

The petitioner contends that the negative effects of subject imports, including capturing market share, prevented U.S. producers from utilizing their capacity, and that the pandemic largely has not affected U.S. producers' production capabilities, though COVID-19 will affect demand going forward.[4] CIMC and other companies allege that U.S. producers have not made significant upgrades to their capacity and failed to adapt to changes in the chassis market, indicating an inability to satisfy U.S. market demand for chassis.[5] [6]

[3] ***, the *** producers in most periods, also reported the *** capacity utilization in any period. ***, the largest producer, reported its capacity as being based on operating, "***." Email from Petitioner's counsel, August 25, 2020.

[4] Petitioner's postconference brief, pp. 9-13.

[5] CIMC's postconference brief, p. 13. Citing purchaser responses, CIMC also alleges that the domestic industry lacks the capacity to supply larger orders on a timely basis. *Id.* at 21-22.

[6] U.S. producers' questionnaires asked firms to rate the complexity of assembly-only operations (i.e., assembly of subassemblies into chassis without U.S. production of the underlying subassemblies) and to report investment costs related to assembly-only operations and full subassembly and final assembly operations.

CIE reported investment costs of $*** for assembly-only operations and $*** for full subassembly and final assembly operations, while the five petitioning U.S. producers reported *** investment costs for full subassembly and final assembly operations, in the range of $*** to $***, with the exception of *** which reported such investment costs as $***.

Though CIE was the only firm reporting assembly-only operations, *** petitioning firms reported that assembly-only operations were minimally complex, intense, and important, while CIE reported assembly-only operations were *** complex, intense, and important, explaining that the "***."

Table III-4
Chassis: U.S. producers' capacity, production, and capacity utilization, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Capacity (units)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Production (units)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Capacity utilization (percent)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Share of production (percent)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***

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

Figure III-1
Chassis: U.S. producers' capacity, production, and capacity utilization, 2017-19, January-March 2019, and January-March 2020

* * * * * * *

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

Alternative products

As shown in table III-5, *** percent of the product produced in 2019 by U.S. producers was chassis. Specific chassis excluded from the scope, including dry van trailers, refrigerated trailers and flatbed trailers, accounted for *** percent of production during 2019, while *** percent was of other out-of-scope products, including ***.[7]

[7] The *** of this other out-of-scope production was reported by ***, which accounted for at least *** percent of the production of other out-of-scope products in any period. *** U.S. producers' questionnaire at II-3a.

Table III-5
Chassis: U.S. producers' overall capacity and production on the same equipment as subject production, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
Overall capacity	***	***	***	***	***
Production: Chassis and subassemblies thereof	***	***	***	***	***
Excluded chassis	***	***	***	***	***
Other products	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***
	Ratios and shares (percent)				
Overall capacity utilization	***	***	***	***	***
Share of production: Chassis and subassemblies thereof	***	***	***	***	***
Excluded chassis	***	***	***	***	***
Other products	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***

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

U.S. producers' U.S. shipments and exports

Table III-6 presents U.S. producers' U.S. shipments, export shipments, and total shipments.[8] U.S. shipments increased *** percent by quantity from 2017 to 2018 before declining *** percent from 2018 to 2019, for an overall decrease of *** percent. U.S. shipments were *** percent lower in interim 2020 than in interim 2019.[9] Export shipments decreased continuously by *** percent from 2017 to 2019. *** chassis were exported in interim 2019, with only *** chassis exported in interim 2020, though in no period were export shipments more than *** percent of total shipments. Reported export destinations include ***.

[8] A detailed table of U.S. producers' U.S. shipments of complete chassis and of subassemblies is available in Appendix D.

[9] *** reported any internal consumption during the period of data collection, and company transfers reported over the period were ***.

Table III-6
Chassis: U.S. producers' U.S. shipments, export shipments, and total shipments, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Unit value (dollars per unit)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of quantity (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of value (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

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

U.S. producers' inventories

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** Inventories increased continuously by *** percent from 2017 to 2019 but were *** percent lower in interim 2020 than in interim 2019. As a ratio to U.S. production, inventories increased by *** percentage points from 2017-19 and were *** percentage points higher in interim 2020 than in interim 2019. As a ratio to U.S. shipments, inventories increased by *** percentage points from 2017-19 and were *** percentage points higher in interim 2020 than in interim 2019.

Table III-7
Chassis: U.S. producers' inventories, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
U.S. producers' end-of-period inventories	***	***	***	***	***
	Ratio (percent)				
Ratio of inventories to.-- U.S. production	***	***	***	***	***
U.S. shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

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

U.S. producers' imports and purchases

No U.S. producer reported imports of chassis from any source from January 1, 2017 through March 31, 2020.[10] *** reported purchasing *** chassis from a U.S. importer of chassis from China in 2017. *** explained these purchases by reporting, "***."[11]

U.S. employment, wages, and productivity

Table III-8 shows U.S. producers' employment-related data. Several metrics increased from 2017-19 and yet were lower in interim 2020 compared to interim 2019. The number of production and related workers ("PRWs") reported rose *** percent from 2017 to 2018 before decreasing *** percent from 2018 to 2019, for an overall increase of *** percent from 2017-19. The number of PRWs was *** percent lower in interim 2020 than in interim 2019. Hours worked and wages paid also increased overall from 2017-19 despite falling from 2018 to 2019, and both categories were lower in interim 2020 than in interim 2019.

Hourly wages and unit labor costs rose continuously, by *** percent and *** percent respectively, from 2017-19. Hourly wages were *** percent higher in interim 2020 than in

[10] As explained further in Part VII, *** filed a U.S. importers' questionnaire response reporting *** but ***.

[11] ***.

interim 2019, while unit labor costs were *** percent higher in interim 2020 than in interim 2019.[12]

Productivity decreased continuously by *** percent from 2017-19 and was *** percent lower in interim 2020 than in interim 2019.

Table III-8
Chassis: U.S. producers' employment related data, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (units per 1,000 hours)	***	***	***	***	***
Unit labor costs (dollars per unit)	***	***	***	***	***

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

[12] Unit labor costs for *** rose considerably in comparing interim 2019 to interim 2020 data as that company *** its wages paid in both interim periods, yet its production was *** percent lower in interim 2020 than in interim 2019.

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to eight firms believed to be importers of chassis, as well as to all U.S. producers of chassis.[1] Usable questionnaire responses were received from six firms (four of which are related companies of CIMC) believed to account for nearly all imports of chassis and chassis subassemblies from subject and nonsubject sources.[2]

Table IV-1 lists all responding U.S. importers of chassis from China and other sources, their locations, and their shares of U.S. imports, in 2019.[3]

---

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms among the top five importers by quantity from both subject and nonsubject sources of products under HTS subheading 8716.39.0090 from January 2017 to November 2019, based on a review of data provided by U.S. Customs and Border Protection ("Customs").

Though chassis could potentially be entered under this statistical reporting number, as well as under statistical reporting number 8716.90.5060, such numbers are "basket" categories that may contain nonsubject merchandise. Petitioner's postconference brief, exh. 1, p. 15. Therefore, data reported in this part are based on the questionnaire responses of the four CIMC-related companies, United Terminal (***) and Hyundai, which are believed to account for nearly all imports of chassis from both subject and nonsubject sources. (CIMC reports that it is the only exporter of subject merchandise from China to the United States, and further notes that it agrees with the petitioner that Hyundai's imports from Mexico represent the only notable source of nonsubject imports of chassis. CIMC's postconference brief, pp. 16-18.)

[2] Three firms, *** reported that they were not importers of chassis. ***.

[3] CV is the owner of SCVC and DCVC, the factories which produced chassis in China for export to the United States during the data collection period. Conference transcript, p. 204 (Ash). SCVC was previously the primary factory in China producing chassis for the U.S. market until 2018, as it shifted its production to produce products other than chassis for the Chinese domestic market, at which point DCVC primarily took over chassis production. CIMC's postconference brief, exh. 1, pp. 2-3. CIE is a U.S.-based subsidiary of CV.

***.

(*continued…*)

Table IV-1
Chassis: U.S. importers by source, 2019

Firm	Headquarters	Share of imports by source (percent)		
		China	Nonsubject sources	All import sources
CIMC Vehicles (Group) Co.,Ltd. (“CIMC” or “CV”)	Shenzhen, China	***	***	***
Dongguan CIMC Vehicle Co.,Ltd. (“DCVC”)	Dongguan, China	***	***	***
CIMC Intermodal Equipment, LLC (“CIE”)	South Gate, CA	***	***	***
Shenzhen CIMC Vehicle Co.,Ltd. (“SCVC”)	Shenzhen, China	***	***	***
Hyundai	San Diego, CA	***	***	***
United Terminal Leasing LLC (“United Terminal”)	Long Beach, CA	***	***	***
Total		100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of chassis and chassis subassemblies from China and from all other sources.[4] Imports of chassis from China increased *** percent by quantity from 2017 to 2018 before decreasing *** percent from 2018 to 2019, for an overall decrease of *** percent from 2017-19. Imports from China were *** percent lower in interim 2020 than in interim 2019. Imports of chassis from nonsubject sources (primarily Mexico) increased *** percent by quantity from 2017 to 2018 before decreasing *** percent from 2018 to 2019, for an overall decrease of *** percent from 2017-19. Imports from nonsubject sources were *** percent lower in interim 2020 than in interim 2019. Imports from China accounted for at least *** percent of all U.S. imports in any given period.

The petitioner alleges that the increase in imports from China from 2017 to 2018 was driven by Chinese chassis producers’ attempts to “flood the U.S. market” with chassis before Section 301 tariffs took effect, and that the volume of such imports was “far in excess of

***.

[4] Appendix D provides further information on U.S. importers’ imports of complete chassis and of chassis subassemblies.

anything demanded by the market."[5] CIMC asserts that there was existing demand for chassis to address an ongoing chassis shortage regardless of section 301 tariffs taking effect, and that if section 301 tariffs had any effect it was to increase demand for chassis from all sources to handle the overall increase in imports from goods from China as importers and purchasers "rushed to beat the tariffs".[6]

Table IV-2
Chassis: U.S. imports, by source, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
U.S. imports from.--China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
U.S. imports from.--China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Unit value (dollars per unit)				
U.S. imports from.--China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of quantity (percent)				
U.S. imports from.--China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
U.S. imports from.--China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Ratio to U.S. production				
U.S. imports from.--China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

[5] Conference transcript, p. 8 (DeFrancesco); Petitioner's postconference brief, p. 23.
[6] CIMC's postconference brief, pp. 9-11.

Figure IV-1
Chassis: U.S. import quantities and average unit values, 2017-19, January-March 2019, and January-March 2020

* * * * * * *

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

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[7] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all

[7] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[8] As reported in table IV-3, imports from China accounted for *** percent of total imports of chassis and chassis subassemblies by quantity during July 2019 through June 2020.

Table IV-3
Chassis: U.S. imports in the twelve-month period preceding the filing of the petition, July 2019 through June 2020

Item	July 2019 through June 2020	
	Quantity (units)	Share quantity (percent)
U.S. imports from.--		
China	***	***
Nonsubject sources	***	***
All import sources	***	***

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

Apparent U.S. consumption and market shares

Table IV-4 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares for U.S. producers' and importers' commercial U.S. shipments of complete chassis and subassemblies combined. U.S. market share increased by *** percentage points from 2017 to 2019 and was *** percentage points lower in interim 2020 than in interim 2019. Market share held by subject imports increased by *** percentage points from 2017 to 2018 but decreased by *** percentage points from 2018 to 2019, for an overall decrease of *** percentage points from 2017-19. Market share held by subject imports was *** percentage points higher in interim 2020 than in interim 2019.

[8] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Table IV-4
Chassis: Apparent U.S. consumption and market share, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Unit value (dollars per unit)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Share of quantity (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Figure IV-2
Chassis: Apparent U.S. consumption and market share, 2017-19, January-March 2019, and January-March 2020

* * * * * * *

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

Tables IV-5 and IV-6 provide additional information on U.S. producers' U.S. shipments, and U.S. importer's imports, of complete chassis only and of collective subassemblies only, respectively. A summary view of these data for 2019 are presented in figure IV-3, which presents quantity and average unit value data by source on U.S. producers' shipments, and U.S. importers' imports, of complete chassis and of collective subassemblies.[9]

[9] U.S. producers were asked to provide additional data for their U.S. shipments of complete chassis and of specific subassemblies, including chassis frames, running gear/axle subassemblies, landing gear subassemblies, and "all other" subassemblies. Similarly, U.S. importers were asked to provide additional data for their U.S. imports of complete chassis and these specific subassemblies. Detailed data on these shipments and imports of complete chassis and individual subassemblies is presented in appendix D. (Certain limited value and weight data in tables IV-5, IV-6, and appendix D were estimated by Commission staff due to reporting issues or rounding issues regarding certain subassemblies. Additionally, data in tables IV-2, IV-5, IV-6, and appendix D are derived from U.S. importers' imports, while data in table IV-4 and appendix C derive from U.S. importers' shipments of imports. Therefore, certain totaled data in each set of tables may not be equivalent.)

Figure IV-3
Chassis: U.S. producers' U.S. shipments and U.S. importers' U.S. imports by product type, 2019

* * * * * * *

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

Table IV-5
Chassis: U.S. producers' U.S. shipments and U.S. importers' U.S. imports of complete chassis, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
Complete chassis.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Quantity (short tons)				
Complete chassis.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Value (1,000 dollars)				
Complete chassis.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Unit value (dollars per unit)				
Complete chassis.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Unit value (dollars per short ton)				
Complete chassis.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Ratio (short tons per unit)				
Complete chassis.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Table continued on next page.

Table IV-5--Continued
Chassis: U.S. producers' U.S. shipments and U.S. importers' U.S. imports of complete chassis, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Share of quantity based on units (percent)				
Complete chassis.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Share of quantity based on short tons (percent)				
Complete chassis.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Share of value (percent)				
Complete chassis.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Ratio to overall apparent consumption quantity in units (percent)				
Complete chassis.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Ratio to overall apparent consumption value (percent)				
Complete chassis.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

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

Table IV-6
Chassis: U.S. producers' U.S. shipments and U.S. importers' U.S. imports of subassemblies, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
Subassemblies.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Quantity (short tons)				
Subassemblies.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Value (1,000 dollars)				
Subassemblies.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Unit value (dollars per unit)				
Subassemblies.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Unit value (dollars per short ton)				
Subassemblies.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Ratio (short tons per unit)				
Subassemblies.-- Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Table continued on next page.

Table IV-6--Continued
Chassis: U.S. producers' U.S. shipments and U.S. importers' U.S. imports of subassemblies, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Share of quantity based on units (percent)				
Subassemblies.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Share of quantity based on short tons (percent)				
Subassemblies.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Share of value (percent)				
Subassemblies.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Ratio to overall apparent consumption quantity in units (percent)				
Subassemblies.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***
	Ratio to overall apparent consumption value (percent)				
Subassemblies.--Producers	***	***	***	***	***
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

U.S. producers and U.S. importers were asked to provide additional detail on their U.S. shipments of chassis in 2019 by several criteria. The questionnaires originally asked for questionnaire recipients to provide additional data on their share of shipments of chassis in 2019 based on the mode of transport of the chassis: road-only, marine roll-on/roll-off (or RORO) chassis, rail chassis, or other chassis. U.S. producers and importers reported that *** shipments of chassis were designed for road-based operation.[10]

Commission staff reached out to producers and importers after questionnaires were received to request additional data on the share of shipments of chassis in 2019 which were chassis designed to handle marine containers (primarily 20- to 40-foot containers meant for stacking on ocean liners), domestic containers (primarily 53-foot containers for long-distance land transport), or other types of containers.[11] Data for each of these requests are presented in table IV-7.[12]

[10] Though *** initially reported that *** of its shipments in 2019 were of *** chassis, the attached narrative response reports that "***." Therefore in table IV-5, its shipments in 2019 are included in the *** category.

[11] See conference transcript, pp. 65-69 for a discussion on marine and domestic containers.

[12] Hyundai reported that *** percent of its shipments of nonsubject imports in 2019 were road only, and that *** percent of its shipments of imports in 2019 were of chassis for marine containers, *** percent were chassis for domestic containers, and *** percent were for other containers.

Table IV-7
Chassis: U.S. producers' and importers' shipments by mode, 2019

U.S. shipments	Calendar 2019			
	U.S. producers		U.S. importers China	
	Quantity (units)	Share of quantity (percent)	Quantity (units)	Share of quantity (percent)
Road only chassis	***	***	***	***
Marine RORO chassis	***	***	***	***
Rail chassis	***	***	***	***
Other	***	***	***	***
All products by mode	***	***	***	***
U.S. shipments	**Calendar 2019**			
	U.S. producers		**U.S. importers China**	
	Quantity (units)	**Share of quantity (percent)**	**Quantity (units)**	**Share of quantity (percent)**
Marine/international containers	***	***	***	***
Domestic containers	***	***	***	***
Other types of containers	***	***	***	***
All products by mode	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Part V: Pricing data

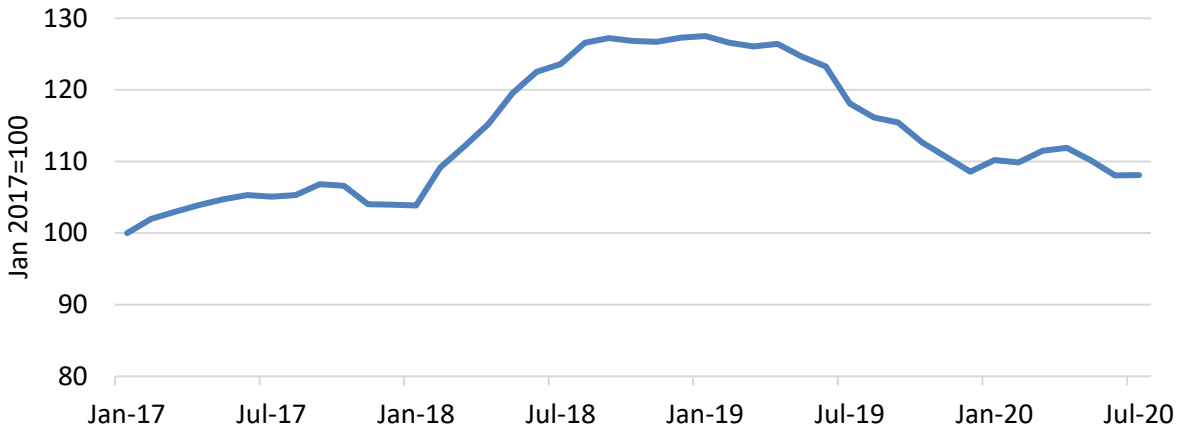
Factors affecting prices

Raw material costs

Over January 2017 to June 2020, raw materials represented approximately three-quarters of the costs of goods sold for U.S. chassis production. Raw material costs increased slightly over the period from *** percent in 2017 to *** percent in 2019.

The primary raw material inputs for chassis and subassemblies are steel and steel components.[1] Petitioners state that chassis production primarily involves fabrication and assembly of welded steel parts. Other raw materials and components used in the production of chassis include tires and wheels, gear assemblies, paint, air brake systems, and electrical systems.[2] Figures V-1 and V-2 present trends in the costs of hot-rolled steel and tires from January 2017 to July 2020.

Figure V-1
Chassis: Producer price index (PPI) for hot-rolled steel bars, plates, and structural shapes, January 2017=100, January 2017-July 2020

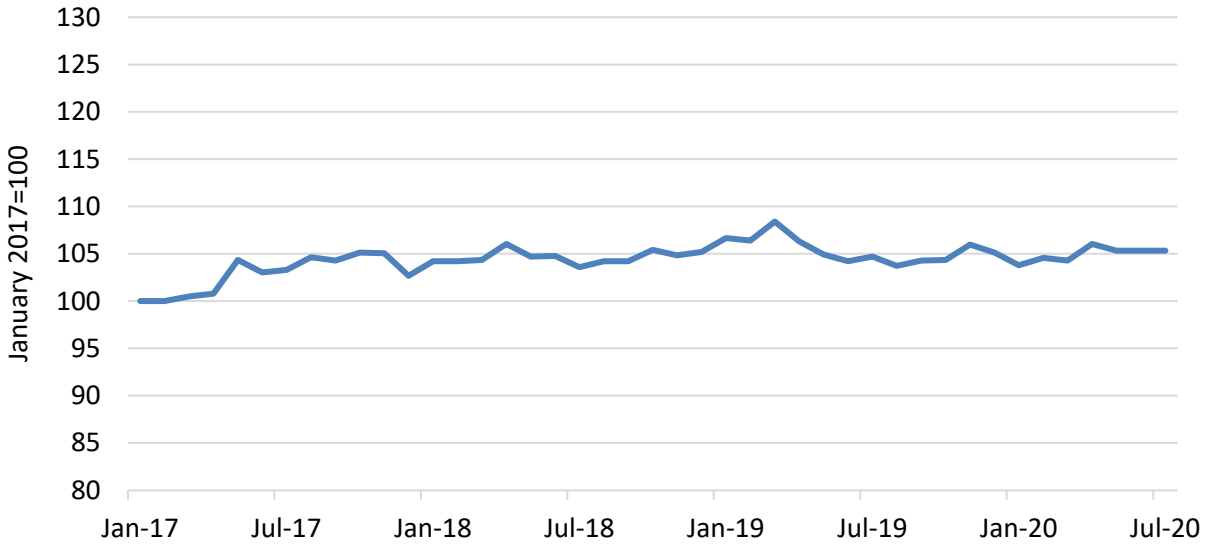


Source: U.S. Bureau of Labor Statistics, Producer Price Index by Commodity for Metals and Metal Products: Hot Rolled Steel Bars, Plates, and Structural Shapes ***, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/WPU101704 , August 27, 2020.

[1] Conference transcript, p. 135 (DeFrancesco), Petitioner's postconference brief, Exh. 1, p. 27. Petitioner stated that similar types of steel are used in the production of domestic chassis and chassis produced in China and that all producers are using high-strength materials. Conference transcript, p. 180 (Fenton).

[2] Petition, pp. 9-10; Petitioner's postconference brief, Exh. 1, p. 27.

Figure V-2
Chassis: Producer price index (PPI) for tire manufacturing, truck and bus pneumatic tires, January 2017=100, January 2017-July 2020



Source: U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Tire Manufacturing: Truck and Bus Pneumatic Tires ***, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCU326211326211103 , August 27, 2020.

U.S. producers and importers[3] were asked to characterize how the section 232 tariffs on imported steel products had affected the U.S. market for chassis. Four U.S. producers and four importers described the tariffs as having caused raw material prices to fluctuate, and one U.S. producer and importer described them as having caused raw material prices to increase.

Similarly, three U.S. producers and four importers described the section 232 tariffs as having caused chassis prices to fluctuate, while two U.S. producers described the section 232 tariffs as not having changed U.S. chassis prices. One importer stated that the section 232 tariffs had caused U.S. chassis prices to increase.

[3] The CIMC group provided four separate importer questionnaire responses under CIMC Intermodal Equipment, LLC ("CIE"); CIMC Vehicles (Group) Co., Ltd. ("CV"); Dongguan CIMC Vehicle Co., Ltd. ("DCVC"); and Shenzhen CIMC Vehicle Co., Ltd. ("SCVC"). These responses have been reported separately throughout this section, unless otherwise indicated.

Transportation costs to the U.S. market

Transportation costs for chassis shipped from China to the United States averaged 10.6 percent during 2019. These estimates were derived from official import data and represent the transportation and other charges on imports.[4]

U.S. inland transportation costs

Three of five responding U.S. producers reported that purchasers typically arrange for their own transportation, while three of five importers reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from less than 1 percent to 10 percent while importers reported costs of 1 to approximately 5 percent.

Purchaser *** indicated that Chinese producers have an advantage in the ability to deliver chassis to any port, while U.S. producers' over-the-road transportation costs are high when chassis are delivered outside of a producer's immediate region. Respondent TRAC Intermodal argued that movement and other transportation costs are particularly important in the chassis industry and that Chinese producers have developed a flat rack system to handle the bulk movement of chassis and, as a result, are able to more quickly, reliably, and cheaply deliver their product to all U.S. locations while U.S. producers tend to be tied to their particular geographic location.[5]

Pricing practices

Pricing methods

All responding U.S. producers and most responding importers reported using transaction-by-transaction negotiations, and most importers also reported using contracts (table V-1).

[4] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2019 and then dividing by the customs value based on the HTS statistical reporting numbers 8716.39.0090 and 8716.90.5060.

[5] Conference transcript, p. 215 (Layton).

Table V-1
Chassis: U.S. producers' and importers' reported price setting methods, by number of responding firms

Method	U.S. producers	U.S. importers
Transaction-by-transaction	5	4
Contract	2	4
Set price list	3	1
Other	---	1
Responding firms	5	5

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

U.S. producers reported selling the vast majority of their chassis on the spot market, while importers reported selling the vast majority of their chassis through short-term contracts ranging from 60 to 150 days (table V-2). U.S. producers and importers reported that short-term contracts do not allow for price renegotiation, fix price and/or quantity, and are not indexed to raw material costs.

Table V-2
Chassis: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2019

Item	U.S. producers	Subject U.S. importers
	Share (percent)	
Share of commercial U.S. shipments.-- Long-term contracts	***	***
Annual contract	***	***
Short-term contracts	***	***
Spot sales	***	***

Note: Because of rounding, figures may not add to the totals shown.

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

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b. basis, while importers typically quote prices on a delivered basis. Most producers and importers reported offering no discounts. U.S. producers *** reported offering discounts on a case-by-case basis or only very rarely. Two importers reported offering quantity discounts.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following chassis products[6] shipped to unrelated U.S. customers during January 2017-March 2020.

Product 1.-- tandem axle gooseneck chassis for carriage of 53' domestic containers.

Product 2.-- tandem axle gooseneck chassis for carriage of 40' ISO containers.

Product 3.-- extendable tandem axle chassis for carriage of 20' ISO containers.

Product 4.-- triaxle chassis capable of extension for carriage of heavy 20' up to 40' containers.

Five U.S. producers and four importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[7] Pricing data reported by these firms accounted for approximately 47.5 percent of U.S. producers' shipments of chassis and 53.0 percent of U.S. shipments of subject imports from China in 2019.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-3 to V-6.

[6] Respondents argued that these pricing products do not account for upgrades and optional features that may result in "significant" price variations. In addition, respondents argued that any sales where customers provided components should not have been included in the price data because reporting firms' adjustments may vary and "distort" pricing comparisons. Respondents also alleged that prices of chassis sold to leasing companies, trucking fleets, and dealers may result in price differences as well. CIMC's postconference brief, p. 35 and exh. 1, pp. 17-20.

[7] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

Table V-3
Chassis: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period	United States		China		
	Price (dollars per unit)	Quantity (units)	Price (dollars per unit)	Quantity (units)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***

Note: Product 1: tandem axle gooseneck chassis for carriage of 53’ domestic containers.

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

Table V-4
Chassis: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period	United States		China		
	Price (dollars per chassis)	Quantity (chassis)	Price (dollars per chassis)	Quantity (chassis)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***

Note: Product 2: tandem axle gooseneck chassis for carriage of 40’ ISO containers.

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

Table V-5
Chassis: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period	United States		China		
	Price (dollars per chassis)	Quantity (chassis)	Price (dollars per chassis)	Quantity (chassis)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***

Note: Product 3: extendable tandem axle chassis for carriage of 20' ISO containers.

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

Table V-6
Chassis: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period	United States		China		
	Price (dollars per chassis)	Quantity (chassis)	Price (dollars per chassis)	Quantity (chassis)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***

Note: Product 4: triaxle chassis capable of extension for carriage of heavy 20’ up to 40’ containers.

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

Figure V-3
Chassis: Weighted-average prices and quantities of domestic and imported product 1, by quarter, January 2017-March 2020

* * * * * * *

Figure V-4
Chassis: Weighted-average prices and quantities of domestic and imported product 2, by quarter, January 2017-March 2020

* * * * * * *

Figure V-5
Chassis: Weighted-average prices and quantities of domestic and imported product 3, by quarter, January 2017-March 2020

* * * * * * *

Figure V-6
Chassis: Weighted-average prices and quantities of domestic and imported product 4, by quarter, January 2017-March 2020

* * * * * * *

Price trends

Prices generally increased during January 2017-March 2020. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** percent to *** percent during January 2017-March 2020 while import price increases ranged from *** percent to *** percent. Domestic prices decreased for two of the four pricing products; declines ranged from *** percent to *** percent.

Table V-7
Chassis: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and China

Item	Number of quarters	Low price (dollars per chassis)	High price (dollars per chassis)	Change in price over period[1] (percent)
Product 1:				
United States	***	***	***	***
China	***	***	***	***
Product 2:				
United States	***	***	***	***
China	***	***	***	***
Product 3:				
United States	***	***	***	***
China	***	***	***	***
Product 4:				
United States	***	***	***	***
China	***	***	***	***

Note: Percentage change from the first quarter in which data were available to the last quarter in which price data were available. The percentage change for pricing product 1 (US) is for the change between ***.

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

Price comparisons

As shown in table V-8, prices for product imported from China were below those for U.S.-produced product in 44 of 49 instances (*** chassis); margins of underselling ranged from *** percent to *** percent. In the remaining five instances (*** chassis), prices for product from China were between *** percent and *** percent above prices for the domestic product.

Table V-8
Chassis: Instances of underselling/overselling and the range and average of margins, by country, January 2017-March 2020

Source	Underselling				
	Number of quarters	Quantity (chassis)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	8	***	***	***	***
Product 2	11	***	***	***	***
Product 3	12	***	***	***	***
Product 4	13	***	***	***	***
Total, underselling	44	***	***	***	***
Source	**(Overselling)**				
	Number of quarters	Quantity (chassis)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	2	***	***	***	***
Product 2	2	***	***	***	***
Product 3	1	***	***	***	***
Product 4	---	***	***	***	***
Total, overselling	5	***	***	***	***

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

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

Lost sales and lost revenue

The Commission requested that U.S. producers of chassis report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of chassis from China during January 2017-June 2020. Of the five responding U.S. producers, all five reported that they had to reduce prices and one U.S. producer reported that it had to roll back announced price increases. All five U.S. producers reported that they had lost sales. Four U.S. producers submitted lost sales and lost revenue allegations. The four responding U.S. producers identified 20 firms with which they lost sales or revenue (17 consisting of lost sales allegations, and 3 consisting of both types of allegations).

Staff contacted 20 purchasers and received responses from 12 purchasers. Responding purchasers reported purchasing or importing *** chassis during 2017-2019 (table V-9).

Table V-9
Chassis: Purchasers' reported purchases and imports, 2017-19

Purchaser	Purchases and imports in 2017-19 (chassis)			Change in domestic share[2] (pp, 2017-19)	Change in subject country share[2] (pp, 2017-19)
	Domestic	Subject	All other[1]		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	***	***	***	***	***

Note: All other includes all other sources and unknown sources.
Note: Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

During 2019, *** percent of responding purchasers' purchases or imports were from China, *** percent were from domestic producers, and the remaining *** percent were from nonsubject sources. Purchasers were asked about changes in their purchasing patterns from different sources since 2017 (table V-10). Five purchasers reported that they had not purchased domestic product and the patterns of the remaining purchasers were mixed. Similarly, firms reporting purchases from China indicated that purchasing patterns were mixed.[8]

Table V-10
Chassis: Changes in purchase patterns from the United States, subject, and nonsubject sources

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	5	2	2	3	---
China	---	3	2	5	2
All other sources	5	---	1	3	1
Sources unknown	9	---	---	---	---

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

[8] No purchasers indicated that they did not know the country sources of their purchases of chassis.

Explanations for increasing purchases of domestic product included "concerns of tariff increases" and demand. Explanations for decreasing purchases of domestic product included a decrease in demand. Purchaser *** reported that it does not purchase U.S.-produced chassis because of inferior manufacturing quality, insufficient production capacity, relatively inflexible production and delivery schedules, and reliance on other truckers, brokers, and logistics providers.

Of the 12 responding purchasers, 11 reported that, since 2017, they had purchased imported chassis from China instead of U.S.-produced product (table V-11). All 11 purchasers reported that subject import prices were lower than U.S.-produced product, and two purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Two purchasers estimated the quantity of chassis from China purchased instead of domestic product; quantities ranged from *** to *** chassis (table V-11). Purchasers identified several non-price reasons for purchasing imported rather than U.S.-produced product. Non-price reasons cited by many purchasers included timely delivery schedules (7 purchasers) and available production capacity (6 purchasers).[9] Other non-price reasons cited for purchasing imported chassis instead of domestic chassis were product superiority, quality technology, lightweight and modular designs, and efficient logistics and distribution networks of Chinese producers.

Of the 12 responding purchasers, 2 reported that U.S. producers had reduced prices in order to compete with lower-priced imports from China; 6 reported that they did not know (table V-12). The reported estimated price reduction ranged from 1 to 3 percent.

Three purchasers (***) reported that U.S. producers have capacity limitations and long delivery times, and *** stated that ***. Purchaser *** reported that it solicited bids from U.S.

[9] Respondents argued intermodal capacity was insufficient to cope with increased import volumes in 2018. CIMC's postconference brief, p. 11. Similarly, purchasers represented by the Institute of International Container Lessors (IICL) argued that domestic producers lack the capacity to meet domestic demand, citing different instances in which domestic producers declined their business because of ***. IICL's postconference brief, pp. 2-3.

The American Trucking Association also highlighted the importance of product availability and lead times for purchasers of chassis and stated that U.S. producers do not have the capacity to accommodate large quantity orders in the timeframes required by the intermodal trucking industry. American Trucking Association Comments, p. 2.

producers for portions of its annual requirements but that U.S. producers declined to bid even when no price was specified, and the purchaser allowed for "wide-ranging delivery times."

Purchaser *** indicated that it typically purchases imported 20' and 40' standard chassis due to the quality (such as the powder paint coat and robotic assembly and welding), but that it will typically purchase specialty lightweight chassis from domestic producers.

Table V-11
Chassis: Purchasers' responses to purchasing subject imports instead of domestic product

Purchaser	Subject imports purchased instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased subject imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity (chassis)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued on next page.

Table V-11 – ***Continued.***
Chassis: Purchasers' responses to purchasing subject imports instead of domestic product

Purchaser	Subject imports purchased instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased subject imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity (chassis)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes--11; No--1	Yes--11; No--0	Yes--2; No--9	***	

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

Table V-12
Chassis: Purchasers' responses to U.S. producer price reductions

Purchaser	Producers reduced price (Y/N)	If produced reduced prices:	
		Estimated U.S. price reduction (percent)	Additional information, if available
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total / average	Yes--2; No--4	***	

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

Part VI: Financial experience of U.S. producers

Background

The U.S.-produced chassis financial results of five firms (Cheetah, Hercules, Pitts, Pratt, Stoughton) are presented in this section of the report, covering the period January 1, 2017 through March 31, 2020.[1] *** combined accounted for *** percent of the period's total sales quantity: *** (*** percent) and *** (*** percent). The remaining firms accounted for shares ranging from *** percent of the period's total sales quantity (***) to *** percent (***).[2]

During January 2017 through March 2020, U.S. producers' chassis operations reflect/include the following company-specific actions/initiatives: ***.[3] [4] The manner in which these actions/initiatives impacted reported chassis financial results is discussed further below.

Operations on Chassis

Table VI-1 and table VI-2 present income-and-loss data for U.S. producers' chassis operations and corresponding changes in average per chassis values, respectively. Table VI-3 presents selected firm-specific financial information.[5]

[1] The U.S. producers whose financial results are presented in this section of the report are privately held companies. Conference transcript (DeFrancesco), p. 7. All firms reported their financial results on the basis of U.S. generally accepted accounting principles (GAAP) and for calendar-year periods.

[2] ***. See also Part III of this report.

[3] ***, U.S. producer questionnaires, responses to II-2.

[4] ***. Petitioner's postconference brief, exh. 1, p. 42.

[5] Due to the relatively wide range of company-specific average per chassis sales values, as well as changes in company-specific product mix during the period (see *Revenue* section), a variance analysis is not presented in this section of the report.

Table VI-1
Chassis: Results of operations of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
Total net sales	***	***	***	***	***
	Value (1,000 dollars)				
Total net sales	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Total COGS	***	***	***	***	***
Gross profit	***	***	***	***	***
SG&A expense	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***
Interest expense	***	***	***	***	***
All other expenses	***	***	***	***	***
All other income	***	***	***	***	***
Net income or (loss)	***	***	***	***	***
Depreciation/amortization	***	***	***	***	***
Cash flow	***	***	***	***	***
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Average COGS	***	***	***	***	***
Gross profit	***	***	***	***	***
SG&A expense	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***
Net income or (loss)	***	***	***	***	***
	Ratio to total COGS (percent)				
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Average COGS	***	***	***	***	***

Table continued on next page.

Table VI-1—Continued
Chassis: Results of operations of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Unit value (dollars per unit)				
Total net sales	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Average COGS	***	***	***	***	***
Gross profit	***	***	***	***	***
SG&A expense	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***
Net income or (loss)	***	***	***	***	***
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	***	***	***	***	***

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

Table VI-2
Chassis: Changes in AUVs, 2017-19, January-March 2019, and January-March 2020

Item	Between calendar years			Between partial year period
	2017-19	2017-18	2018-19	2019-20
	Change in AUVs (percent)			
Total net sales	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***
Direct labor	***	***	***	***
Other factory costs	***	***	***	***
Average COGS	***	***	***	***
	Change in AUVs (dollars per unit)			
Total net sales	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***
Direct labor	***	***	***	***
Other factory costs	***	***	***	***
Average COGS	***	***	***	***
Gross profit	***	***	***	***
SG&A expense	***	***	***	***
Operating income or (loss)	***	***	***	***
Net income or (loss)	***	***	***	***

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

Table VI-3
Chassis: Results of operations of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Total net sales (units)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Total net sales (1,000 dollars)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Cost of goods sold (1,000 dollars)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Gross profit or (loss) (1,000 dollars)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	SG&A expenses (1,000 dollars)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3—Continued
Chassis: Results of operations of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Operating income or (loss) (1,000 dollars)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Net income or (loss) (1,000 dollars)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	COGS to net sales ratio (percent)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Gross profit or (loss) to net sales ratio (percent)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	SG&A expense to net sales ratio (percent)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3—Continued
Chassis: Results of operations of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Operating income or (loss) to net sales ratio (percent)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Net income or (loss) to net sales ratio (percent)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit net sales value (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit raw materials (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit direct labor (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3—Continued
Chassis: Results of operations of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Unit other factory costs (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit Conversion cost (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit COGS (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit gross profit or (loss) (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit SG&A expenses (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3—Continued
Chassis: Results of operations of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Unit operating income or (loss) (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***
	Unit net income or (loss) (dollars per unit)				
Cheetah	***	***	***	***	***
Hercules	***	***	***	***	***
Pitts	***	***	***	***	***
Pratt	***	***	***	***	***
Stoughton	***	***	***	***	***
All firms	***	***	***	***	***

Note 1.—***. Petitioner's postconference brief, exh. 1, p. 38.
Note 2.—***. Petitioner's postconference brief, exh. 1, p. 38. See also footnote 20.
Note 3.—***. Petitioner's postconference brief, exh. 1, p. 39.

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

Revenue

The majority of chassis revenue reflects commercial sales (*** percent of the period's total sales quantity) but also includes a relatively small share of transfer sales (*** percent).[6] No internal consumption was reported. Given the predominance of commercial sales throughout the period, a single revenue line item is presented in the tables above.

[6] *** were the *** firms that reported transfer sales. ***. *** U.S. producer questionnaire, response to II-12. ***. *** U.S. producer questionnaire, response to II-12.

Sales quantity

The U.S. industry's total sales quantity increased *** percent between 2017 and 2018 and then declined by *** percent between 2018 and 2019. The decline in total sales quantity continued into the interim period with January-March 2020 total sales quantity *** percent lower compared to January-March 2019.

On a company-specific basis, the directional pattern between 2017 and 2018 was mixed with *** reporting increases in sales quantity and *** reporting decreases.[7] In contrast and while varying in magnitude, *** U.S. producers reported the same directional pattern of declining sales quantities throughout the remainder of the period.

Value

Between 2017 and 2018 total sales value increased *** percent, reflecting the above-noted increase in total sales quantity and to a lesser extent a modest increase in average per chassis sales value. While the increase in average per chassis sales value between 2018 and 2019 was more notable, its impact on total sales value was more than offset by a corresponding decline in total sales quantity. The result was an overall decline in total sales value in 2019 to an amount somewhat lower than 2017 total sales value. While lower total sales value in January-March 2020 compared to January-March 2019 primarily reflects lower total sales quantity, lower average per chassis sales value was also a factor.

Company-specific average per chassis sales values reflect basic differences such as size (e.g., 53-foot versus 40-foot) but also the presence or absence of more complex features; e.g., the degree of customization necessary to meet geographic requirements.[8] Consistent with

[7] ***. Petitioner's postconference brief, exh. 1, p. 32. ***. Petitioner's postconference brief, exh. 1, p. 41. ***. Petitioner's postconference brief, exh. 1, p. 35.

[8] Conference transcript (Katz), p. 124.

differences in company-specific product mix, U.S. producers reported a relatively wide range of average per chassis sales values (see table VI-3).[9]

During the full-year period, U.S. producers for the most part reported the same directional pattern of increasing average per chassis sales values. The ***, which reported a decline in its average per chassis sales value between 2017 and 2018 followed by an increase between 2018 and 2019. U.S. producers with sales in both interim periods reported a mixed directional pattern of higher and lower average per chassis sales value in January-March 2020 compared to January-March 2019.

Cost of goods sold and gross profit or loss

Raw materials

Total raw material cost is the largest component of cost of goods sold (COGS), ranging from *** percent (2017) to *** percent (2019) of total COGS. U.S. producers generally purchase and hold material inventory in order to fulfill specific purchase orders.[10] While some chassis customers reportedly specify aspects of chassis procurement (e.g., tires, steel supplier certification, running gear parts), this is generally the exception.[11] ***.[12]

[9] U.S. producers were mixed in terms of the extent to which period-to-period changes in company-specific average per chassis sales value reflect changes in underlying product mix. ***. Petitioner's postconference brief, exh. 1, p. 31. ***. Petitioner's postconference brief, exh. 1, p. 40. ***. Petitioner's postconference brief, exh. 1, p. 34. ***. Petitioner's postconference brief, exh. 1, p. 38 and p. 43.

[10] Chassis that are produced for inventory can reflect anticipated orders that did not materialize (Conference transcript (Katz), p. 124) and/or an effort to consume available material inventory and utilize incremental capacity. Conference transcript (Wahlin), p. 124; (Gill), pp. 124-125; (Musick), p. 125. It was also noted that the level of chassis production achieved can indirectly affect material input costs. As described by an industry witness and in the context of U.S. producers' smaller production runs (see also footnote 17), ". . . when you have these high volume orders you have better negotiating power with your component suppliers." Conference transcript (Gill), p. 137.

[11] Conference transcript (Katz), p. 122.

[12] Petitioner's postconference brief, exh. 1, p. 34.

In 2019 and with respect to U.S. producers with operations for all or most of the period, running gear accounted for the largest share of raw material costs (ranging from *** percent (***) to *** percent (***), followed by steel (including steel components) (ranging from *** percent (***) to *** percent (***), [13] other material inputs (ranging from *** percent (***) to *** percent (***),[14] and electrical components (ranging from *** percent (***) to *** percent (***).

On an average per chassis basis, the U.S. industry's raw material cost increased during the full-year period, most notably between 2018 and 2019, and then was lower in January-March 2020 compared to January-March 2019.[15] With some exceptions, U.S. producers shared

[13] The cost of steel, the second largest category of raw material cost, reportedly fluctuated during the period, increasing between 2017 and 2018 and then declining through 2019. Petitioner's postconference brief, exh. 1, p. 27. Purchased steel is fabricated into required pieces for further assembly, while other components (e.g., wheels, axles, tire, landing gear, lights) are received separately and staged for assembly and/or subassembly. Conference transcript (Katz), pp. 84-85. ***. Petitioner's postconference brief, exh. 1, p. 39.

[14] While not uniform, U.S. producers provided similar descriptions of the items included in other material inputs. ***. Petitioner's postconference brief, exh. 1, p. 33. ***. *** U.S. producer questionnaire, response to III-9c.

[15] ***. Petitioner's postconference brief, exh. 1, pp. 36-37. ***. Petitioner's postconference brief, exh. 1, pp. 38. ***. Petitioner's postconference brief, exh. 1, p. 41. ***. Petitioner's postconference brief, exh. 1, p. 44.

the same directional pattern of increasing average per chassis raw material costs during the full-year period and lower average per chassis raw material costs in January-March 2020 compared to January-March 2019.

Direct labor and other factory costs

Direct labor, the smallest component of COGS, ranged from *** percent (January-March 2020) to *** percent (2018).[16] Average per chassis direct labor cost increased during the full-year period and was lower in January-March 2020 compared to January-March 2019. On a company-specific basis, the directional pattern was for the most part the same between 2017 and 2018 (increasing), mixed between 2018 and 2019 (increasing and decreasing), and more directionally uniform (lower) in January-March 2020 compared to January-March 2019. U.S. producers reported a range of average per chassis direct labor costs that fluctuated, with some exceptions, but generally remained within a similar range (see table VI-3).

Other factory costs, the second largest component of COGS, ranged from *** percent (January-March 2019 and full-year 2019) of total COGS to *** percent (January-March 2020). U.S. producers indicated that the level of other factory costs, in general, reflects smaller production runs and corresponding reduction in efficiencies, a feature of operations throughout the period examined.[17] The presence of other non-chassis activity was also described as a factor impacting the level of chassis costs.[18]

On an overall basis, the U.S. industry's average per chassis other factory costs declined between 2017 and 2018, increased between 2018 and 2019, and was higher in January-March 2020 compared to January-March 2019. This directional pattern, with some exceptions, was also reported by most U.S. producers.

[16] Based on a description of the chassis production process at the Commission's staff conference, direct labor appears to be divided into two primary categories: steel fabrication and assembly. Conference transcript (Katz), pp 84-85.

[17] In addition to confirming that the transition to smaller production runs began prior to the period and that chassis operations have been adapted/reconfigured accordingly, U.S. producers stated that capacity to produce chassis in larger production runs has been maintained. Conference transcript (Katz), pp 133-135; (Wahlin), p. 135; (Conti), p. 136; (Muscik) pp. 136-137; (Gill), p. 137.

[18] ***. Petitioner's postconference brief, exh. 1, p. 35.

COGS

The increase in total COGS between 2017 and 2018, reflects a combination of higher total sales quantity and higher average per chassis COGS, while the subsequent decline between 2018 and 2019 reflects lower total sales quantity, partially offset by higher average per chassis COGS. Lower total COGS in January-March 2020 compared to January-March 2019 reflects both lower total sales quantity and lower average per chassis COGS.[19]

Similar to the pattern of average per chassis sales value noted above, company-specific average per chassis COGS reflects a relatively wide range. With some exceptions, most U.S. producers reported the same directional pattern of increasing average per chassis COGS during the full-year period followed by lower average per chassis COGS in January-March 2020 compared to January-March 2019.[20]

Gross profit or loss

The absolute change in the U.S. industry's total gross results reflects changes in both total sales value and underlying gross profit ratio (total gross profit divided by total sales value): higher chassis sales between 2017 and 2018 generated an increase in total gross profit, despite a contraction in gross profit ratio, while subsequent reductions in chassis sales and further contractions in gross profit ratios between 2018 and 2019 and the interim periods generated declines in the U.S. industry's total gross profit.

On an overall basis, contractions in gross profit ratio during the full-year period reflect percentage increases in average per chassis sales values that were exceeded by corresponding percentage increases in average per chassis COGS (see table VI-2). In January-March 2020 compared to January-March 2019, lower gross profit ratio reflects a percentage decline in average per chassis sales value that exceeded the corresponding percentage decline in average per chassis COGS.

On a company-specific basis and with some exceptions, U.S. producers generated gross profit of varying magnitudes throughout most or all of the period. ***. During the full-year period the directional pattern of company-specific gross profit was mixed with U.S. producers

[19] On an overall basis, changes in average per chassis COGS largely reflect changes in underlying raw material costs. Direct labor and other factory costs generally played a secondary role; i.e., either amplifying or partially offsetting corresponding changes in average per chassis raw material costs.

[20] ***. *** U.S. producer questionnaire, response to III-10.

reporting both increases and decreases. In contrast, most U.S. producers reported lower total gross profit in January-March 2020 compared to January-March 2019.

SG&A expenses and operating income or loss

The U.S. industry's total SG&A expenses increased during the full-year period and were lower in January-March 2020 compared to January-March 2019. In conjunction with increases and decreases in total sales value, overall SG&A expense ratios (total SG&A expenses divided by total sales value) fluctuated, declining between 2017 and 2018, increasing between 2018 and 2019, and then higher in January-March 2020 compared to January-March 2019.

Table VI-3 shows that U.S. producers reported a range of SG&A expense ratios with some remaining within a relatively narrow range (e.g., ***), while others reported a wider range (e.g., *** (see footnote 23)). During the full-year period, the overall increase in the U.S. industry's SG&A expense ratios reflects a combination of higher total SG&A expenses and reduced sales values.

In conjunction with higher total gross profit, partially offset by higher total SG&A expenses, total operating income increased modestly in 2018. In 2019 (January-March and full year) and January-March 2020, the U.S. industry transitioned to operating losses, largely reflecting declines in gross profit that were not offset by corresponding declines in total SG&A expenses. On a company-specific basis, U.S. producers reported a mixed pattern of operating results with some (***) *** reporting positive operating results in 2018.[21] [22] ***. ***

[21] ***. Petitioner's postconference brief, exh. 1, p. 27.
[22] ***. Petitioner's postconference brief, exh. 1, p. 37.

*** reported its highest operating income in 2017 followed by a decline in 2018 and then transitioned to operating losses in 2019 (January-March and full year) and January-March 2020.[23] While amounts fluctuated, *** was the *** U.S. producer that reported operating income throughout the period.

Interest expense, other expenses and income, and net income or loss

The majority of U.S. producers reported interest expense during all or at least part of the period. In contrast, other expenses and other income were reported by *** companies, respectively: other expenses *** and other income ***. The directional pattern of operating and net results diverged between 2017 and 2018 (operating income increasing and net income declining) but were directionally the same (declining) for the rest of the period.[24]

Capital expenditures and research and development expenses

Table VI-4 presents U.S. producers' capital expenditures and research and development (R&D) expenses related to their chassis operations and table VI-5 presents firm-specific narrative descriptions.

[23] ***. Petitioner's postconference brief, exh. 1, p. 42. ***. Petitioner's postconference brief, exh. 1, pp. 40-41.

[24] ***. *** U.S. producer questionnaire, response to III-10. *** reported other income throughout the period. *** reported a relatively small amount of other income in 2019 only.

Table VI-4
Certain chassis: Total capital expenditures and research and development (R&D) expenses of U.S. producers, 2017-19, January-March 2019, and January-March 2020

Item	Calendar years			January to March	
	2017	2018	2019	2019	2020
	Capital expenditures (1,000 dollars)				
All firms	***	***	***	***	***
	Research and development expenses (1,000 dollars)				
All firms	***	***	***	***	***

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

Table VI-5
Certain chassis: Narrative descriptions of U.S. producers' capital expenditures and R&D expenses since January 1, 2017

Capital expenditures	
Firm	**Narrative**
***	***
***	***
***	***
***	***
***	***
R&D expenses:	
Firm	**Narrative**
***	***

Table continued on next page.

Table VI-5—Continued
Certain chassis: Narrative descriptions of U.S. producers' capital expenditures and R&D expenses since January 1, 2017

R&D expenses--continued:	
Firm	**Narrative**
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires. Petitioner's postconference brief, exh. 1, p. 33.

Assets and return on assets

Table VI-6 presents U.S. producers' total net assets and operating return on net assets related to operations on chassis.[25]

Table VI-6
Certain chassis: Total net assets and operating return on net assets of U.S. producers, 2017-19

Firm	Calendar years		
	2017	2018	2019
	Total net assets (1,000 dollars)		
All firms	***	***	***
	Operating return on assets (percent)		
All firms	***	***	***

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

Capital and investment

The Commission requested the U.S. producers of chassis to describe any actual or potential negative effects on their return on investment or their growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of chassis from China. Table VI-7 tabulates the responses regarding actual

[25] With respect to a company's overall operations, staff notes that a total asset value (i.e., the bottom line value on the asset side of a company's balance sheet) reflects an aggregation of a number of current and non-current assets, which, in many instances, are not product specific. In at least some instances, allocation factors were presumably necessary to report total asset values specific to U.S. producers' chassis operations. The ability of U.S. producers to assign total asset values to discrete product lines affects the meaningfulness of operating return on net assets.

negative effects on investment, growth, and development, as well as anticipated negative effects. Table VI-8 presents the narrative responses of U.S. producers regarding actual and anticipated negative effects on investment, growth, and development.

Table VI-7
Certain chassis: Negative effects of imports from subject sources on investment, growth, and development since January 1, 2017

Item	No	Yes
Negative effects on investment	***	***
Cancellation, postponement, or rejection of expansion projects		***
Denial or rejection of investment proposal		***
Reduction in the size of capital investments		***
Return on specific investments negatively impacted		***
Other		***
Negative effects on growth and development	***	***
Rejection of bank loans		***
Lowering of credit rating		***
Problem related to the issue of stocks or bonds		***
Ability to service debt		***
Other		***
Anticipated negative effects of imports	***	***

Note.—***.

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

Table VI-8
Certain chassis: Narrative responses of U.S. producers regarding actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2017

Effects/Firm	Narrative
Negative impact on investment:	
Cancellation, postponement, or rejection of expansion projects	
***	***
***	***
***	***
***	***

Table continued on next page.

Table VI-8—Continued
Certain chassis: Narrative responses of U.S. producers regarding actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2017

Effects/Firm	Narrative
Reduction in the size of capital investments	
***	***
Return on specific investments negatively impacted	
***	***
***	***
***	***
***	***
Other	
***	***
***	***
Negative impact on growth and development:	
Lowering of credit rating	
***	***
Ability to service debt	
***	***

Table continued on next page.

Table VI-8—Continued
Certain chassis: Narrative responses of U.S. producers regarding actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2017

Effects/Firm	Narrative
Ability to service debt--continued	
***	***
Other	
***	***
***	***
***	***
***	***
Anticipated negative effects of imports:	
***	***
***	***
***	***
***	***
***	***

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

Part VII: Threat considerations and information on nonsubject countries

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

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) 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,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

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

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

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

The industry in China

The Commission issued foreign producers' or exporters' questionnaires to two firms believed to produce and/or export chassis from China.[3] Usable responses to the Commission's questionnaire were received from three firms, all affiliated with CIMC: DCVC, SCVC, and Yangzhou CIMC Tonghua Special Vehicles Co., Ltd. ("Yangzhou CIMC"). These firms' exports to the United States accounted for approximately *** percent of U.S. imports of chassis from China in 2019.[4] According to estimates requested of the responding Chinese producers, the production of chassis in China reported in questionnaires accounts for approximately *** percent of overall production of chassis in China and *** percent of total exports to the United Sates of chassis produced in China.[5] Table VII- 1 presents information on the chassis operations of the responding producers and exporters in China.

[3] These firms, both CIMC-affiliated, were identified through a review of information submitted in the petition.

[4] Nearly all importer questionnaire responses reporting imports from China and foreign producer responses are from CIMC-affiliated companies (indeed, DCVC and SCVC both filed each questionnaire). The reason why the CIMC-affiliated Chinese producers do not account for a higher share of U.S. imports of chassis and chassis subassemblies from China is that the foreign producer primary data responses include ***. (The foreign producers argued ***.) However, an attachment was included with the responses providing ***. Adding this number to the exports reported in the questionnaires (for a total of *** units in 2019) results in reported exports to the U.S. totally accounting for reported imports of chassis and subassemblies from China.

[5] CIMC asserts it is the only exporter of subject merchandise from China to the United States. CIMC's postconference brief, p. 16.

CIMC also identified *** other related producers of chassis in China ***. Accounting for these responses, CIMC estimates it accounts for approximately *** percent of container chassis production in China in 2019. CIMC's posthearing brief, exh. 1, pp. 1-2; CIMC's postconference brief, exh. 42, Responses to ITC Staff's August 21, 2020 Supplemental Questionnaire. CIMC also provided a list of *** other producers in China which produced at least 1,000 chassis in 2019. CIMC's postconference brief, exh. 26.

Table VII-1
Chassis: Summary data for producers in China, 2019

Firm	Production (units)	Share of reported production (percent)	Exports to the United States (units)	Share of reported exports to the United States (percent)	Total shipments (units)	Share of firm's total shipments exported to the United States (percent)
DCVC	***	***	***	***	***	***
Yangzhou CIMC	***	***	***	***	***	***
SCVC	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

Changes in operations

As presented in table VII-2 producers in China reported several operational and organizational changes since January 1, 2017.

Table VII-2
Chassis: Reported changes in operations by producers in China, since January 1, 2017

Item / Firm	Reported changed in operations
Other:	
***	***
***	***

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

Operations on chassis

Table VII-3 presents information on the chassis operations of the responding producers and exporters in China. In 2018, SCVC's production of chassis shifted to DCVC, resulting in decreased reported capacity by SCVC. DCVC's capacity in 2018 was similar to SCVC's 2017 capacity, because in 2018, "***." In 2019, with SCVC's capacity for producing chassis having already shifted to DCVC, DCVC's capacity returned to the "***" under which it operated in 2017. The overall result of this transferring of capacity at the same time DCVC's capacity spiked in 2018, before returning to "***" levels in 2019, resulted in a decrease in capacity by *** percent from 2017 to 2019.

Production similarly *** in 2018 as DCVC ramped up production, with that firm's production *** from 2018 to 2019, while SCVC's production *** from 2017-19. This resulted in an overall decrease in production of *** percent from 2017-19. Though capacity and production are projected to be lower in 2020 than in 2019, production is projected to be higher in 2021 and capacity is projected to stay consistent in 2020 and 2021.

Export shipments also spiked in 2018 before falling from 2018 to 2019, for an overall decrease of *** percent from 2017-19. Most chassis produced in China were shipped as exports to the U.S. from 2017-19, but home market shipments are projected to take the largest share of shipments in 2021.[6]

[6] Yangzhou CIMC ***. CIMC's postconference brief, exh. 1., pp. 3-4.

Table VII-3
Chassis: Data on industry in China, 2017-19, January-March 2019, and January-March 2020 and projection calendar years 2020 and 2021

Item	Actual experience					Projections	
	Calendar year			January to March		Calendar year	
	2017	2018	2019	2019	2020	2020	2021
	Quantity (units)						
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
	Ratios and shares (percent)						
Capacity utilization	***	***	***	***	***	***	***
Inventories/production	***	***	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***	***	***
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

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

Alternative products

As shown in table VII-4, responding Chinese firms produced other products on the same equipment and machinery used to produce chassis. In *** periods, most production on the same equipment and machinery in China was of in-scope chassis. SCVC and DCVC also reported production of ***, while Yangzhou CIMC reported ***.

Table VII-4
Chassis: Overall capacity and production on the same equipment as in-scope production by producers in China, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
Overall capacity	***	***	***	***	***
Production: Chassis	***	***	***	***	***
Excluded chassis	***	***	***	***	***
Other products	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***
	Ratios and shares (percent)				
Overall capacity utilization	***	***	***	***	***
Share of production: Chassis	***	***	***	***	***
Excluded chassis	***	***	***	***	***
Other products	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***

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

Exports

According to GTA, the leading export markets for trailers, semi-trailers, and parts thereof from China are the United States overall, with France and Australia also serving as

leading markets for exports of semi-trailers and trailers, and Germany and Australia serving as leading markets for exports of parts of semi-trailers and trailers (tables VII-5 and VII-6).[7]

Table VII-5
Chassis: China exports of other trailers and semi-trailers for the transportation of goods, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (Units)		
United States	42,749	121,036	89,136
France	21,335	18,476	28,944
Australia	14,365	16,219	20,943
Canada	5,260	14,550	8,374
New Zealand	5,552	16,143	7,256
Nigeria	2,182	2,301	4,261
United Kingdom	1,057	3,633	3,928
Sweden	1,090	3,306	3,367
Mongolia	1,181	2,405	2,881
All other destination markets	27,113	34,209	38,175
All destination markets	121,884	232,278	207,265
	Value (1,000 dollars)		
United States	234,572	422,168	174,332
France	6,640	6,082	8,082
Australia	23,960	32,477	41,356
Canada	9,573	12,439	14,784
New Zealand	4,959	6,405	6,803
Nigeria	36,229	32,400	50,323
United Kingdom	377	671	703
Sweden	269	422	608
Mongolia	13,462	21,341	26,085
All other destination markets	241,853	227,671	270,138
All destination markets	571,894	762,075	593,214

Table continued on next page.

[7] GTA data was accessed for two HS codes: 8716.39 (Other trailers and semi-trailers for the transport of goods (excluding tanker trailers and semi-trailers)); and 8716.90 (Parts thereof for Trailers and semi-trailers and other vehicles, not mechanically propelled). These codes were accessed based on petitioner's assertion that chassis can be imported under HTS statistical reporting numbers 8716.39.0090 and 8716.90.5060. These HTS codes are basket categories believed to contain nonsubject merchandise (petitioner believes that most or all imports from China entered under 8716.39.0090 are subject product, but that merchandise from other sources entered under that number includes "large" amounts of nonsubject product). Therefore, it is likely that products exported under these HS codes contain large amounts of nonsubject products.

Table VII-5--Continued
Chassis: China exports of other trailers and semi-trailers for the transportation of goods, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per unit)		
United States	5,487	3,488	1,956
France	311	329	279
Australia	1,668	2,002	1,975
Canada	1,820	855	1,765
New Zealand	893	397	938
Nigeria	16,604	14,081	11,810
United Kingdom	357	185	179
Sweden	247	128	180
Mongolia	11,399	8,874	9,054
All other destination markets	8,920	6,655	7,076
All destination markets	4,692	3,281	2,862
	Share of quantity (percent)		
United States	35.1	52.1	43.0
France	17.5	8.0	14.0
Australia	11.8	7.0	10.1
Canada	4.3	6.3	4.0
New Zealand	4.6	6.9	3.5
Nigeria	1.8	1.0	2.1
United Kingdom	0.9	1.6	1.9
Sweden	0.9	1.4	1.6
Mongolia	1.0	1.0	1.4
All other destination markets	22.2	14.7	18.4
All destination markets	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8716.39 as reported by China customs in the Global Trade Atlas database, accessed August 13, 2020.

Table VII-6
Chassis: China exports of parts of trailers, semi-trailers and other vehicles, not mechanically propelled, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (Short tons)		
United States	232,972	285,581	247,214
Germany	44,747	47,909	49,723
Australia	35,353	38,115	37,281
Netherlands	30,738	36,941	37,162
Russia	25,178	27,681	32,235
United Kingdom	34,864	32,970	29,579
Korea South	28,018	27,056	28,889
Mexico	21,629	23,073	24,491
Vietnam	12,108	13,490	18,926
All other destination markets	289,724	304,973	312,923
All destination markets	755,331	837,787	818,423
	Value (1,000 dollars)		
United States	458,478	594,674	505,955
Germany	89,127	108,851	106,819
Australia	63,095	72,170	67,696
Netherlands	61,617	78,785	74,342
Russia	40,651	50,709	56,536
United Kingdom	61,793	58,359	53,577
Korea South	42,723	45,388	49,427
Mexico	32,510	36,994	39,949
Vietnam	19,426	24,208	29,879
All other destination markets	492,813	542,888	569,975
All destination markets	1,362,231	1,613,026	1,554,154

Table continued on next page.

Table VII-6--Continued
Chassis: China exports of parts of trailers, semi-trailers and other vehicles, not mechanically propelled, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short tons)		
United States	1,968	2,082	2,047
Germany	1,992	2,272	2,148
Australia	1,785	1,893	1,816
Netherlands	2,005	2,133	2,000
Russia	1,615	1,832	1,754
United Kingdom	1,772	1,770	1,811
Korea South	1,525	1,678	1,711
Mexico	1,503	1,603	1,631
Vietnam	1,604	1,794	1,579
All other destination markets	1,701	1,780	1,821
All destination markets	1,803	1,925	1,899
	Share of quantity (percent)		
United States	30.8	34.1	30.2
Germany	5.9	5.7	6.1
Australia	4.7	4.5	4.6
Netherlands	4.1	4.4	4.5
Russia	3.3	3.3	3.9
United Kingdom	4.6	3.9	3.6
Korea South	3.7	3.2	3.5
Mexico	2.9	2.8	3.0
Vietnam	1.6	1.6	2.3
All other destination markets	38.4	36.4	38.2
All destination markets	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8716.90 as reported by China customs in the Global Trade Atlas database, accessed August 13, 2020.

U.S. inventories of imported merchandise

Table VII-7 presents data on U.S. importers' reported inventories of chassis. Inventories from subject sources rose continuously by *** percent from 2017-19 and were *** percent higher in interim 2020 than in interim 2019. As a ratio to U.S. shipments of imports, inventories rose irregularly by *** percentage points from 2017-19 and were *** percentage points higher in interim 2020 than in interim 2019. There were *** inventories of imports from nonsubject sources in any period.

The petitioner alleges that imports from China rose considerably in 2018, beyond the level of demand for chassis, to come in before imposition of section 301 tariffs, resulting in an inventory overhang that impacted demand in 2019 and into 2020.[8] CIMC counters that the decrease in commercial shipment value of subject imports and the decreased market share held by subject imports from 2018 to 2019 is evidence that an inventory overhang was not "forced" onto the market in 2019 or 2020, and further that inventories held by CIMC's dealer customers, not CIMC itself, is part of normal business operation.[9]

Table VII-7
Chassis: U.S. importers' end-of-period inventories of imports by source, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Inventories (units); Ratios (percent)				
Imports from China Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***
Imports from nonsubject sources: Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***
Imports from all import sources: Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***

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

[8] Petitioner's postconference brief, p. 9 and pp. 47-48.
[9] CIMC's postconference brief, p. 29 and exh. 1, pp. 10-12.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of chassis from any source after May 31, 2020.[10]

Table VII-8
Chassis: Arranged imports, January 2020 through December 2020

Item	Period				
	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Total
	Quantity (units)				
Arranged U.S. imports from.--					
China	***	***	***	***	***
All other sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Antidumping or countervailing duty orders in third-country markets

On September 30, 2016, India applied an antidumping order on "axles for trailers" from China. This antidumping order may cover imports of axle subassemblies for the assembly of chassis in India.[11]

Information on nonsubject countries

Chassis produced by Hyundai de Mexico are the primary source of nonsubject chassis. Mexico's export data is presented below (Tables VII-9 and VII-10). It likely includes out-of-scope trailers and parts of trailers, including refrigerated trailers. Based on questionnaire data, Hyundai's chassis exports to the United States make up *** of Mexico's exports.[12] The United States is the primary destination for Mexican exports of trailers, and, to a lesser extent, parts of trailers.

[10] *** reported arranged imports of *** chassis and *** chassis in ***, and arranged imports of *** chassis in ***.

[11] Petitioner's postconference brief, p. 30.

[12] Hyundai's importer questionnaire response, p.15.

Table VII-9
Chassis: Mexico exports of trailers and semi-trailers for the transportation of goods, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (units)		
United States	85,741	116,889	60,492
Argentina	---	4	---
Aruba	1	---	---
Belize	56	164	---
Bolivia	---	1	---
Canada	4	6	---
Chile	11	9	---
Colombia	8	30	---
Costa Rica	27	6	---
All other destination markets	305	157	---
All destination markets	86,153	117,266	60,492
	Value (1,000 dollars)		
United States	1,281,001	1,536,557	1,176,983
Argentina	---	119	---
Aruba	19	---	---
Belize	148	64	---
Bolivia	---	1	---
Canada	75	218	---
Chile	55	9	---
Colombia	237	951	---
Costa Rica	407	197	---
All other destination markets	8,487	5,103	---
All destination markets	1,290,429	1,543,221	1,176,983

Table continued on next page.

Table VII-9--Continued
Chassis: Mexico exports of trailers and semi-trailers for the transportation of goods, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per unit)		
United States	14,940	13,145	19,457
Argentina	---	29,857	---
Aruba	18,536	---	---
Belize	2,647	391	---
Bolivia	---	600	---
Canada	18,739	36,415	---
Chile	5,010	1,038	---
Colombia	29,566	31,706	---
Costa Rica	15,074	32,859	---
All other destination markets	27,825	32,503	---
All destination markets	14,978	13,160	19,457
	Share of quantity (percent)		
United States	99.5	99.7	100.0
Argentina	---	0.0	---
Aruba	0.0	---	---
Belize	0.1	0.1	---
Bolivia	---	0.0	---
Canada	0.0	0.0	---
Chile	0.0	0.0	---
Colombia	0.0	0.0	---
Costa Rica	0.0	0.0	---
All other destination markets	0.4	0.1	---
All destination markets	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8716.39 as reported by INEGI in the Global Trade Atlas database, accessed August 13, 2020.

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Table VII-10
Chassis: Mexico exports of parts of trailers, semi-trailers and other vehicles, not mechanically propelled, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (units)		
United States	1,577,080	1,894,151	3,503,957
Guatemala	27,058	24,403	27,544
Belize	14,384	13,127	10,269
Colombia	16,465	29,148	7,557
Canada	68,684	79,530	6,483
Honduras	13,781	19,892	4,738
Dominican Republic	23,455	26,748	3,006
El Salvador	13,035	20,040	2,222
Panama	11,254	10,045	1,628
All other destination markets	1,831,384	2,103,189	1,382
All destination markets	3,596,580	4,220,273	3,568,786
	Value (1,000 dollars)		
United States	33,128	69,590	84,975
Guatemala	835	562	177
Belize	84	87	96
Colombia	140	105	57
Canada	2,214	2,955	405
Honduras	74	101	26
Dominican Republic	152	178	34
El Salvador	63	118	8
Panama	212	114	13
All other destination markets	11,307	13,312	10
All destination markets	48,209	87,123	85,799

Table continued on next page.

Table VII-10--Continued
Chassis: Mexico exports of parts of trailers, semi-trailers and other vehicles, not mechanically propelled, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per units)		
United States	21	37	24
Guatemala	31	23	6
Belize	6	7	9
Colombia	8	4	8
Canada	32	37	62
Honduras	5	5	6
Dominican Republic	6	7	11
El Salvador	5	6	3
Panama	19	11	8
All other destination markets	6	6	7
All destination markets	13	21	24
	Share of quantity (percent)		
United States	43.8	44.9	98.2
Guatemala	0.8	0.6	0.8
Belize	0.4	0.3	0.3
Colombia	0.5	0.7	0.2
Canada	1.9	1.9	0.2
Honduras	0.4	0.5	0.1
Dominican Republic	0.7	0.6	0.1
El Salvador	0.4	0.5	0.1
Panama	0.3	0.2	0.0
All other destination markets	50.9	49.8	0.0
All destination markets	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8716.90 as reported by INEGI in the Global Trade Atlas database, accessed August 13, 2020.

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Global exports of trailers, semi-trailers, and parts thereof by source of exports are presented in tables VII-11 and VII-12.

Table VII-11
Chassis: Global exports of trailers and semi-trailers for the transportation of goods, 2017-19

Exporter	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
United States	1,135,411	1,335,268	1,403,097
China	571,894	762,075	593,214
Germany	3,450,476	3,902,456	3,222,443
Mexico	1,290,429	1,543,221	1,176,983
Netherlands	476,738	478,872	405,600
Poland	282,805	336,322	364,788
Turkey	198,355	320,129	294,190
Belgium	184,554	189,757	232,625
France	215,053	225,067	214,331
Austria	210,209	245,761	213,084
Spain	183,710	224,544	209,300
Luxembourg	133,662	155,910	206,497
All other exporters	1,483,146	1,892,633	1,423,390
All reporting exporters	9,816,440	11,612,015	9,959,543
	Share of value (percent)		
United States	11.6	11.5	14.1
China	5.8	6.6	6.0
Germany	35.1	33.6	32.4
Mexico	13.1	13.3	11.8
Netherlands	4.9	4.1	4.1
Poland	2.9	2.9	3.7
Turkey	2.0	2.8	3.0
Belgium	1.9	1.6	2.3
France	2.2	1.9	2.2
Austria	2.1	2.1	2.1
Spain	1.9	1.9	2.1
Luxembourg	1.4	1.3	2.1
All other exporters	15.1	16.3	14.3
All reporting exporters	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8716.39 reported by various national statistical authorities in the Global Trade Atlas database, accessed August 13, 2020.

Table VII-12
Chassis: Global exports of parts of trailers, semi-trailers and other vehicles, not mechanically propelled, 2017-19

Exporter	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
United States	828,190	1,009,335	943,125
China	1,362,231	1,613,026	1,554,154
Germany	1,887,357	2,070,096	1,922,459
Netherlands	398,869	458,419	463,681
Poland	347,109	451,235	415,069
Hungary	391,000	434,434	382,400
Italy	334,996	371,297	334,542
Austria	214,708	242,338	208,140
Belgium	190,848	200,854	196,023
Czech Republic	183,915	216,681	187,657
France	193,315	212,770	183,914
Canada	118,774	149,665	165,187
All other exporters	1,192,599	1,444,373	1,452,127
All reporting exporters	7,643,912	8,874,522	8,408,479
	Share of value (percent)		
United States	10.8	11.4	11.2
China	17.8	18.2	18.5
Germany	24.7	23.3	22.9
Netherlands	5.2	5.2	5.5
Poland	4.5	5.1	4.9
Hungary	5.1	4.9	4.5
Italy	4.4	4.2	4.0
Austria	2.8	2.7	2.5
Belgium	2.5	2.3	2.3
Czech Republic	2.4	2.4	2.2
France	2.5	2.4	2.2
Canada	1.6	1.7	2.0
All other exporters	15.6	16.3	17.3
All reporting exporters	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8716.90 reported by various national statistical authorities in the Global Trade Atlas database, accessed August 13, 2020.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
85 FR 47400, August 5, 2020	*Chassis From China; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2020-08-05/pdf/2020-17055.pdf
85 FR 52549, August 26, 2020	*Certain Chassis and Subassemblies Thereof From the People's Republic of China: Initiation of Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2020-08-26/pdf/2020-18712.pdf
85 FR 52552, August 26, 2020	*Certain Chassis and Subassemblies Thereof From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*	https://www.govinfo.gov/content/pkg/FR-2020-08-26/pdf/2020-18713.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below participated in the United States International Trade Commission's preliminary conference via videoconference:

Subject: Chassis from China

Inv. Nos.: 701-TA-657 and 731-TA-1537 (Preliminary)

Date and Time: August 20, 2020 - 9:30 a.m.

OPENING REMARKS:

In Support of Imposition (**Robert E. DeFrancesco**, Wiley Rein, LLP)
In Opposition to Imposition (**Ting-Ting Kao**, White & Case LLP)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:

Wiley Rein, LLP
Washington, DC
on behalf of

Coalition of American Chassis Manufacturers

Frank Katz, Chairman, Cheetah Chassis Corporation

Frank Conti, Chief Operations Officer, Hercules Enterprises, LLC

Karl Massaro, President, Hercules Enterprises, LLC

Ed Gill, Vice President, Sales, Pitts Enterprises, Inc.

Kent Musick, President, Pratt Industries, LLC

Gary L. Fenton, Chief Design Officer, Stoughton Trailers, LLC

Robert P. Wahlin, President and Chief Executive Officer,
Stoughton Trailers, LLC

In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Amy Sherman, International Trade Analyst, Wiley Rein LLP

Timothy C. Brightbill)
Robert E. DeFrancesco) – OF COUNSEL
Laura El-Sabaawi)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:

White & Case LLP
Washington, DC
on behalf of

CIMC Vehicles (Group), Co. Ltd.
CIE Intermodal Equipment, LLC

Frank Sonzala, Chief Executive Officer, CIMC Intermodal Equipment, LLC

Trevor Ash, Executive Vice President, CIMC Intermodal Equipment, LLC

Gary Anderson, Chief Operating Officer, CIMC Intermodal Equipment, LLC

Ayman Awad, Chief Executive Officer, Trend Intermodal Chassis Leasing

Jake VandeLoo, Vice President of Equipment Engineering, Schneider National, Inc.

Sarah Klaver, Corporate Counsel, Schneider National, Inc.

Ting-Ting Kao)
Jay C. Campbell) – OF COUNSEL
Ron Kendler)

INTERESTED PARTIES IN OPPOSITION:

Mayer Brown LLP
Washington, DC
on behalf of

Interpool, Inc., d/b/a TRAC Intermodal
Institute of International Container Lessors, LTD.

Gregg Carpene, Executive Vice President & Chief Legal Officer
Interpool, Inc., d/b/a TRAC Intermodal

Steven R. Blust, President, Institute of International Container
Lessors, LTD.

Duane W. Layton) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Robert E. DeFrancesco**, Wiley Rein, LLP)
In Opposition to Imposition (**Ting-Ting Kao**, White & Case LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
Chassis: Summary data concerning the U.S. market, 2017-19, January-March 2019, and January-March 2020
(Quantity=units; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per unit; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Comparison years			Jan-Mar
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
U.S. consumption quantity:									
Amount	***	***	***	***	***	▼***	▲***	▼***	▼***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Importers' share (fn1):									
China	***	***	***	***	***	▼***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▼***	▼***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▲***
U.S. consumption value:									
Amount	***	***	***	***	***	▼***	▲***	▼***	▼***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Importers' share (fn1):									
China	***	***	***	***	***	▼***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▼***	▼***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▲***
U.S. importers' U.S. shipments of imports from:									
China:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▼***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▼***	▼***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
Nonsubject sources:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▼***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▼***	▼***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▼***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▼***	▼***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
U.S. producers':									
Average capacity quantity	***	***	***	***	***	▲***	▲***	▼***	***
Production quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Capacity utilization (fn1)	***	***	***	***	***	▼***	▲***	▼***	▼***
U.S. shipments:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▼***
Export shipments:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Inventories/total shipments (fn1)	***	***	***	***	***	▲***	▲***	▲***	▲***
Production workers	***	***	***	***	***	▲***	▲***	▼***	▼***
Hours worked (1,000s)	***	***	***	***	***	▲***	▲***	▼***	▼***
Wages paid ($1,000)	***	***	***	***	***	▲***	▲***	▼***	▼***
Hourly wages (dollars per hour)	***	***	***	***	***	▲***	▲***	▲***	▲***
Productivity (units per 1,000 hours)	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit labor costs	***	***	***	***	***	▲***	▲***	▲***	▲***

Table continued.

Table C-1--Continued
Chassis: Summary data concerning the U.S. market, 2017-19, January-March 2019, and January-March 2020
(Quantity=units; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per unit; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Comparison years			Jan-Mar
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
Net sales:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▼***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▼***
Cost of goods sold (COGS)	***	***	***	***	***	▲***	▲***	▼***	▼***
Gross profit or (loss) (fn2)	***	***	***	***	***	▼***	▲***	▼***	▼***
SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss) (fn2)	***	***	***	***	***	▼***	▲***	▼***	▼***
Net income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▼***
Capital expenditures	***	***	***	***	***	▼***	▲***	▼***	▲***
Research and development expenses	***	***	***	***	***	▼***	▲***	▼***	▼***
Net assets	***	***	***	***	***	▲***	▲***	▼***	***
Unit COGS	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit SG&A expenses	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit operating income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit net income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▼***
COGS/sales (fn1)	***	***	***	***	***	▲***	▲***	▲***	▲***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▼***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▼***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

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

APPENDIX D

U.S. SHIPMENTS AND IMPORTS DATA BY PRODUCT TYPE

Table D-1
Chassis: U.S. producers' U.S. shipments by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Quantity (short tons)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Value (1,000 dollars)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

Table continued on next page.

Table D-1--Continued

Chassis: U.S. producers' U.S. shipments by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Unit value (dollars per unit)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Unit value (dollars per short ton)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

Table continued on next page.

Table D-1--Continued

Chassis: U.S. producers' U.S. shipments by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Ratio (short tons per unit)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity based on units (percent)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity based on short tons (percent)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of value (percent)				
U.S producers' U.S. shipments: Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

Table continued on next page.

Table D-1--Continued

Chassis: U.S. producers' U.S. shipments by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March
	2017-19	2017-18	2018-19	2019-20
	Change of quantity based on units (percent)			
U.S producers' U.S. shipments: Complete chassis	▼***	▲***	▼***	▼***
Frame subassemblies	***	***	***	***
Running gear subassemblies	▼***	▼***	▼***	***
Landing gear subassemblies	▼***	▲***	▼***	▲***
All other subassemblies	***	***	***	***
All subassemblies	▼***	▼***	▼***	▲***
All product types	▼***	▲***	▼***	▼***
	Change of quantity based on short tons (percent)			
U.S producers' U.S. shipments: Complete chassis	▼***	▲***	▼***	▼***
Frame subassemblies	***	***	***	***
Running gear subassemblies	▼***	▼***	▼***	***
Landing gear subassemblies	***	***	***	***
All other subassemblies	***	***	***	***
All subassemblies	▼***	▼***	▼***	▲***
All product types	▼***	▲***	▼***	▼***
	Percentage point changes for share of quantity based on units (percent)			
U.S producers' U.S. shipments: Complete chassis	▲***	▲***	▲***	▼***
Frame subassemblies	***	***	***	***
Running gear subassemblies	▼***	▼***	▼***	▲***
Landing gear subassemblies	▼***	▼***	▼***	▲***
All other subassemblies	***	***	***	***
All subassemblies	▼***	▼***	▼***	▲***
All product types	***	***	***	***
	Percentage point changes for share of quantity based on short tons (percent)			
U.S producers' U.S. shipments: Complete chassis	▲***	▲***	▼***	▼***
Frame subassemblies	***	***	***	***
Running gear subassemblies	▼***	▼***	▼***	▲***
Landing gear subassemblies	▲***	▼***	▲***	▲***
All other subassemblies	***	***	***	***
All subassemblies	▼***	▼***	▲***	▲***
All product types	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table D-2
Chassis: U.S. importers' U.S. imports from China, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Quantity (short tons)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

Table continued on next page.

Table D-2--Continued

Chassis: U.S. importers' U.S. imports from China, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Unit value (dollars per unit)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Unit value (dollars per short ton)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

Table continued on next page.

Table D-2--Continued

Chassis: U.S. importers' U.S. imports from China, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Ratio (short tons per unit)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity based on units (percent)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity based on short tons (percent)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of value (percent)				
U.S. imports from: China.-- Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

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Table D-2--Continued

Chassis: U.S. importers' U.S. imports from China, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March
	2017-19	2017-18	2018-19	2019-20
	Change of quantity based on units (percent)			
U.S. imports from: China.-- Complete chassis	▼***	▲***	▼***	▼***
Frame subassemblies	▲***	▲***	▼***	▲***
Running gear subassemblies	▼***	▲***	▼***	▲***
Landing gear subassemblies	▼***	▲***	▼***	▲***
All other subassemblies	***	***	***	***
All subassemblies	▲***	▲***	▼***	▲***
All product types	▼***	▲***	▼***	▼***
	Change of quantity based on short tons (percent)			
U.S. imports from: China.-- Complete chassis	▼***	▲***	▼***	▼***
Frame subassemblies	▼***	▲***	▼***	▲***
Running gear subassemblies	▼***	▼***	▼***	▲***
Landing gear subassemblies	▼***	▲***	▼***	▲***
All other subassemblies	***	***	***	***
All subassemblies	▼***	▲***	▼***	▲***
All product types	▼***	▲***	▼***	▼***
	Percentage point changes for share of quantity based on units (percent)			
U.S. imports from: China.-- Complete chassis	▼***	▼***	▼***	▼***
Frame subassemblies	▲***	▲***	▲***	▲***
Running gear subassemblies	▼***	▼***	▼***	▲***
Landing gear subassemblies	▼***	▲***	▼***	▲***
All other subassemblies	***	***	***	***
All subassemblies	▲***	▲***	▲***	▲***
All product types	***	***	***	***
	Percentage point changes for share of quantity based on short tons (percent)			
U.S. imports from: China.-- Complete chassis	▼***	▲***	▼***	▼***
Frame subassemblies	▲***	▼***	▲***	▲***
Running gear subassemblies	▼***	▼***	▲***	▲***
Landing gear subassemblies	▼***	▲***	▼***	▲***
All other subassemblies	***	***	***	***
All subassemblies	▲***	▼***	▲***	▲***
All product types	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table D-3
Chassis: U.S. importers' U.S. imports from nonsubject sources, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (units)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Quantity (short tons)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

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Table D-3--Continued

Chassis: U.S. importers' U.S. imports from nonsubject sources, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Unit value (dollars per unit)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Unit value (dollars per short ton)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

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Table D-3--Continued

Chassis: U.S. importers' U.S. imports from nonsubject sources, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Ratio (short tons per unit)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity based on units (percent)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity based on short tons (percent)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***
	Share of value (percent)				
U.S. imports from: Nonsubject sources.--					
Complete chassis	***	***	***	***	***
Frame subassemblies	***	***	***	***	***
Running gear subassemblies	***	***	***	***	***
Landing gear subassemblies	***	***	***	***	***
All other subassemblies	***	***	***	***	***
All subassemblies	***	***	***	***	***
All product types	***	***	***	***	***

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Table D-3--Continued

Chassis: U.S. importers' U.S. imports from nonsubject sources, by product type, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March
	2017-19	2017-18	2018-19	2019-20
	Change of quantity based on units (percent)			
U.S. imports from: Nonsubject.--Complete chassis	▼***	▲***	▼***	▼***
Frame subassemblies	***	***	***	***
Running gear subassemblies	***	***	***	***
Landing gear subassemblies	***	***	***	***
All other subassemblies	***	***	***	***
All subassemblies	***	***	***	***
All product types	▼***	▲***	▼***	▼***
	Change of quantity based on short tons (percent)			
U.S. imports from: Nonsubject.--Complete chassis	▼***	▲***	▼***	▼***
Frame subassemblies	***	***	***	***
Running gear subassemblies	***	***	***	***
Landing gear subassemblies	***	***	***	***
All other subassemblies	***	***	***	***
All subassemblies	***	***	***	***
All product types	▼***	▲***	▼***	▼***
	Percentage point changes for share of quantity based on units (percent)			
U.S. imports from: Nonsubject.--Complete chassis	***	***	***	***
Frame subassemblies	***	***	***	***
Running gear subassemblies	***	***	***	***
Landing gear subassemblies	***	***	***	***
All other subassemblies	***	***	***	***
All subassemblies	***	***	***	***
All product types	***	***	***	***
	Percentage point changes for share of quantity based on short tons (percent)			
U.S. imports from: Nonsubject.--Complete chassis	***	***	***	***
Frame subassemblies	***	***	***	***
Running gear subassemblies	***	***	***	***
Landing gear subassemblies	***	***	***	***
All other subassemblies	***	***	***	***
All subassemblies	***	***	***	***
All product types	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Figure D-1
Chassis: U.S. producers' and U.S. importers' share of U.S. shipments or imports, by product type, 2019

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