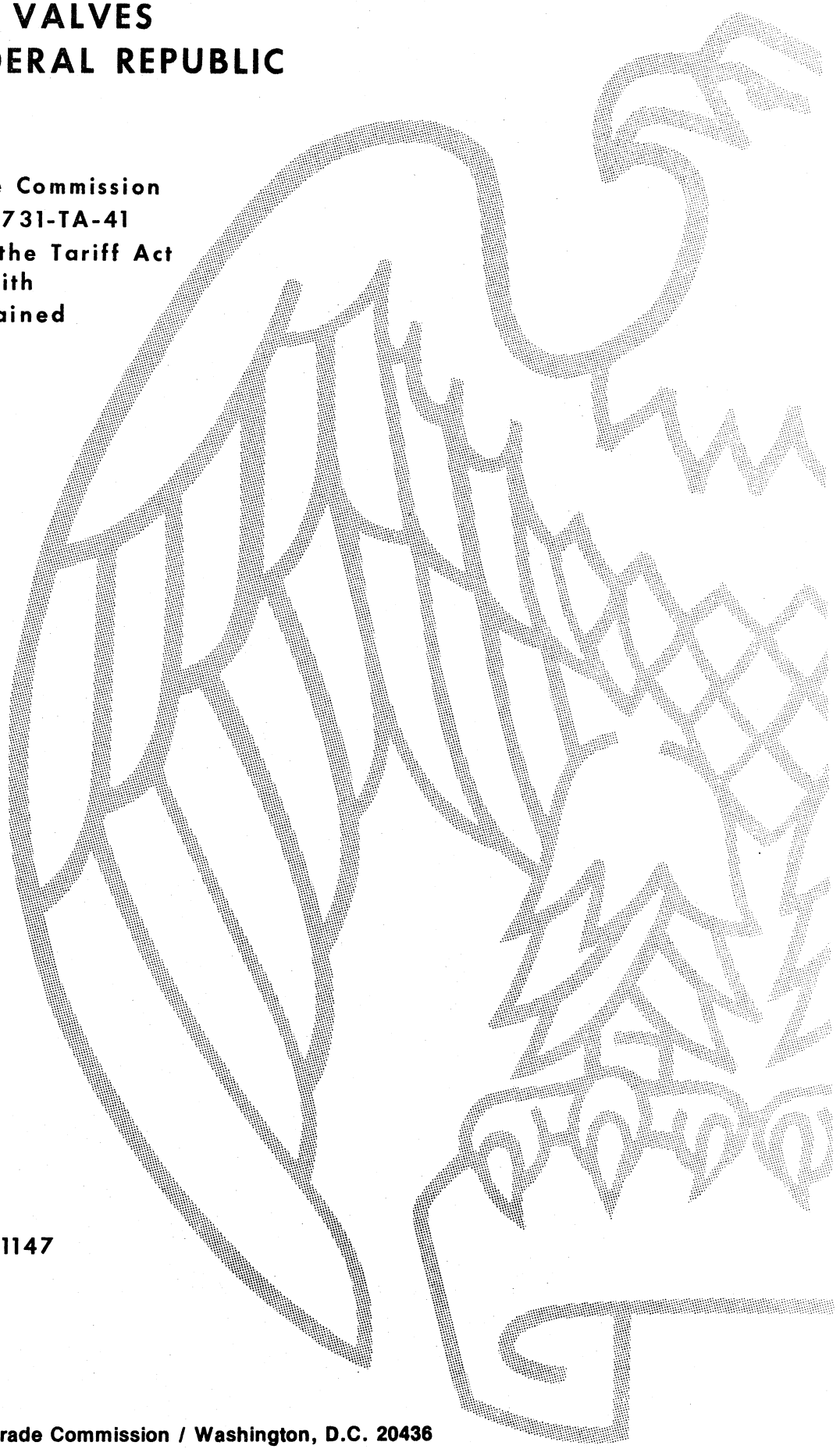
TUBELESS-TIRE VALVES FROM THE FEDERAL REPUBLIC OF GERMANY

Determination of the Commission in Investigation No. 731-TA-41 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information that would disclose confidential operations of individual concerns may not be published and has **therefore** been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

Investigation No. 731-TA-41 (Preliminary)
TUBELESS TIRE VALVES FROM THE FEDERAL REPUBLIC OF GERMANY

Determination

On the basis of the record developed in investigation No. 731-TA-41 (Preliminary), the Commission determines pursuant to section 733(a) of the Tariff Act of 1930, that there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury 1/ by reason of imports from the Federal Republic of Germany of tubeless tire valves suitable for use with passenger automobile and light truck wheels, 2/ provided for in item 692.32 of the Tariff Schedules of the United States, which are allegedly sold at less than fair value.

Background

On April 9, 1981, Nylo-Flex Manufacturing Co., Inc., Mobile, Alabama, filed a petition with the U.S. International Trade Commission (the Commission) and the U.S. Department of Commerce (Commerce) alleging that tubeless tire valves from the Federal Republic of Germany (West Germany) are being, or are likely to be, sold in the United States at less than fair value, and that an industry in the United States is materially injured or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise. 3/ On the same

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1/ Chairman Alberger determines that there is a reasonable indication that an industry in the United States is materially injured by reason of such imports.

2/ Light trucks are defined, for purposes of this determination, as trucks having a gross vehicle weight of 10,000 pounds or less.

3/ Nylo-Flex had previously filed a petition with the Commission and Commerce on February 24, 1981. The Commission instituted a preliminary antidumping investigation on March 3, 1981. After Commerce found that certain non-confidential summaries did not comply with its rules, Nylo-Flex withdrew its petition, and the Commission terminated that investigation.

day, the Commission instituted this investigation. Notice of institution of the Commission's investigation was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on April 15, 1981 (46 F.R. 22088). A public conference was held in Washington, D.C. on April 30, 1981, at which all interested persons were afforded the opportunity to present information for consideration by the Commission.

VIEWS OF CHAIRMAN ALBERGER AND COMMISSIONERS BEDELL AND STERN

On the basis of the record in this investigation, No. 731-TA-41 (Preliminary), we determine that there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, 1/ by reason of imports from the Federal Republic of Germany of tubeless tire valves, 2/ allegedly sold in the United States at less than fair value.

The imported product and the domestic industry: In general, the domestic industry is defined as consisting of all domestic producers of a like product or those producers whose total output of the like product constitutes a major portion of domestic production of that product. 3/ A like product is a product which is like, or in the absence of like, most similar in characteristics and uses with, the imported product which is the subject of the investigation. 4/

Tubeless tire valves may be distinguished in two basic ways, by size and by type. Sizes vary according to length and diameter of the valve. There are two standard valve diameters in several different lengths.

The imported products which are the subject of this investigation are tubeless tire valves of a snap-in type. Domestic manufacturers produce seven

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1/ Chairman Alberger believes that when he has found a reasonable indication of material injury, the statute does not require analysis of threat of material injury.

2/ The product is provided for in item 692.32 of the Tariff Schedules of the United States.

3/ Section 771(4)(A) of the Tariff Act of 1930.

4/ Section 771(10).

models of tubeless tire valves. 1/ The model sizes are standard throughout the world. Three imported models have a diameter of base of .453 inches; two models have a diameter of base of .625 inches. The larger diameter is desirable on high pressure tires to prevent blowouts. The size of the diameter of the valve used on a tire is also dependent on the wheels used on a particular automobile; if a wheel has a small diameter opening for the valve, a larger diameter valve may not be used. Thus the smaller diameter models are not substitutable for the larger ones. It is also unlikely that the larger diameter valves would be used on lower pressure tires because they would not be necessary and are generally more expensive. At least 75 percent of the allegedly dumped imports are of two sizes. 2/ All model numbers in snap-in tubeless tire valves are sold both to the original equipment market (OEM) and to the aftermarket. However, neither the West German producer, EHA, nor any of the smaller domestic producers sell to the OEM at the present time, although domestic OEM purchasers contacted did not indicate that anything prevented them from buying from any source, if price and availability were right. 3/

The domestic producers manufacture tubeless tire valves of a clamp-in type as well as the snap-in type. The distinguishing feature between a snap-in valve and a clamp-in valve is the means by which the different valves are attached to the wheel. 4/ The clamp-in type is used for decorative

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1/ The models produced by the domestic industry are the TR412, TR413, TR414, TR418, TR423, TR415, and TR425. The TR412 and TR414 are not alleged to be sold at less than fair value.
2/ See Staff Report, p. A-3.
3/ See Staff Report, p. A-7.
4/ See Staff report, pp. A-2 and A-3.

purposes, for certain custom wheels, or for high-performance driving. 1/ Snap-in and clamp-in valves are not completely substitutable for each other. Clamp-in valves may replace snap-in valves. On the other hand, for high-performance driving, a snap-in valve would not substitute for a clamp-in valve because the snap-in type could not withstand the stresses.

The best information now available to the Commission does not distinguish between either model size or type of valve (i.e., snap-in or clamp-in) in terms of profit and loss or employment data. Thus, if they are indeed separate like products, we have inadequate information to assess injury to each product. In situations such as this, the statute directs the Commission to assess the impact of the alleged LTFV imports on the narrowest group or range of products, which includes a like product, for which the necessary information can be provided. 2/ Therefore, our determination in this case is based upon an examination of the impact of these imports on all tubeless tire valve production. For the final determination, the Commission will attempt to gather information by separate product line and will assess any injury as it deems necessary and appropriate at that time.

Reasonable Indication of Material Injury or Threat Thereof

A reasonable indication of material injury or threat of material injury in this investigation is demonstrated by several facts. The domestic industry has experienced a significant drop in production, capacity utilization, shipments, domestic employment, and financial performance during 1980. Although EHA, the producer that accounts for practically all of the West German tubeless tire

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1/ See Staff report, p. A-2.
2/ Section 771(4)(D).

valves sold in the United States, argues that the domestic industry's injury has been caused by decline in the domestic automobile market during 1980, we find that a reasonable indication exists that the domestic industry is materially injured, or is threatened with material injury, by reason of the West German imports alleged to be sold at LTFV. The most important indications of a causal link between the evident injury and the alleged dumping are the continued underselling by EHA of particularly price-sensitive products, the continued significant level of alleged LTFV imports, and the existence of confirmed lost sales. 1/

Increased imports from 1978. Imports of tubeless tires valves, while down in 1980 from 1979, were at a higher level than in 1978. Imports of tubeless tire valves from West Germany followed a trend similar to that of U.S. production, increasing in 1979 and declining in 1980 to a level lower than the 1978 level. 2/ The level of import penetration increased from 1978 to 1980 for West German imports of tubeless tire valves.

Underselling by imports. Underselling of U.S. tubeless tire valves by imports from West Germany was found throughout the periods analyzed. 3/ Imported tubeless tire valves from West Germany have been consistently priced lower than domestic valves for both the TR413 and TR418, which constitute the vast majority of the imports. Based on confidential data provided during the investigation, the margins of underselling for the TR413 and TR418 models were

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1/ Because of the limited number of significant foreign suppliers, only one firm in both Italy and West Germany--import data in this investigation are confidential. Thus our findings with regard to the imports cite only general trends.

2/ See Staff Report, p. A-16.

3/ See Staff Report, p. A-25.

significant in both 1979 and 1980, although the margin decreased slightly in 1980 due to a somewhat faster rate of imported valve price increases compared to U.S. valve price increases in 1980. 1/

Lost sales. Several U.S. producers alleged that sales of tubeless tire valves imported from West Germany caused them to lose sales. A number of these allegations were confirmed by purchasers who indicated they had switched their sourcing from domestic producers to EHA. Buyers of tubeless tire valves contacted indicated that price was the most important factor in purchasing decisions, with availability a secondary but often crucial factor. Several buyers confirmed purchases of West German valves because of lower prices. 2/

Lower domestic production, capacity utilization, and shipments in 1980 than in 1979 and 1978. U.S. production of tubeless tire valves declined from about 177 million units in 1978 and 1979 to 127 million units in 1980, a decrease of approximately 28 percent. Capacity utilization also fell sharply during the same period, from 78.0 percent in 1978 to 52.3 percent in 1980 while U.S. producers' shipments fell steadily from 173 million units in 1978 to 131 million units in 1980, a decrease of 24 percent. 3/ Total U.S. consumption of all valves (domestic and foreign) remained constant from 1978 to 1979 and fell sharply in 1980. 4/

Lower domestic employment in 1980 than in 1978. After increasing slightly between 1978 and 1979, the average number of employees in U.S. establishments producing tubeless tire valves fell from 2,631 in 1978 to 2,193

1/ See Staff report, p. A-25.
2/ See Staff report, p. A-26.
3/ See Staff report, p. A-10.
4/ See Staff report, p. A-16.

in 1980, a decrease of 17 percent. Production workers producing tubeless tire valves decreased from 455 in 1978 to 330 in 1980, down more than 27 percent. 1/

Poor financial performance throughout 1978-80. Based on returns from five domestic producers accounting for 95 percent of total U.S. shipments of tubeless tire valves in 1980, the ratio of aggregate net operating profit to net sales declined from 7.2 percent in 1978 to 0.8 percent in 1980. The ratio of net operating profit to book value of total assets for U.S. producers followed the same trend as the ratio of net operating profit to net sales, declining from 18.8 percent to 1.5 percent. 2/

1/ See Staff report, p. A-13.
2/ See Staff Report, p. A-14.

VIEWS OF VICE CHAIRMAN MICHAEL J. CALHOUN

Determination

On the basis of the record in investigation No. 731-TA-41 (Preliminary), I determine that 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 tubeless tire valves from the Federal Republic of Germany which are allegedly sold at less than fair value. 1/

The Domestic Industry

In general, the domestic industry is defined as consisting of all domestic producers of a like product or those producers whose total output of the like product constitutes a major portion of domestic production of that product. 2/ A like product is a product which is like, or in the absence of like, most similar in characteristics and uses with, the imported product which is the subject of the investigation. 3/

The imported article in this investigation is tubeless tire valves from the Federal Republic of Germany. These valves are designed

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1/ Since there are domestic producers of the imported article subject to investigation, the material retardation of the establishment of an industry in the United States is not an issue in this investigation.
2/ Section 771(4)(A) of the Tariff Act of 1930.
3/ Section 771(10).

for and used in passenger automobile and light truck wheels. Imported tire valves are sold exclusively in the replacement valve market rather than in the original equipment market. From our preliminary investigation, it appears that, since 1978, six of the seven standard model types are imported from the Federal Republic of Germany; 75 percent of these valves are divided between two model types, the TR-413 and TR-418 models. As well it appears that over 99 percent of the imported valves under investigation here are attached to the wheel by the snap-in method. The remainder, which are samples or special orders, use the clamp-in method of attachment and come in various combinations of lengths and diameters.

However, in this investigation, petitioner has alleged less than fair value sales of tubeless tire valves with respect only to five of the seven models, TR-413, 415, 418, 423 and 425. None of the small amount of imports of the clamp-in valves were alleged by petitioner to have been sold at less than fair value.

There is domestic production for the replacement market of all seven types of snap-in tubeless tire valves for use in passenger automobiles and light trucks which account for approximately 96 percent of production. The remaining four percent of domestic production is of the clamp-in valve type and their volume has been declining over the past three years. Evidence on the record indicates that domestically produced tubeless tire values are no different from the

imported variety of the same model type using the same method of attachment. Indeed, information thus far gathered indicates that price and reliability of supply, rather than quality or particular characteristics, are the primary bases upon which consumers differentiate among valves of the same model type using the same method of attachment produced by different manufacturers.

As a further matter, each domestic producer that sells to the replacement market produces the TR-413 and TR-418 model types and several, if not all, of the other model types. There are no data indicating that any domestic producer specializes in the production of any particular model type of valve.

Since petitioner is alleging injury with respect only to five of the seven snap-in model types, all of which are produced domestically, it is plain that these five model types of tubeless tire valves are like products with the imported article under investigation. But a question remains as to whether the remaining two model types and whether clamp-in tire valves have a sufficiently high coincidence of characteristics and uses with the valves which are being imported to warrant considering them like products as well. As we only have, at this point in the investigation, information enabling us to assess the impact of imports against production of all tire valves, this question of the status of the two remaining model types and the status of clamp-in valves is moot. But the question of the likeness

of all tire valves and the various indicia of the health of their producers are matters for more detailed consideration in our final investigation.

Therefore, taking the best information available in its best light, it is my view, for purposes of this preliminary investigation, that the like product is tubeless tire valve models TR-413, 415, 418, 423 and 425 and that the domestic industry is comprised of all domestic producers who produce the like product and who supply the replacement market.

Material Injury

Material injury is defined as harm which is not inconsequential, immaterial or unimportant. 1/ In determining material injury by reason of imports, we are directed to consider, among other things, the volume of imports, the effect of the imports on prices, and the impact of the imports on the domestic industry. 2/ The Commission is directed to assess the effect of dumped imports in relation to the U.S. production of a like product if available data permit the separate identification of production in terms of such critera as production process or the producer's profits. 3/ The best available information in this investigation does not distinguish sufficient

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1/ Section 771(7)(A).
2/ Section 771(7)(B).
3/ Section 771(4)(D).

information to make an assessment of production of the like product. Therefore, my determination is based upon assessment of the impact of imports on production of the narrowest group or range of products which includes the like product, all tubeless tire valve producton in the United States.

In preliminary investigations, our finding is with regard to a reasonable indication of material injury. While there is no statutory guidance as to the meaning of reasonable indication, the legislative history indicates that it is to be considered consistent with the standard under section 201(c)(2) of the Antidumping Act. 1/ A reasonable indication of material injury or threat in this investigation is demonstrated by several factors: Import volume has increased both in absolute and relative terms; there has been price undercutting; and the domestic industry has suffered declines in production, capacity, capacity utilization, shipments and financial performance, all of which appear to be associated with the LTFV imports. 2/

Volume of Imports. Imports of tubeless tire valves, while down in 1980 from 1979, were at a higher level than in 1978. Imports of tubeless tire valves from West Germany followed a trend similar to that of U.S. production, increasing in 1979 and declining in 1980

1/ Committee on Finance, U.S. Senate Report, No. 96-249, 96th Cong., 1st Sess., p. 66.

2/ Because there is only one producer from West Germany who exports tubeless tire valves to the United States, import data in this investigation are confidential. Therefore, my discussion with regard to these factors cites only general trends.

to a level lower than the 1978 level. The level of import penetration increased from 1978 to 1980 for West German imports of tubeless tire valves.

Prices. Underselling of U.S. tubeless tire valves by imports from West Germany was found throughout the periods in question. Imported tubeless tire valves from West Germany have been consistently priced lower than domestic valves for both the TR-413 and TR-418 model types, which constitute the vast majority of the imports. Based on confidential data provided during the investigation, the margins of underselling for the TR-413 and TR-418 models were significant in both 1979 and 1980, although the margin decreased in 1980 due to a somewhat faster rate of imported valve price increases in 1980. This underselling is especially significant since it is my view that this industry is characterized by particular price sensitivity.

Impact on the domestic producers. Several U.S. producers alleged that sales of tubeless tire valves imported from West Germany caused them to lose sales. A number of these allegations were confirmed by purchasers who indicated they had switched their sourcing from domestic producers to imports produced by EHA, a West German company. Buyers of tubeless tire valves who were contacted indicated that price was the most important factor in purchasing decisions, with availability a secondary but often crucial factor. Several buyers confirmed purchases of West German valves because of lower prices.

Furthermore, U.S. production of tubeless tire valves declined from about 177 million units in 1978 and 1979 to 127 million units in 1980, a decrease of approximately 28 percent. Capacity utilization also fell sharply during the same period, from 78.0 percent in 1978 to 52.3 percent in 1980 while U.S. producers' shipments fell steadily from 173 million units in 1978 to 131 million units in 1980, a decrease of 24 percent. Total U.S. consumption of all valves (domestic and foreign) remained constant from 1978 to 1979 and fell sharply in 1980.

In addition, after increasing slightly between 1978 and 1979, the average number of employees in U.S. establishments producing tubeless tire valves fell from 2,631 in 1978 to 2,193 in 1980, a decrease of 17 percent. Production workers producing tubeless tire valves decreased from 455 in 1978 to 330 in 1980, down more than 27 percent.

Moreover, based on returns from five domestic producers accounting for 95 percent of total U.S. shipments of tubeless tire valves in 1980, the ratio of aggregate net operating profit to net sales declined from 7.2 percent in 1978 to 0.8 percent in 1980. The ratio of net operating profit to book value of total assets for U.S. producers followed the same trend as the ratio of net operating profit to net sales, declining from 18.8 percent to 1.5 percent.

As a final matter, with regard to the causal link between these factors and the imports under inquiry here, EHA of West Germany argues that the domestic industry's injury has been caused by a decline in the domestic automobile market during 1980. As well, such other factors as a decline in miles driven and an increase in purchases of tires with extended tread wear have also been noted as contributing to the industry's decline. There can be little doubt that these factors may have contributed to the overall condition of the industry. However, the legislative history specifically cautions the Commission not to weigh causes in the way EHA suggests. 1/ Nevertheless, the impact of all of these factors cannot be ignored. Thus, rather than reviewing these factors as competing causes, I see these factors as rendering the industry particularly vulnerable at this time to imports sold at less than fair value. Viewing these factors in this light is well supported in the legislative history. 2/

Conclusion

On the basis of the best information available, I find that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from the Federal Republic of Germany of tubeless tire valves which are allegedly being sold at less than fair value.

1/ Senate Report, 96-249, p. 57.
2/ Senate Report, 96-249, p. 58.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On February 24, 1981, the Nylo-Flex Manufacturing Company, Inc., Mobile, Alabama, filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce (Commerce) alleging that tubeless-tire valves from the Federal Republic of Germany (West Germany) are being, or are likely to be, sold in the United States at less than fair value, and that an industry in the United States is materially injured or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise. Accordingly, the Commission on March 3, 1981, instituted a preliminary antidumping investigation (No. 731-TA-39) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)). (Tubeless-tire valves are provided for in item 692.32 of the Tariff Schedules of the United States). Upon examining Nylo-Flex's petition, Commerce found that its treatment of non confidential summaries was inadequate and requested that Nylo-Flex withdraw and resubmit its petition with the necessary adjustments. In compliance with this request, Nylo-Flex notified Commerce on March 13, 1981, that it was withdrawing its petition, and the Commission thereupon terminated investigation No. 731-TA-39 (Preliminary) pursuant to its authority under section 207.13 of the Commission's Rules of Practice and Procedure. 1/ Nylo-Flex refiled its antidumping petition with the Commission and with Commerce on April 9, 1981. On the same day, the Commission reinstituted the subject investigation and redesignated it No. 731-TA-41 (Preliminary). Section 733(a) directs that the Commission make its determination within 45 days of its receipt of the petition, or in this case by May 26, 1981.

Notice of the institution of the Commission's investigation and of the public conference to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on April 15, 1981 (46 F.R. 22088). 2/ A public conference was held in Washington, D.C., on April 30, 1981, at which all interested parties were afforded the opportunity to present information for consideration by the Commission.

1/ Copies of the Commission's notices concerning investigation No. 731-TA-39 are shown in app. A.

2/ A copy of the Commission's notice of investigation and conference for investigation No. 731-TA-41 is presented in app. B. The Department of Commerce's notice of initiation of antidumping investigation is presented in app. C.

The Product

Description and uses

The imported articles subject to this investigation are completely assembled valves suitable for use with tubeless tires on passenger-automobile and light-truck wheels. The valve is inserted into a hole on the rim of the wheel and is designed to control the flow of air into and out of the tire.

Two types of tubeless-tire valves suitable for passenger-automobile and light-truck tires are imported from West Germany into the United States: (1) snap-in, which constitutes at least * * * percent of these imports, and (2) clamp-in. Both types incorporate two basic components--a spring-activated plunger (core), the only working mechanism of the valve; and a metal tube (stem) in which the plunger is encased. When depressed, the plunger allows the transmission of air in either direction through the valve. What distinguishes the two types is the means by which they are attached to the wheel. Whereas the snap-in variety is encased in molded rubber with a bulbous base that "snaps" into the wheel-rim hole, the clamp-in variety is held to the wheel rim by means of a large washer-type base attached to the stem and a nut through which the stem is threaded. This provides the clamp-in valve with greater strength, but it is also more expensive. Both types are usually provided with a cap which prevents the accidental discharge of air from the tire and protects the working part of the valve from foreign matter. Although in all cases the clamp-in variety may be substituted for the snap-in variety, the snap-in variety may not in all cases be substituted for the clamp-in. Because of the clamp-in valve's stronger construction, it is required or recommended for certain custom wheels, when higher than normal tire pressures are needed, and/or when high-performance driving is intended. In most other instances, the snap-in variety is preferred because of its lower price. 1/ U.S. production, like imports, is heavily concentrated in the snap-in variety. Of the U.S.-produced valves sold for use with passenger-automobile and light-truck tires, the clamp-in variety currently accounts for less than 3 percent, and this percentage has been decreasing since 1977. Both types of valves are produced in the same establishments.

Since 1977, snap-in type tubeless-tire valves suitable for use on passenger-automobile and light-truck wheels have been sold domestically in seven models, differentiated only by size. Five models, ranging in length from 0.88 inch to 2.5 inches, are sold with a diameter of 0.453 inch at the base; and 2 models, of 1.25-inch and 2-inch lengths, are sold with a diameter of 0.625 inch at the base. (Sizes of clamp-in valves are comparable, but range somewhat less in length). The model designations, which are used throughout the industry, and their respective dimensions are as follows:

1/ Some clamp-in valves are chrome-plated so that, while a snap-in valve may be adequate for a certain application, the clamp-in is preferred for aesthetic reasons.

Model number	Diameter of base (inches)	Length of stem (inches)
TR 412----------	.453	0.88
TR 413----------	.453	1.25
TR 414----------	.453	1.50
TR 418----------	.453	2.00
TR 423----------	.453	2.50
TR 415----------	.625	1.25
TR 425----------	.625	2.00

The varying lengths are required due to differing configurations of the hubcap or wheel cover through which the stem must extend, while the two diameters are produced to accommodate the two standard-size wheel-rim holes. 1/ Extensions are available for extra length. Since 1977, all seven sizes have been produced and imported in the United States, although model TR 412 has not been imported since 1978. Two models--the TR 413 and the TR 418--account for at least 75 percent of U.S. production and imports.

According to trade sources, both imported and domestically produced tubeless-tire valves conform to the design standards of the Tire and Rim Association and the performance standards and test procedures of the Society of Automotive Engineers. There is no significant product differentiation.

For the smaller producers of the snap-in variety, the manufacturing process primarily consists of modifying and assembling components purchased from other manufacturers. Metal tubing is cut to size and threaded at one end to form the stem, while bulk rubber is melted and mixed with resin. The rubber is then molded to the stem and a premade core is inserted. Unlike the smaller producers, the larger producers manufacture the metal tubing from solid metal rods and manufacture and/or assemble the components of the core. All but one domestic producer purchase the caps, and only the large producers manufacture the clamp-in variety.

No other article is known to be a substitute for the tubeless-tire valves described above, either by design or by application. Tubeless-tire valves manufactured for passenger automobiles and light trucks are not interchangeable with those manufactured for medium and heavy trucks.

U.S. tariff treatment

Tubeless-tire valves are classified under the provisions for chassis, bodies (including cabs), and parts of certain motor vehicles in TSUS item 692.32, a residual "basket" category in which several types of motor-vehicle parts are encompassed. The current column 1 (MFN) rate of duty on this item is 3.8 percent ad valorem. 2/ From January 1, 1972, when the concessions

1/ The larger diameter wheel rim holes are desirable for high pressure tires to prevent blowouts.

2/ The rates of duty in rate of duty column numbered 1 are Most-Favored-Nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

granted in the Kennedy round of negotiations became effective, to January 1, 1980, the MFN rate of duty was 4 percent ad valorem. Presidential Proclamation 4707 of December 11, 1979, implementing the agreements negotiated during the Tokyo round of Multilateral Trade Negotiations, provided for a gradual duty reduction of 0.8 percent for imports under this item to be effectuated in 8 annual stages beginning January 1, 1980. The current rate of duty represents the second of those stages. During the first stage--from January 1, 1980 to December 31, 1980--the MFN rate of duty was 3.9 percent. The current rate of duty on this item for products of least developed developing countries (LDDC's), which reflects the rate of duty applicable at the final stage of reduction beginning January 1, 1988, is 3.1 percent ad valorem. 1/ Other than from Mexico and Brazil, imports of articles under this item are eligible for duty-free treatment under the Generalized System of Preferences (GSP). 2/ The column 2 rate of duty for item 692.32 is 25 percent ad valorem.

Nature and Extent of Alleged Sales at Less Than Fair Value

There is no information relating to the nature and extent of the alleged sales at less than fair value (LTFV) other than the allegations of the petitioner. The petitioner claims that one producer in West Germany--EHA Ventilfabrik (EHA), Mulheim, Am-Main--accounts for all of the tubeless-tire valves allegedly sold in the United States at LTFV. The petitioner further claims that all of this firm's tubeless-tire valves exported to the United States are sold at LTFV and that the majority of them, i.e., the TR 413 and the TR 418, are sold at from 18 to 32 percent below factory cost. The petitioner does not specify the period in which the alleged dumping occurred but quotes what he considers to be dumped prices offered as early as April 1980 by EHA.

On April 27, 1981, Commerce issued a notice announcing that it had found the petition to be properly filed within the meaning of its rules and that it was instituting an investigation. The notice to such effect was published in the Federal Register on April 27, 1981 (46 F.R. 23510). The scope of

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1/ The rates of duty in rate of duty column "LDDC" are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging) and are applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided in column numbered 1 applies.

The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

2/ The GSP, under title V of the Trade Act of 1974, provides duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985, unless modified by the President or terminated.

Commerce's investigation includes only that type of valve (snap-in) and those sizes (TR 413, TR 415, TR 418, TR 423, and TR 425) to which the petitioner specifically directs his complaint.

U.S. Producers

At least 8 firms produced tubeless-tire valves suitable for use with passenger-automobile and light-truck tires in 1978-80. Their names, plant locations, and relative shares of U.S. tubeless-tire valve production in 1980 are shown below:

Firm	Plant location	Share of U.S. production of Tubeless-Tire Valves in 1980 (percent)
Schrader Automotive Products (Schrader)(Division of Scoville, Inc., Waterbury, Conn.)	Nashville, Tenn. Monroe, N.C. 1/	* * *
Eaton Corporation (Air Controls Division)	Roxboro, N.C.	* * *
Bridgeport Brass Company (Division of National Distillers and Chemical Corporation, New York, N.Y.)	Altavista, Va.	* * *
Nylo-Flex Manufacturing Co.	Mobile, Ala.	* * *
Cupples Company	St. Louis, Mo.	* * *
'31' Inc.	Newcomerstown, Ohio	* * *
Milton Industries, Inc.	Chicago, Ill.	* * *
Acme Tire Hardware	Hackensack, N.J.	* * *

Acme ceased production in June 1980. The three largest U.S. producers--Schrader, Eaton, and Bridgeport--account for over 85 percent of the tubeless-tire valves manufactured in the United States, and, unlike the smaller producers, manufacture both the snap-in and clamp-in varieties. Schrader, Eaton, and Bridgeport also manufacture tubeless-tire valves in several other countries; however, none of these valves are exported to the United States. Although none of the U.S. producers import tubeless-tire valves, some of the smaller ones import major tubeless-tire valve components, including the core and metal tubing. As a share of the overall sales of the establishments in which tubeless-tire valves are produced, sales of tubeless-tire valves range from less than ***percent for Cupples to about *** percent for Nylo-Flex.

1/ Completed in 1979.

Foreign Producers

At least 99 percent of all tubeless-tire valves imported into the United States since 1977 were manufactured by either EHA in West Germany or by Poleghi Mario Co. in Italy.

* * * * * * *.

U.S. Importers

There are many--at least 10--U.S. importers of passenger-automobile and light-truck tubeless-tire valves manufactured by EHA in West Germany, but 3--Myers Tire Supply (Myers), Akron, Ohio; Akron Tire Supply Company (Akron), Akron, Ohio; and Ezon Products, Inc. (Ezon), Memphis, Tenn.--account for over * * * percent of EHA's exports of these items to the United States. Remaco, Inc., Northvale, N.J., accounts for *** of the imports from Italy. None of the importers is related to either of the foreign manufacturers.

* * * * * * *.

Tubeless-tire valves account for a relatively small percentage of most importers' overall sales, and no value is added to the imported product.

U.S. Market and Channels of Distribution

The U.S. market for tubeless-tire valves consists of two major segments: original-equipment manufacturers (OEM's), i.e., the U.S. auto companies, which are served exclusively by U.S. producers; and the replacement or aftermarket, consisting for the most part of establishments like retail tire and service centers, gasoline stations, and auto repair shops, where replacement tires are usually installed. Serving the aftermarket are small distributors or wagon jobbers and large warehouse distributors, like the three major importers, which are supplied by both U.S. and foreign manufacturers. Most of the U.S.- and foreign-produced valves follow this line of distribution. 1/ Though still large, the OEM's share of the U.S. market steadily declined from about 40 percent in 1978 to about 32 percent in 1980.

In an effort to ascertain why the OEM market is served exclusively by U.S. producers, representatives of both General Motors Corporation (GM) and Ford Motor Co. (Ford) were contacted. According to representatives of both firms, GM and Ford have neither sought nor been solicited by foreign sources of tubeless-tire valves, although there is no policy against the purchase of these items from other than U.S. manufacturers. Both added that they consider the price offered by U.S. manufacturers to be competitive and are satisfied with the U.S. manufacturers in all other respects. Only Schrader, Eaton, and Bridgeport sell to the OEM market.

The consumption of tubeless-tire valves declined precipitously in 1980 as a result of a decline in tire sales. The decline in tire sales was a result of at least four factors: the decline in new-automobile production; a decline in overall miles driven; an increase in the consumption of radial-ply tires, which have longer life spans than other kinds; and a trend toward smaller cars, which, because of their lower weight, tend to reduce tire wear. In the aftermarket the sale of a tire valve usually coincides with the sale of the tire. About 70 percent of replacement tires sold receive a new valve. OEM and replacement market tire sales are shown in the following tabulation:

1/ The U.S. tire manufacturers still purchase relatively small quantities of valves. Once large purchasers, their presence in the market has greatly diminished. Also, one or more stages in the line of distribution are occasionally bypassed.

Year	OEM sales (1,000 units)	Replacement sales (1,000 units)
1978----------	56,000	147,000
1979----------	51,000	135,000
1980----------	37,000	120,000

Trade sources indicate that the trend of sales in 1981 is slightly upward for all markets.

The Question of Material Injury

U.S. Imports

Total U.S. imports of tubeless-tire valves increased from * * * units, valued at * * *, in 1978 to * * * units, valued at * * *, in 1979 before falling to * * * units, valued at * * *, in 1980 (table 1). Although West Germany was the dominant source of imports during this period, its share of imports declined from * * * percent in 1978 to * * * percent in 1980. After increasing from * * * units, valued at * * *, in 1978 to * * * units, valued at * * *, in 1979, imports from West Germany declined to * * * units, valued at * * *, in 1980. The only other significant source of tubeless-tire valve imports in recent periods was Italy, its share of these imports increasing from * * * percent in 1978 to * * * percent in 1980, or from * * * units to * * * units.

Table 1.--Tubeless-tire valves: U.S. imports for consumption, by principal sources, 1978-80

Source	1978	1979	1980
	Quantity (1,000 units)		
FR Germany	***	***	***
Italy	***	***	***
Total	***	***	***
	Percentage of total quantity		
FR Germany	***	***	***
Italy	***	***	***
Total	100.0	100.0	100.0
	Value (1,000 dollars)		
FR Germany	***	***	***
Italy	***	***	***
Total	***	***	***
	Unit value (cents)		
FR Germany	***	***	***
Italy	***	***	***
Average	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from confidential submissions by EHA.

U.S. production, capacity, and capacity utilization

Annual U.S. production of tubeless-tire valves remained at about 177 million units from 1978 to 1979, but then declined by 28.3 percent to 126.6 million units in 1980 (table 2). None of the U.S. producers reported significant losses in production due to employment-related problems, temporary equipment-related problems, sourcing problems, transition problems, or any other unusual circumstances during this period; nor did their declines in production reflect a reallocation of resources to foreign subsidiaries. Production data, as well as capacity and capacity utilization data, for each firm are shown in appendix D.

The data on domestic capacity supplied to the Commission by U.S. producers of tubeless-tire valves were based on each firm's average product mix for each period reported with facilities operating at two shifts per weekday (or 3-shifts per weekday for Schrader and Bridgeport) with allowances for maintenance and downtime (table 2). The data do not include the capacity of facilities, machinery, and equipment that would require extensive reconditioning before they could be made operative. Total domestic capacity

to produce tubeless-tire valves increased from 222.3 million units in 1978 to 237.7 million units in 1980, mostly as a result of * * *. Utilization of total domestic capacity for the production of tubeless-tire valves declined from 78.0 percent to 52.3 percent in the same period.

Table 2.--Tubeless-tire valves: U.S. production, U.S. capacity, and capacity utilization, 1978-80

Item	1978	1979	1980
Production----1,000 units----	176,994	176,491	126,627
Capacity 1/----------do----	222,277	224,714	237,730
Ratio of production to capacity 1/-------percent--	78.0	77.0	52.3

1/ Does not include Milton.

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

U.S. producers' shipments and exports

From 1978 to 1980, U.S. producers' shipments of tubeless-tire valves declined from 173.4 million units to 131.3 million units, a decline of 24.3 percent (table 3). Although exports increased both absolutely and relative to total shipments between 1978 and 1980, they remained at less than 1.3 percent of total shipments throughout the period. * * *. OEM's, which U.S. producers supply exclusively, have accounted for a decreasing proportion of U.S. producers' sales. As a share of U.S. producers' domestic shipments, estimated shipments to OEM's declined from *** percent in 1978 to *** percent in 1979 and then to *** percent in 1980 (table 3). Information on U.S. producers' shipments and exports by firms is shown in appendix D.

Table 3.--Tubeless-tire valves: U.S. producers' domestic shipments and exports, 1978-80

Item	1978	1979	1980
	Quantity (1,000 units)		
Domestic shipments to:			
OEM's 1/	***	***	***
All other	99,148	100,211	83,758
Total	***	***	***
Exports	***	***	***
Total shipments	173,378	169,410	131,280
	Value (1,000 dollars)		
Domestic shipments to:			
OEM's	2/	2/	2/
All other	2/	2/	2/
Total	***	***	***
Exports	***	***	***
Total shipments	21,063	21,887	18,015

1/ Approximations based on U.S. producers' estimates of the percentage of tubeless-tire valve shipments accounted for by OEM's.
2/ Not available.

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

Inventories

U.S. producers' yearend inventories of tubeless-tire valves declined from 15.1 million units in 1978 to 7.0 million units in 1980, a decline of more than 50 percent (table 4). Inventories also declined relative to shipments. As a share of the preceding year's shipments, U.S. producers' inventories of tubeless-tire valves decreased from 8.7 percent in 1978 to 5.4 percent in 1980. Similar data, by firms, are shown in appendix D.

Table 4.--Tubeless-tire valves: U.S. producers' inventories as of December 31, 1978-80

Item	December 31--		
	1978	1979	1980
Inventories---1,000 units----	15,115	13,836	6,998
Ratio of inventories to shipments during the preceding 12-month period 1/--------percent--	8.7	8.2	5.4

1/ Annualized.

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

Employment

After increasing slightly between 1978 and 1979, the average number of all employees in U.S. establishments producing tubeless-tire valves fell in 1980. From 2,631 in 1978 to 2,674 in 1979, total employment fell by 18.0 percent in 1980 to 2,193 (table 5). Similarly, the average number of production and related workers in these establishments rose from 2,000 in 1978 to 2,060 in 1979 before falling by nearly 50 percent in 1980 to 1,064. Unlike total employment and the employment of all production and related workers, the average number of production and related workers producing tubeless-tire valves declined throughout the period. The average number of these workers declined from 455 in 1978 to 330 in 1980, or by 27.9 percent, while the hours worked by them declined from 869,000 to 632,000, or by 27.3 percent.

Productivity, in terms of units produced per worker-hour, is also shown in table 5. After increasing by 8 percent from 1978 to 1979, the productivity of production and related workers declined by 8 percent from 1979 to 1980. Output per worker-hour declined from 219 units in 1979 to 200 units in 1980. Employment data by firm are shown in appendix D.

Table 5.--Average number of employees, total and production and related workers, in U.S. establishments producing tubeless-tire valves, hours worked by production and related workers in the production of tubeless-tire valves, and output per man-hour, 1978-80

Item	1978	1979	1980
Average employment in U.S. establishments producing tubeless-tire valves:			
All persons----------number----	2,631	2,674	2,193
All production and related workers----------do----	2,000	2,060	1,064
Production and related workers producing tubeless-tire valves----------do----	455	422	330
Hours worked by production and related workers in the production of tubeless-tire valves 1,000 hours----	868.6	807.5	631.9
Output---------units per man-hour----	203.8	218.6	200.4

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

Financial performance of U.S. producers

Usable financial data were received from 5 domestic producers representing 95 percent of total U.S. producers' shipments of tubeless-tire valves in 1980. The aggregate data for their tubeless-tire valve operations are shown in table 6. U.S. producers' combined net sales of passenger-automobile and light-truck tubeless-tire valves increased from $19.9 million in 1978 to $20.4 million in 1979, and then fell by 16 percent to $17.1 million in 1980, primarily as a result of a 24-percent drop in sales volume. Aggregate net operating profit declined more precipitously. Largely because of declining sales volume and increasing unit costs relative to unit prices, U.S. producers' net operating profit on their tubeless-tire valve sales declined from $1.4 million in 1978 to $139,000 in 1980, or by more than 90 percent. In the same period the ratio of net operating profit to net sales fell from 7.2 percent to 0.8 percent, and cash flow from operations declined from $1.8 million to $797,000.

* * * * * * *.

Selected financial data for U.S. producers, by firms, are shown in appendix D.

To provide an additional measure of profitability, domestic producers were asked to supply information on total assets employed in the production of tubeless-tire valves. As shown in table 6, the ratio of net operating profit to original cost, book value, or replacement cost of assets for the combined U.S. producers followed the same trend as did the ratio of net operating profit to net sales. From 1978 to 1980, U.S. producers' return on total assets (book value) declined from 18.8 percent to 1.5 percent.

Table 6.--Selected financial data for U.S. producers on their U.S. tubeless-tire valve operations, 1978-80

Item	1978	1979	1980
Net sales----------1,000 dollars--	19,871	20,399	17,159
Cost of goods sold----------do----	15,870	16,986	14,398
Gross profit----------do----	4,001	3,413	2,761
General, selling, and administrative expenses----------do----	2,564	2,734	2,622
Net operating profit----------do----	1,437	679	139
Ratio of net operating profit to net sales----------percent--	7.2	3.3	.8
Funds from operations 1/ 1,000 dollars--	1,784	1,221	797
Total assets employed in the production of tubeless-tire valves at yearend:			
Original cost----------do----	* * *	* * *	13,509
Book value----------do----	7,624	9,690	9,349
Replacement cost----------do----	18,372	23,416	25,813
Ratio of net operating profit to--			
Original cost of assets percent--	* * *	* * *	1.0
Book value of assets-------do----	18.8	7.0	1.5
Replacement cost of assets do----	7.8	2.9	.5

1/ Defined as net operating profit plus depreciation expense.

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

Data on the overall operations of U.S. producers' establishments in which tubeless-tire valves are produced are shown in table 7. The trends for net sales, net operating profitability, funds from operations, and return on assets are very similar to those described above, * * *.

Table 7.--Selected financial data for U.S. producers on all operations of the establishments in which tubeless-tire valves are produced, 1978-80

Item	1978	1979	1980
Net sales----------1,000 dollars--	73,858	79,921	67,061
Cost of goods sold----------do----	54,403	60,406	52,153
Gross profit----------do----	19,455	19,515	14,908
General, selling, and administrative expenses----------do----	10,045	10,732	11,304
Net operating profit ----------do----	9,410	8,783	3,604
Ratio of net operating profit to net sales----------percent--	12.7	11.0	5.4
Funds from operations 1/ 1,000 dollars--	10,813	10,659	5,637
Total assets employed in the establishments at yearend:			
Original cost----------do----	* * *	* * *	49,064
Book value----------do----	27,777	30,530	29,276
Replacement cost----------do----	81,783	88,606	95,807
Ratio of net operating profit to--			
Original cost of assets percent----	* * *	* * *	7.3
Book value of assets-------do----	33.9	28.8	12.3
Replacement cost of assets do----	11.5	9.9	3.8

1/ Defined as net operating profit plus depreciation expense.

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

U.S. producers' capital expenditures and research and development expenses for their tubeless-tire valve operations are shown in the following tabulation:

($1,000's)

Item	1978	1979	1980
Capital expenditures on--			
Land----------	***	***	***
Building----------	***	***	***
Machinery & equipment----------	***	***	***
Total----------	***	***	***
Research and development expenses----	***	***	***

Total capital expenditures increased significantly in 1979 and 1980 from 1978, * * * . Research and development expenses, associated with the development of new products and the improvement of existing products and services, increased from * * * in 1978 to * * * and * * * in 1979 and 1980, respectively.

The Question of the Likelihood of Material Injury

Following a trend similar to that of U.S. production, imports of tubeless-tire valves from West Germany increased by 21 percent from 1978 to 1979, but then fell below 1978 levels in 1980 (table 1). Relative to U.S. producers' domestic shipments, however, imports from West Germany increased throughout the period, though at a declining rate. From * * * percent in 1978, the ratio of imports to U.S. producers' domestic shipments increased to * * * percent in 1979 and then to * * * percent in 1980, despite recessionary factors and other adverse market conditions affecting tubeless-tire valve sales. Data submitted to the Commission indicate that EHA is underselling the U.S. producers in the domestic market (see price section of this report).

* * * * * * *.

The Question of the Causal Relationship Between the Alleged LTFV Imports and the Alleged Injury

U.S. consumption and market penetration of imports

Apparent consumption of tubeless-tire valves remained constant at about * * * units from 1978 to 1979 and then fell by nearly 23 percent to * * * units in 1980 (table 8). The trend for apparent consumption exclusive of OEM purchases is more irregular (table 9). After rising by more than 4 percent between 1978 and 1979, apparent consumption by other than OEM purchasers fell by more than 16 percent between 1979 and 1980, or from * * * units to * * * units. (Note, however, that U.S. producers' domestic shipments to other than OEM's as indicated in table 9 are approximations based on U.S. producers' estimates of the percentage of overall tubeless-tire valve shipments accounted for by OEM's.) In terms of value, apparent consumption of tubeless-tire valves rose from * * * in 1978 to * * * in 1979 before falling to * * * in 1980.

As a share of total U.S. consumption, imports from all countries increased from * * * percent in 1978 to * * * percent in 1980, while imports from West Germany increased from * * * percent to * * * percent in the same period (table 8). As a share of apparent consumption exclusive of OEM purchases, imports from West Germany rose from * * * percent in 1978 to * * * percent in 1979, but then fell to * * * percent in 1980 (table 9). Relative to consumption in the non-OEM market, imports from Italy increased in each year of the period.

Table 8.--Tubeless-Tire Valves: U.S. producers' shipments imports for consumption, exports of domestic merchandise, and apparent consumption, 1978-80

(Quantity in thousands of units; value in thousands of dollars)

Period	Producers' shipments	Imports			Exports	Apparent consumption	Ratio (percent) of imports to consumption		
		From West Germany	From Italy	Total			From West Germany	From Italy	Total
	Quantity								
1978	173,378	***	***	***	***	***	***	***	***
1979	169,410	***	***	***	***	***	***	***	***
1980	131,280	***	***	***	***	***	***	***	***
	Value								
1978	21,063	***	***	***	***	***	***	***	***
1979	21,887	***	***	***	***	***	***	***	***
1980	18,015	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from confidential submissions by EHA.

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Table 9.--Tubeless-Tire Valves: U.S. producers' domestic shipments to other than OEM's, imports for consumption, and apparent consumption exclusive of OEM's, 1978-80

Year	Producers' domestic shipments to other than OEM's 1/	Imports			Apparent consumption exclusive of OEM's	Ratio (percent) of imports to consumption--		
		From West Germany	From Italy	Total		From West Germany	From Italy	Total
	1,000 units					Percent	Percent	Percent
1978	99,148	***	***	***	***	***	***	***
1979	100,211	***	***	***	***	***	***	***
1980	83,758	***	***	***	***	***	***	***

1/ An approximation based on U.S. producers' estimates of the percentage of tubeless-tire valve shipments accounted for by OEM's.

Source: Compiled from data submitted in repsonse to questionnaires of the U.S. International Trade Commission and from confidential submissions by EHA.

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Prices

Producers and retailers generally agree that tubeless-tire valves of a comparable size are fungible products, and there has been little effort to differentiate the product by appearance or claims of better quality. All valves meet performance standards set by the Society of Automotive Engineers (SAE) and dimension standards set by the Tire and Rim Association, so that valves produced by different manufacturers are interchangeable. The final consumer (the automobile owner) generally has little interest in the brand used. In this market, competition is based primarily on price, with availability also a consideration. As indicated earlier, the tubeless-tire valve market is comprised of the original-equipment manufacturers (OEM) market, which is served exclusively by U.S. producers, and the replacement market (or aftermarket). Price policies, trends, and comparisons in these two markets are described below.

OEM market.--Tubeless-tire valves sold in the OEM market are for use on new vehicle wheels and are sold almost exclusively to the U.S. automobile manufacturers. From 1978 to 1980, this market accounted for between 30 and 40 percent of all tubeless-tire valve sales. Schrader, Bridgeport, and Eaton, the three largest valve producers, supply all of the auto industry's needs. Contracts are negotiated annually between the auto and valve manufacturers; a valve manufacturer winning a contract is awarded a share of the auto producer's purchases for a model year at a set price for each type of valve. Generally, auto manufacturers do not purchase from only one valve manufacturer; Ford and GM, for example, each have contracts with Schrader, Bridgeport, and Eaton. The valves sold in this market are generally unbranded and are usually packaged in quantities ranging from 1,000 to 2,000 to a box. The U.S. auto manufacturers do not buy imported tubeless-tire valves, and have indicated that foreign valve manufacturers have made little or no effort to penetrate this market.

OEM market prices were collected from Schrader, Eaton, and Bridgeport for the TR 413 and TR 418 tubeless-tire valves. However, price data for the TR 418 valve were not sufficient for price comparisons. * * *. Valve manufacturers indicated that auto producers purchase a very high proportion of TR 413 valves for passenger vehicle and light truck wheels, in one case accounting for * * * percent of OEM purchases from one valve manufacturer; TR 418 purchases in this market are very small.

U.S. producers' annual weighted-average delivered prices, net of all discounts and allowances, for the TR 413 valve are presented below. Average prices increased from 10.85 to 11.71 cents (8 percent) per valve from 1979 to 1980. Valve producers' prices to the auto manufacturers were very uniform, * * *.

(Cents per unit)

Year	Schrader	Eaton	Bridgeport
1979	***	***	***
1980	***	***	***

Replacement market.--Price lists published by the valve manufacturers differentiate prices according to volume, packaging (by the number of valves per box), and terms of sale. Domestic producers and the West German producer, EHA, quote prices on a delivered basis. There is generally no price distinction by class of customer. Although some sales are made at list price, industry sources have indicated that transaction prices are usually a function of market forces and may deviate significantly from the list price. One manufacturer indicated that discounting practices vary among geographic regions and customers. Some producers stated that in a soft market small-volume purchasers may obtain a price as favorable as that to large volume purchasers. Some customers based purchasing decisions on comparisons of price quotations from several sources, and others indicated preference for domestic valves regardless of the imported product's price. Large-volume purchasers indicated that they generally buy from a variety of producers, and therefore were willing to tolerate a slightly higher price from a particular source.

Availability was also cited as an important purchasing criterion. Some of the smaller U.S. producers stated that they do not have the capacity to supply the larger distributors in this market and have limited their sales effort to smaller accounts. EHA claims that its longer delivery time puts it at a disadvantage. EHA * * *. Reduced demand in 1980 has led to increased levels of unused capacity and some shifts in the normal supply patterns. In its efforts to confirm allegations of sales lost to imports, the staff found that some sales had in fact been lost by small producers to large producers. This indicates that recent soft market conditions may have encouraged increased competition among all producers for relatively small accounts.

The Commission requested delivered-price and sales volume data for 1979 and 1980, by quarters, for sales of U.S.- and EHA-produced TR 413 and TR 418 type valves to each firm's three largest customers in the replacement market. Price data were obtained from five U.S. manufacturers, accounting for about 95 percent of total U.S. production in 1979 and 1980. Tables 10 and 11 present weighted averages of these prices for the TR 413 and the TR 418 valves, respectively. As indicated previously, * * * Akron, Ezon, and Myers.
* * * * * * *. U.S. producers' and EHA's delivered prices to these importers are shown separately in tables 12 and 13 for the TR 413 and TR 418 valves, respectively. 1/ The domestic producers' sales to these three importers accounted for about * * * percent of their sales to the aftermarket in 1979 and 1980.

Price trends.--Domestic producers' prices for the TR 413 and TR 418 valves increased throughout the period, but a comparison of unit costs with unit prices for all valves from 1979 to 1980 indicates that prices did not keep pace with costs. Units costs increased 7.5 percent from 1979 to 1980, while unit prices increased 7.0 percent. U.S. manufacturers' replacement-market prices were higher than their OEM-market prices for the TR 413 valve. In 1979 the average replacement-market price was 1.61 cents higher than the average OEM price of 10.85 cents. In 1980 it was 1.47 cents higher than the average OEM price of 11.72 cents.

1/ * * *.

Table 10. --Tubeless-tire valves, size TR-413: U.S. producers' and EHA's weighted-average delivered prices to largest customers, replacement market, by quarters, 1979-80

Period	U.S. producers' prices					U.S. producers' weighted-average price	EHA's weighted-average price	Margin of underselling
	Schrader	Eaton	Bridgeport 1/	Nylo-Flex	'31'			
	Cents per unit							Percent
1979								
January-March	***	***	***	***	***	12.19	***	***
April-June	***		***	***	***	12.41	***	***
July-September	***	***	***	***	***	12.55	***	***
October-December	***	***	***	***	***	12.69	***	***
1980								
January-March	***	***	***	***	***	13.10	***	***
April-June	***	***	***	***	***	13.06	***	***
July-September	***	***	***	***	***	13.25	***	***
October-December	***	***	***	***	***	13.36	***	***

1/ * * *.

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

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Table 11.--Tubeless-tire valves, size TR-418: U.S. producers' and EHA's weighted-average delivered prices to largest customers, replacement market, by quarters, 1979-80

Period	U.S. producers' prices					U.S. producers' weighted-average price	EHA's weighted-average price	Margin of underselling
	Schrader	Eaton	Bridgeport 1/	Nylo-Flex	'31'			
	Cents per unit							Percent
1979:								
January-March	***	***	***	***	***	14.37	***	***
April-June	***	***	***	***	***	14.49	***	***
July-September	***	***	***	***	***	14.55	***	***
October-December	***	***	***	***	***	14.59	***	***
1980:								
January-March	***	***	***	***	***	15.50	***	***
April-June	***	***	***	***	***	15.42	***	***
July-September	***	***	***	***	***	15.54	***	***
October-December	***	***	***	***	***	16.00	***	***

1/ * * *.

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

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Table 12.--Tubeless-tire valves, size TR-413: U.S. producers' and EHA's delivered prices to Myers, Ezon, and Akron, by quarters, 1979-80

(Cents per unit)

Period	Delivered prices to Myers by--				Delivered prices to Ezon by--		Delivered prices to Akron by-- 2/
	Schrader	Bridgeport	Eaton	EHA	Schrader 1/	EHA	EHA
1979:							
January-March	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***
1980:							
January-March	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***

1/ * * *.
2/ * * *.

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

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Table 13.—Tubeless-tire valves, size TR-418: U.S. producers' and EHA's delivered prices to Myers, Ezon, and Akron, by quarters, 1979-80

Period	Delivered prices to Myers by--				Delivered prices to Ezon by--		Delivered prices to Akron by--	
	Schrader	Bridgeport	Eaton	EHA	Schrader 1/	EHA	Eaton 2/	EHA
1979:								
January-March	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***
July September	***	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***	***
1980:								
January-March	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***
July September	***	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***	***

1/ * * *.
2/ * * *.

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

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Domestic manufacturers' weighted-average prices to the replacement market for the TR 413 valve increased from 12.19 cents in January-March 1979 to 13.36 cents in October-December 1980, an increase of 1.17 cents per valve (9.6 percent). The greatest quarterly price increase occurred in January-March 1980 (.41 cent or 3.2 percent), primarily as a result of large price increases by * * *. * * *. Price increases were greater in 1979 than in 1980. In 1979 weighted-average prices increased by .50 cent (4.1 percent), while in 1980 the increase was .26 cent (2.0 percent).

Prices of TR 413 valves imported from EHA increased at a faster rate than those of domestic manufacturers during 1979-80, with most of the increase occurring in 1980. The weighted-average price increased * * * cents (* * * percent) from January-March 1979 to October-December 1980. Of this increase, * * * cents (* * * percent of the original price) occurred from January-March to October-December in 1980, * * *.

Domestic prices for the TR 418 valve increased from 14.37 cents in January-March 1979 to 16.00 cents in October-December 1980, an increase of 1.63 cents per valve (11.3 percent). TR 418 price increases in 1979 were relatively small, and most of the increase occurred in 1980. The largest quarterly price increase, .91 cent, or 6.2 percent, was in January-March 1980, and reflected large price increases by all manufacturers except * * *.

Prices of TR 418 valves imported from EHA increased at a slightly faster rate compared with U.S. TR 418 valve prices. From January-March of 1979 to October-December 1980, weighted-average imported valve prices increased by * * * cents (* * * percent). Price increases were similarly greater in 1980: from January-March to October-December 1980, prices increased by * * * cents (* * * percent).

Margins of underselling.--Imported tubeless-tire valves from EHA have been consistently lower priced than domestic valves for both the TR 413 and TR 418 valves. According to data shown in tables 10 and 11, margins of underselling for the TR 413 valve averaged * * * cents (* * * percent) in 1979, but decreased throughout 1980 to * * * cents (* * * percent) in October-December. For the TR 418 valve, margins of underselling averaged * * * cents (* * * percent) in 1979, and increased to a high of * * * cents (* * * percent) in January-March 1980 before dropping to * * * cents (* * * percent) in October-December of that year. The decline in margins of underselling is consistent with the faster rate of imported valve price increases compared with U.S. price increases in 1980. Domestic manufacturers and purchasers have reported that they have seen the gap between domestic and imported prices continue to narrow in 1981. Data in tables 12 and 13 show that EHA's prices to Myers, Ezon, and Akron in 1979-80 have been lower than U.S. producers' prices by * * * cents for the TR 413 and by * * * cents for the TR 418.

Lost Sales

Two domestic producers (* * *) alleged that sales of tubeless-tire valves imported from West Germany had caused them to lose sales to 13 buyers (generally wholesale distributors). The alleged lost sales occurred from 1978 to 1980, and were for sales of 21.1 million valves valued at $2.4 million. Quantities and values of the alleged lost sales, by producers, are as follows:

Period	Firm	Quantity (1,000 units)	Value (dollars)
* * *	* * *	* * *	* * *
* * *	* * *	* * *	* * *

In order to confirm the allegations of lost sales, the Commission staff contacted all 13 buyers. These buyers reported that price was the most important factor in their purchasing decisions, with availability important when delivery time was crucial. According to these buyers, EHA's valve prices were the lowest on the market, although the gap between domestic and EHA's valve prices narrowed in 1980.

Two of * * * seven claims of lost sales, valued at * * * were confirmed as being a result of competition from EHA. One of these lost sales, valued at * * *, occurred in 1979, but the buyer * * *. The second buyer, to whom * * * alleges it lost sales valued at * * *, purchased from both EHA and * * *, but had gradually increased purchases from EHA because of a more favorable price. Four buyers named by * * * had not purchased from EHA. Of these, three decreased or stopped purchases from * * * in favor of valves from * * * U.S. manufacturers, which indicates that * * *. One buyer bought most of its purchases from * * *, but also bought from * * *. Another bought from EHA, but had previously bought from * * *, not * * *.

* * * reported that from 1978 to 1980 it had lost sales valued at * * * to seven buyers (one of which was also named as a lost sale by * * *). Two of * * * claims of lost sales, valued at * * *, were confirmed. Both of these buyers indicated that purchases from EHA were made because of lower price. Both buyers stated that a narrower price differential has recently made U.S. valves more attractive, and they have increased the proportion of valves purchased from U.S. manufacturers.

Of the lost-sales claims which were not confirmed, * * * sales to one of the buyers increased every year from 1978 to 1980, while this buyer's purchases from EHA remained relatively constant over the same period. Another buyer decreased purchases from * * * in 1980, but decreased purchases from EHA by almost eight times as much, indicating that the decline was due more to a soft market than to import competition. Two buyers who purchased from EHA and U.S. manufacturers apparently had not bought valves from * * * at any time. One buyer bought valves for agricultrual-equipment tires rather than for passenger-automobile tires.

APPENDIX A

COMMISSION'S NOTICES CONCERNING INVESTIGATION NO. 731-TA-39

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

Investigation No. 731-TA-39 (Preliminary)

TUBELESS-TIRE VALVES FROM THE FEDERAL REPUBLIC OF GERMANY

Notice of Institution of Preliminary Antidumping Investigation and Scheduling of Conference

AGENCY: United States International Trade Commission

ACTION: Institution of preliminary antidumping investigation to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports from the Federal Republic of Germany of tubeless-tire valves allegedly sold or likely to be sold at less than fair value. For the purposes of this investigation, the term "tubeless-tire valve" means any tubeless-tire valve suitable for use with passenger automobile and light truck wheels, 1/ provided for in item 692.32 of the Tariff Schedules of the United States.

EFFECTIVE DATE: February 24, 1981.

FOR FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator (202-523-0439).

SUPPLEMENTARY INFORMATION:

Background. This investigation is being instituted following receipt of a petition on February 24, 1981, filed by Nylo-Flex Manufacturing Company, Inc., Mobile, Alabama. The petition requested the imposition of additional duties in an amount equal to the amount by which the foreign market value exceeds the United States price of tubeless-tire valves imported from the Federal Republic of Germany.

1/ Light trucks are defined, for purposes of this investigation, as trucks having a gross vehicle weight (GVW) of 10,000 pounds or less.

Authority. Section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) requires the Commission to make a determination of whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is the subject of the investigation by the administering authority. Such a determination must be made within 45 days after the date on which a petition is filed under section 732(b) or on which notice is received from the Department of Commerce of an investigation commenced under section 732(a). Accordingly, the Commission, on March 3, 1981, instituted preliminary antidumping investigation No. 731-TA-39. This investigation will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 F.R. 76457) and particularly, subpart B thereof.

Written submissions. Any person may submit a written statement of information pertinent to the subject matter of this investigation to the Commission on or before March 23, 1981. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data". Confidential submissions must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference. The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 10:00 a.m., e.s.t., on March 17, 1981, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the

conference should contact the supervisory investigator for the investigation, Mr. John MacHatton (202-523-0439). It is anticipated that parties in support of the petition for antidumping duties and parties opposed to such petition will each be collectively allocated one hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: March , 1981

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

Investigation No. 731-TA-39 (Preliminary)

TUBELESS-TIRE VALVES FROM THE FEDERAL REPUBLIC OF GERMANY

AGENCY: United States International Trade Commission.

ACTION: Termination of investigation and cancellation of public conference.

SUMMARY: On March 13, 1981, the Nylo-Flex Manufacturing Co., Mobile, Alabama, notified the U.S. Department of Commerce that it was withdrawing its antidumping petition concerning tubeless-tire valves in accordance with Commerce's recommendation (Commerce found that the petition's treatment of non-confidential summaries was inadequate). Nylo-Flex intends to refile its petition with adjustments requested by Commerce forthwith. Accordingly, the Commission terminates investigation No. 731-TA-39 (Preliminary) pursuant to its authority under section 207.13 of the Commission's Rules of Practice and Procedure and cancels its conference scheduled for March 17, 1981, pending Nylo-Flex's resubmission.

EFFECTIVE DATE: March 13, 1981.

FOR FURTHER INFORMATION CONTACT: Mr. Larry Reavis, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0296.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: March 13, 1981

APPENDIX B

COMMISSION'S NOTICE OF INVESTIGATION AND CONFERENCE FOR INVESTIGATION NO. 731-TA-41

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-41 (Preliminary)

TUBELESS-TIRE VALVES FROM THE FEDERAL REPUBLIC OF GERMANY

Notice of Institution of Preliminary Antidumping Investigation and Scheduling of Conference

AGENCY: United States International Trade Commission

ACTION: Institution of preliminary antidumping investigation to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports from the Federal Republic of Germany of tubeless-tire valves allegedly sold or likely to be sold at less than fair value. For the purposes of this investigation, the term "tubeless-tire valve" means any tubeless-tire valve suitable for use with passenger automobile and light truck wheels, 1/ provided for in item 692.32 of the Tariff Schedules of the United States.

EFFECTIVE DATE: April 9, 1981.

FOR FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator (202-523-0439).

SUPPLEMENTARY INFORMATION:

Background. This investigation is being instituted following receipt of a revised petition on April 9, 1981, from the Nylo-Flex Manufacturing Company, Inc., Mobile, Alabama. Originally filed on February 24, 1981, Nylo-Flex's petition was found by Commerce to be inadequate, and on March 13, 1981, the company withdrew its complaint to make the required adjustments. Accordingly, the U.S. International Trade Commission terminated its investigation (No. 731-TA-39 (Preliminary)) pending the petitioner's resubmission. Notice of the

1/ Light trucks are defined, for purposes of this investigation, as trucks having a gross vehicle weight (GVW) of 10,000 pounds or less.

termination of investigation No. 731-TA-39 (Preliminary) and the cancellation of the public conference therefor was published in the Federal Register of March 18, 1981 (46 F.R. 17312).

Authority. Section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) requires the Commission to make a determination of whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is the subject of the investigation by the administering authority. Such a determination must be made within 45 days after the date on which a petition is filed under section 732(b) or on which notice is received from the Department of Commerce of an investigation commenced under section 732(a). Accordingly, the Commission, on April 9, 1981, instituted preliminary antidumping investigation No. 731-TA-41. This investigation will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 F.R. 76457) and particularly, subpart B thereof.

Written submissions. Any person may submit a written statement of information pertinent to the subject matter of this investigation to the Commission on or before May 6, 1981. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data". Confidential submissions must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference. The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 10:00 a.m., e.s.t., on April 30, 1981, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigation, Mr. John MacHatton (202-523-0439). It is anticipated that parties in support of the petition for antidumping duties and parties opposed to such petition will each be collectively allocated one hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: April 10, 1981

APPENDIX C

COMMERCE'S NOTICE OF INITIATION OF ANTIDUMPING INVESTIGATION

7. A geohydraulic study of the pond must be undertaken prior to any disturbance of the pond's bottom soils in order to avoid any accidental draining of the pond which, of course, would destroy its character as a wetland area.

8. Citizen participation through local groups will be continued as part of the ongoing dynamic planning process already in evidence.

9. The proposed park and recreation facilities, as listed in the master plan to be adopted by the City Council, will be implemented to meet the added recreational requirements of the new population. Specifically, both passive and active recreation areas will be developed parallel to the residential units.

10. Construction of a new athletic statium in the Energy Park area, it is recommended, should proceed or coincide with the razing of Midway Stadium so as to allow for the uninterrupted scheduling of events.

These conditions of EDA's Offer of Grant are based on mitigation measures submitted by the applicant as part of its proposal for funding. Other measures, not specifically mentioned here, may be made a part of EDA's Grant Offer, as required, in order to further insure the quality of the immediate environment. As a result of these findings and in light of the mitigating measures, Edward G. Jeep, Regional Director, has determined that the preparation and review of an EIS is not needed for this project.

The proposed project is to develop an approximately 250-acre site within the City of St. Paul for residential and light industrial usage. The total project, which will involve the participation of the St. Paul Port Authority, EDA, and the Department of Housing and Urban Development (UDAG participation), is the result of a Negotiated Investment Strategy initiated by the Chicago Federal Regional Council (a permanent, ad hoc committee of Federal agencies, currently chaired by Mr. Douglas Kelm, Department of Transportation).

The Notice of a Finding of No Significant Impact (FONSI) has been forwarded to the U.S. Environmental Protection Agency. The basic data developed during the EA are on file and may be reviewed by contacting Mr. Edward G. Jeep, Regional Director (address and phone number given above). The FONSI has been sent to various Federal and state agencies for review. A limited number of copies of the FONSI and EA are available to fill single copy requests.

This notice is being issued to conclude procedural compliance with the National Environmental Policy Act and should not be construed as a commitment on the part of the Economic Development Administration to fund any part of the proposed project. As a vital part of the President's program of economic recovery, the Administration has proposed significant budget recisions which will not make it possible for EDA to participate in this Federally assisted project. Public comments are invited on this FONSI for thirty (30) days from the date of this notice.

Dated: April 21, 1981.

H. W. Williams,

Acting Assistant Secretary for Economic Development.

[FR Doc. 81-12514 Filed 4-24-81; 8:45 am]

BILLING CODE 3510-24-M

International Trade Administration

Tubeless Tire Valves From West Germany; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of antidumping investigation.

SUMMARY: We are initiating an antidumping investigation to determine whether tubeless tire valves from West Germany are being sold in the U.S. at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may preliminarily determine whether these imports are materially injuring or threatening to materially injure a U.S. industry.

EFFECTIVE DATE: April 27, 1981.

FOR FURTHER INFORMATION CONTACT: Paul Thran, Office of Investigations, Import Administration, International Trade Admnistration, U.S. Department of Commerce, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230 (202-377-1766).

Antidumping Investigation

On April 8, 1981, we received a petition from the Nylo-Flex Mfg. Co., Inc., of Mobile, Alabama. Complying with the filing requirements of 19 CFR 353.36 and 353.37, the petition alleges that EHA Ventilfabrik of Muhlheim (Main), West Germany, is selling tubeless tire valves in the United States at less than fair value, and that these imports are materially injuring a U.S. industry.

Sales at less than fair value generally occur when the prices of the merchandise exported to the U.S. are less than the prices of such or similar merchandise sold for consumption in the exporter's home market. Material injury can include actual or potential decline in U.S. output, sales, market share, profits, productivity, and return on investment.

Upon examining this petition, we have found that its information reasonably supports its allegations. Therefore, in accordance with section 732 of the Tariff Act of 1930 as amended (the Act), we are initiating an investigation to determine whether this case contains a reasonable indication of sales at less than fair value within the meaning of section 731 of the Act. If our investigation proceeds normally, we will announce our preliminary determination by September 15, 1981.

Scope of the Investigation

The merchandise we will investigate is tubeless tire valves, currently classified under item 692.3288 of the Tariff Schedules of the United States Annotated. These valves are machined brass stems, molded with rubber, containing a valve core that allows air to pass through in one direction only. the finished product includes a rubber cap. They are primarily used when mounting or replacing tires on automobiles and light trucks. The industry's parts numbers for the five models the petition covers are: TR413, TR415, TR418, TR423, and TR425.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by May 25, 1981 whether there is a reasonable indication that imports of tubeless tire valves from West Germany are materially injuring or likely to materially injure a U.S. industry. If the ITC's determination is negative, this investigation will terminate; otherwise, it will proceed to its conclusion.

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John D. Greewald,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 81-12561 Filed 4-24-81; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX D

STATISTICAL TABLES

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