

BICYCLES FROM TAIWAN

**Determination of the Commission
in Investigation No. 731-TA-111 (Final
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Note.--Information which would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-111 (Final)

BICYCLES FROM TAIWAN

Determination

On the basis of the record 1/ developed in investigation No. 731-TA-111 (Final), the Commission determines, 2/ pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673(b)), that an industry in the United States is not materially injured, is not threatened with material injury, and that the establishment of an industry in the United States is not materially retarded, by reason of imports of bicycles from Taiwan, provided for in items 732.02 through 732.26, inclusive, of the Tariff Schedules of the United States, which have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this final investigation, effective April 29, 1983, following a preliminary determination by the Department of Commerce that imports of bicycles from Taiwan are likely being sold at LTFV. Commerce's preliminary affirmative LTFV determination was published in the Federal Register of April 29, 1983 (48 F.R. 19439).

Notice of the institution of the Commission's investigation and of the public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade

1/ The "record" is defined in section 207.2(i) of the Commission's Rules of Practice and Procedure (19 U.S.C. § 207.2(i)).

2/ Commissioner Seeley Lodwick, who received his oath of office on August 12, 1983, did not participate.

Commission, Washington, D.C., and by publishing the notice in the Federal Register of May 25, 1983 (48 F.R. 23488). The hearing was held in Washington, D.C. on July 26, 1983, and all persons who requested the opportunity were permitted to appear in person or through counsel. The Commission's determination in this investigation was made in an open "Government in the Sunshine" meeting, held on August 17, 1983.

On September 24, 1982, petitions were filed with the Commission and with the U.S. Department of Commerce by counsel for AMF, Wheel Goods Division (now Roadmaster Corp.), Columbia Manufacturing Co., 1/ Huffy Corp., and Murray Ohio Manufacturing Co., individually, and as members of the Bicycle Manufacturers Association of America, Inc., alleging that bicycles from the Republic of Korea (Korea) and Taiwan were being, or were likely to be, sold in the United States at LTFV. Accordingly, on September 27, 1982, the Commission instituted investigations Nos. 731-TA-110 and 731-TA-111 (Preliminary) under section 733(a) of the Tariff Act of 1930 to determine whether there was a reasonable indication that an industry in the United States was materially injured, or was threatened with material injury, or the establishment of an industry in the United States was materially retarded, by reason of imports from Korea or Taiwan of bicycles provided for in TSUS items 732.02 through 732.26.

On November 8, 1982, the Commission notified the Commerce Department of its negative determination with respect to its preliminary investigation on imports of bicycles from Korea and of its affirmative determination with

1/ Columbia Manufacturing Co. has since withdrawn its support for the petition.

respect to its preliminary investigation of imports from Taiwan. Notice of the Commission's preliminary determination was published in the Federal Register on November 17, 1982 (47 F.R. 51818). As a result, Commerce terminated its investigation into alleged LTFV sales of bicycles from Korea and continued its investigation into alleged LTFV sales of bicycles from Taiwan. Commerce's final determination with respect to LTFV imports from Taiwan was published in the Federal Register of July 11, 1983 (48 F.R. 31688).

VIEWS OF THE COMMISSION

We determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of bicycles from Taiwan with respect to which Commerce has made an affirmative finding of sales at less than fair value (LTFV). 1/ 2/

The Domestic Industry

Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 3/ Section 771(10) in turn defines the "like product" as "a product which is like, or in the absence of

1/ The establishment of an industry is not an issue in this case, as there is domestic production of every major category of bicycles that is being imported.

2/ The imports that are the subject of this investigation are bicycles from Taiwan manufactured by the five companies that were specifically included in Commerce's final affirmative finding of sales at less than fair value as well as other Taiwan producers that were not specifically excluded from Commerce's finding. 48 Fed. Reg. 31688 (1983).

Commissioner Stern notes that the weighted average dumping margins for the firms that Commerce found to be dumping were all less than two percent, and in some cases, less than one percent. The weighted average margin on all sales compared was 0.36 percent.

Commissioner Stern summarizes her reasons for her determination as follows: There is no causal nexus between the imports of bicycles from Taiwan sold at LTFV and the injury suffered by the domestic industry during the period under review. Import penetration is less than four percent of demand, and the domestic industry itself is importing some of these bicycles. There are two submarkets for imported and domestic bicycles which limit the competition between the imports and the domestic industry and the effect of those imports on the industry. Also, the record does not establish the existence of price depression or suppression. Moreover, underselling is minimal for delivered purchase prices. Losses to the domestic industry are fully attributable to factors other than imports, specifically a contraction of demand and the restructuring of the industry. All indicators demonstrate that the condition of the industry is improving and that the share of exports directed to the U.S. market by the Taiwan producers subject to Commerce's finding are declining.

3/ 19 U.S.C. § 1677(4)(A).

like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle." 4/

The imports that are the subject of this investigation are bicycles in various sizes and models. Bicycles made in the United States are like the imported bicycles in characteristics and uses. 5/ In this investigation, variations in style, size, weight, color, features, accessories, quality, and the production process 6/ do not provide a sufficient basis on which to find more than one like product. 7/ These variations do not create a product other than a bicycle; nor do they change the basic use of a bicycle. 8/

4/ 19 U.S.C. § 1677(10).

5/ A description of the the major bicycle categories can be found at pages A-5-A-8 of the Report of the Commission on bicycles from Taiwan (adopted Aug. 17, 1983) (hereinafter "Report"). Report A-4, A-12 at Table 4, A-13 at Table 5, app. F.

6/ While certain bicycle models require additional or higher quality components, a better grade of steel for the tubing, special welding and finishing techniques, or more highly skilled labor, all the types of bicycles produced at a given plant are made using the same production methods, the same machinery, and the same workers. Report at A-4.

7/ Congress cautioned that "minor differences in physical characteristics or uses" should not be the basis for a determination that products are not "like" each other. S. Rep. No. 249, 96th Cong., 1st Sess. 90 (1979). In the preliminary investigation, Schwinn Bicycle Co. (Schwinn) and the Taiwan Transportation Vehicle Manufacturers Association (TTVMA) argued that there were several like products and thus several domestic industries. In the final investigation, however, only Schwinn maintains that there is more than one domestic industry.

8/ Bicycles are sold through two channels of distribution: mass merchandisers and independent bicycle dealers (IBD's). Both distribution channels carry all major categories of bicycles, and are supplied by both the domestic producers and the foreign producers subject to Commerce's finding. The two channels compete for certain segments of the bicycle market although it was not possible to quantify the cross-elasticity of demand. Report at A-52; Petitioners' Posthearing Brief at app. A. Contrary to Schwinn's contentions, the different channels of distribution and the different level of service provided by the two channels do not provide a basis for finding more than one like product. In this investigation, these factors do not evidence a distinction between products on the basis of characteristics or uses. The domestic industry is to be defined in terms of the product that it produces, not the distribution channels or marketing techniques that it employs. 19 U.S.C. § 1677(10); S. Rep. No. 249, 96th Cong., 1st Sess. 90 (1979); Frozen French Fried Potatoes From Canada, Inv. No. 731-TA-93 (Preliminary) (1982).

Thus, we determine that the like product is all bicycles, and the domestic industry consists of the U.S producers of bicycles. 9/

Condition of the U.S. Industry

The U.S. producers of bicycles experienced injury during the period under review, especially during 1982. Apparent U.S. consumption dropped nearly 24 percent from 1981 to 1982. 10/ In 1982, U.S. producers' net sales, production, 11/ domestic shipments of U.S.-produced bicycles, employment, 12/ and profitability 13/ dropped significantly. 14/

Several U.S. producers undertook substantial modernization and expansion of facilities from 1979 to 1981. 15/ However, in response to the reduced

9/ The major U.S. producers of bicycles are Huffy Corp., Murray-Ohio Manufacturing Co., Roadmaster Corp., Columbia Manufacturing Co., Schwinn Bicycles Co., Ross Bicycles, Inc. (formerly Chain Bike Corp.), BMX Products, Inc., and Scorpion Cycle, Inc. Report A-8, A-11. Huffy, Murray-Ohio and Roadmaster are the petitioners in this investigation. Schwinn opposes the petition.

10/ Report A-14 at Table 6.

11/ Commissioner Stern notes that the decrease in U.S. production in 1982 was caused in part by the fact that U.S. producers were selling out of inventory in order to reduce inventory levels. Inventory levels declined substantially in 1982. Compare Report A-15 at Table 7, and A-21 at Table 13.

12/ Commissioner Stern notes that the decline in employment in 1982 is partially attributable to the plant consolidations and other measures (e.g., the use of robotics) taken to improve efficiency and productivity. See n. 19, n. 20, and accompanying text, *infra*.

13/ Commissioner Stern notes that profitability of the U.S. industry tracked apparent U.S. consumption, declining from 1981 to 1982. Compare Report A-14 at Table 6 and A-28 at Table 17. However, the unusual and nonrecurring expenses connected with the construction of new facilities and the consolidation and closing of other facilities made profit performance appear worse. Table 17 of the Report shows that the U.S. industry suffered net losses in 1981 and 1982, and incurred substantial operating losses in 1982. When the unusual and nonrecurring expenses are factored out, the data show that profits declined, but that the U.S. industry remained profitable. Calculations made by the Staff Accountant based on data received in questionnaires.

14/ Report A-13, A-14 at Table 6, A-15 at Table 7, A-18 at Table 10, A-22 at Table 14, A-28 at Table 17.

15/ Huffy opened a new plant at Ponca City, Okla. in April 1980. Report at A-16. As the result of plans made in 1980-1981, Schwinn opened a new plant (Footnote continued)

domestic demand for bicycles which became evident in 1982, domestic producers who had expanded their overall capacity began closing down less efficient operations. 16/ The net effect of this restructuring of U.S. manufacturing facilities was that the U.S. industry increased its capacity during 1980-1982 by 13.3 percent. 17/ The expanded capacity of the U.S. industry, coupled with the sudden drop in demand, had a negative impact on U.S. capacity utilization. 18/

No Material Injury By Reason of LTFV Imports From Taiwan

The record fails to establish a causal nexus between the imports under investigation and the injury experienced by the U.S. industry. The record also fails to show that the subject imports aggravated the injury experienced by the domestic industry during the period under review.

Our assessment of the impact of the subject imports on the domestic industry is complicated by the conditions of trade in this industry. This includes the existence of many different product variations 19/ and the different distribution channels. Approximately 90 percent of the subject

(Footnote continued)

in Greenville, Miss. in early 1982 for the production of several lines of lugged-frame, lightweight bicycles. Concurrently, Schwinn opened a manufacturing facility in Waterford, Wis. for the production of its top-of-the-line Paramount bicycle. Report at A-17.

16/ Huffy closed its Ponca City plant in favor of its more efficient operation at Celina, Ohio. Report at A-17. Huffy states that because of significant increases in manufacturing efficiency, including the use of robotics, there will be little overall change in Huffy's capacity. Id. In September 1982 and June 1983, Schwinn closed two of its plants in Chicago, and consolidated some of the component-manufacturing operations from those plants into a third plant in Chicago. Report at A-17. Schwinn also entered into a contract with Murray-Ohio for the production of some Schwinn frames that had been manufactured at the closed plants. Report at A-17.

17/ Report A-16.

18/ See Report A-14 at Table 6, A-16 at Table 9.

19/ Report A-52.

imports are sold in the IBD segment of the market, whereas only 20-25 percent of the domestic bicycles are sold in that market. In addition, approximately 75 percent of the U.S. bicycles are sold through the mass merchandisers, whereas approximately 10 percent of the subject imports are sold in that market. 20/

The market share held by the firms subject to Commerce's finding increased from 1980-1982, but nonetheless remained under 4 percent. 21/ In addition, the share of the market held by the five firms specifically included in Commerce's finding declined in January-April 1983 as compared with the same period of 1982. 22/ During 1980-1982, the share of the market held by the U.S. producers remained essentially stable. 23/ The share of the market held by the two largest U.S. producers increased during this period and in January-April 1983. 24/ 25/

20/ See e.g., Report A-11, A-13, A-50; TTVMA Posthearing Brief at 3.

21/ Report A-49 at Table 33. The volume of U.S. imports from firms subject to Commerce's order increased from 209,000 to 268,000 units during 1980-1982. Report A-49 at Table 33.

22/ Report A-49 at Table 33. Data for the first four months of 1983 were not available for those firms not investigated by Commerce but nonetheless included in Commerce's finding.

23/ The domestic producers' market share declined by only 1.3 percentage points over the 3 years, from 76.1 percent in 1980 to 74.8 percent in 1982. Report A-49 at Table 33.

24/ Memorandum to the Commission from the Director of Investigations, No. Inv. G-144 at 2-3 (Aug. 12 1983).

25/ Part of the increase in market share held by the subject imports was the result of increased imports by Huffy, one of the petitioners. Huffy, along with Schwinn, are among the largest importers of bicycles from Taiwan, and these imports are increasing. Report A-50 at Table 34. One of the firms that Commerce found to be selling at less than fair value was a major source of imports for Huffy in 1982. Report A-50 at Table 34, app. F; Data submitted in response to Commission questionnaires. Commissioner Stern notes that these imports are not a last resort on the part of Huffy to remain in the market. Rather, they represent Huffy's effort to enter the IBD segment of the market, and have resulted in gains in market share for Huffy. Report A-12, A-34 at n. 1; Memorandum to the Commission from the Director of Investigations, No.

(Footnote continued)

The information on the record establishes that the subject imports were not a cause of price depression or suppression. 26/ From 1980 to 1982, the selling prices of the domestic manufacturers increased in all five categories of bicycles examined in the mass-merchandise segment of the market, and increased in two out of the three categories examined in the IBD segment of the market. 27/ In the one category where domestic prices decreased, 27-inch 10-speed bicycles sold to IBD's, prices of the subject imports had increased. 28/ Moreover, the data on domestic selling prices to the IBD's was provided only by Schwinn, which maintains that it is not being injured by the LTFV imports.

Pricing comparisons were made using both purchasers' delivered prices and weighted average selling prices (net f.o.b.). In this investigation, delivered prices provide a better basis for comparison since delivery costs are often a significant factor in a purchaser's sourcing decision. 29/ 30/ 31/ Comparisons of purchase prices were made separately for various metropolitan markets.

(Footnote continued)

INV-G-144 at 3 (Aug. 12, 1983). See also "Huffy Corp. to Report Operating Earnings for Fiscal 4th Quarter," The Wall Street Journal at 48 (Aug. 18, 1983). Huffy's imports in the first four months of 1983 were nearly three times greater than its imports for all of 1982. Report A-48 at Table 32. Clearly, Huffy would not be increasing its imports at such a rapid rate if they were injurious to its domestic operations. See Unlasted Leather Footwear Uppers From India, Inv. No. 701-TA-1, USITC Pub. No. 1045 (Mar. 1980) (the subject imports were not found to cause injury to the industry because the effect of the imports on the U.S. industry was beneficial).

26/ Price comparisons between domestic and imported bicycles are complicated by many different possible product comparisons, different distribution channels, and various off-invoice price adjustments. Report at A-52.

27/ Report A-54-A-56 at Table 38, A-57-A-58 at Table 39.

28/ Report at A-61.

29/ It is important to note that delivered pricing data may reflect significant product differences, despite every effort to make comparisons of similar products. Report A-63 at Tables 40-43 (footnotes not shown).

30/ Although a comparison of weighted average selling prices revealed instances of underselling, nearly half of these instances involved Schwinn, which opposes the petition.

31/ Report A-62 at n. 1.

An examination of purchase prices shows no relationship between prices of the LTFV imports and domestic prices. In the mass-merchandise segment of the market, there was no underselling by the Taiwan firms subject to Commerce's finding in 14 comparisons of sales made in the Los Angeles vicinity. 32/ In addition, four instances of overselling in the Los Angeles area may have involved bicycles produced by firms subject to the final Commerce finding. 33/ Two price comparisons involving mass merchandisers from other cities, one in New York and one in Chicago, showed underselling. However, it was not possible to identify the Taiwan producers as being among those included in Commerce's final affirmative finding. 34/

In the IBD market, only five of 15 price comparisons made for the Los Angeles area showed underselling by bicycles that may have been produced by Taiwan firms subject to the final affirmative finding. It was not possible to identify whether the five instances of underselling involved goods from producers subject to Commerce's finding. 35/ Of 27 comparisons made in the Dallas market, all of the imported bicycles showed overselling. No price comparisons were available from the New York market involving firms included in Commerce's final affirmative finding. 36/

32/ Twelve of the 14 comparisons involved two large-volume categories of bicycles--the 10-speed, 26-inch category and the BMX look-alike category. Report A-62, A-63 at Table 40.

33/ Report A-64.

34/ Report A-64.

35/ Report A-64.

36/ Commissioner Stern notes a further reason why the requisite causal link between the LTFV imports and the injury to the industry is lacking. When the nominal dumping margins found by Commerce are compared to the much larger margins of underselling, it is clear that the dumping practices of the firms found to be selling at prices less than fair value were not a factor in underselling the domestic product. Rather, lower production and labor costs, differences in quality, and an exchange-rate differential estimated at 15 percent between 1981 and 1983 (7/25 Memo to the Commission from Office of Investigations) were responsible for lower import prices.

The data on lost sales also fail to establish a causal connection between the LTFV imports and the injury experienced by the domestic industry during the period under review. Of 13 specific allegations of lost sales, 8 were confirmed. Of those eight, only four instances 37/ involved imports subject to Commerce's finding. Although price was the major factor cited for each of the four lost sales, the quantity of sales involved is not significant. The four sales involved approximately one one-thousandth of apparent U.S. consumption in 1982-1983. 38/

The petitioners argue that the firms from Taiwan excluded from Commerce's finding have lowered their prices to remain competitive with the firms included in Commerce's finding, thereby causing "heightened suppression" of U.S. producers' prices. 39/ The record does not support this contention. The purchase prices of the included imports were substantially higher than the purchase prices of the excluded imports in all but one instance where comparisons were possible. 40/ The selling prices of the included bicycles from Taiwan sold in the mass-merchandise market were also generally higher than those for the excluded bicycles in three of the four categories examined where comparisons were possible. 41/ Although the selling (net f.o.b.) prices of the subject imports sold in the IBD market were lower than those of the

37/ See Report at A-66. The four instances involved three purchasers. See Report at A-66-A-67.

38/ The actual figure might be as high as two one-thousandths of apparent U.S. consumption. The allegations of lost sales covered the ten month period from Sept. 1982-June 1983. Report at A-66. Thus, apparent U.S. consumption had to be prorated for that period for purposes of comparison. See Report A-14 at Table 6.

39/ See Petitioners' Prehearing Brief at 6; Petitioners' Posthearing Brief at 9.

40/ Report A-63 at Tables 40, 41.

41/ Report A-54-A-56 at Table 38.

excluded imports in two of the three categories examined, 42/ the record does not show that the excluded firms lowered their prices in response to price pressure generated by the included firms. The selling prices of the excluded imports increased in two of the three categories of bicycle sales to IBD's examined. In the one category where the prices of the excluded bicycles decreased, the prices of the included imports had increased substantially during the period under review. 43/ Furthermore, the greater fluctuations in the prices of the subject imports did not affect the relatively stable pricing of the excluded imports. 44/ Thus, the record does not show a demonstrable relationship between the price behavior of the included and excluded imports which would result in heightened pressure on U.S. producers' prices caused by the LTFV imports.

In conclusion, the low market penetration of the subject imports, purchase price comparisons, and the increased domestic selling prices support the conclusion that the LTFV imports from Taiwan are not a cause of material injury to the domestic industry.

No Threat of Material Injury By Reason of LTFV Imports From Taiwan 45/

The subject imports pose no real and imminent threat of material injury to the domestic industry. The market share held by the five firms specifically found to be selling at LTFV decreased in early 1983. Total

42/ Report A-57-A-58 at Table 39.

43/ Report A-57-A-58 at Table 39 (single-speed, 20-inch BMX category).

44/ See Report A-57-A-58 at Table 39.

45/ For the economic factors relied upon in this section, economic data are available only for the five Taiwan firms specifically found by Commerce to be selling at LTFV. Economic data are not available for the other firms from Taiwan covered by Commerce's finding. Thus, we must rely on the information contained in the record on the five firms specifically found by Commerce to be selling at LTFV.

production capacity of the firms subject to Commerce's finding is less than 5 percent of the production capacity of the U.S. producers. 46/ Capacity utilization for the five firms declined during 1980-1982, but remained relatively high. 47/

Despite the presence of these LTFV imports, the condition of the U.S. industry has improved. Apparent U.S. consumption of bicycles was 23 percent higher in January-April 1983 than in the corresponding period of 1982. 48/ Tracking this trend, reported U.S. shipments rose 27 percent in January-April 1983 over the first four months of 1982. 49/ U.S. production also increased in early 1983. 50/ Capacity utilization increased during the first part of 1983, and Huffy recently announced plans to recall 800 workers. 51/

The record shows that the Taiwan producers subject to Commerce's finding have been reducing their dependence on the United States market. 52/ Exports to the United States by the five firms found to be selling at less than fair value dropped by 14 percent between 1980 and 1982. Their exports to the United States are expected to remain at approximately the same level in 1983 as they were in 1982. 53/ The share of these companies' exports directed to the United States declined by nearly 20 percent from 1980 to 1982, and is

46/ See Report A-16 at Table 9, A-35 at Table 21.

47/ Report A-39 at Table 25.

48/ Report A-14 at Table 6.

49/ Report A-17, A-18 at Table 10.

50/ Report A-15 at Table 7. Commissioner Stern notes that production would have increased further, but for the fact that the U.S. producers continued to reduce their inventories. See Report A-21 at Table 13. U.S. producers' inventories fell by 41 percent from 1981 to 1982, and fell even more rapidly (54 percent) in Jan.-April 1983 compared with Jan.-April 1982.

51/ Report A-16 at Table 9, A-21 at n. 2; Transcript of the Commission hearing at 116; TTVMA Posthearing Brief at 25.

52/ TTVMA Prehearing Brief at 28; TTVMA Posthearing Brief at 9; Report A-44 at Table 29, A-46 at Table 31.

53/ Report A-44 at Table 29.

projected to drop further in 1983. 54/ Accordingly, these five firms have accounted for a decreasing share of exports from Taiwan to the United States during this period. 55/

Conclusion

Thus, we determine that the imports of bicycles from Taiwan subject to Commerce's final affirmative finding of sales at less than fair value are not a cause of material injury or of a threat of material injury to the U.S. bicycle industry.

54/ Report A-46 at Table 31. In contrast, the firms excluded from Commerce's finding increased the percentage of their exports directed to the United States during 1980-1982. Report A-46 at Table 31.

55/ Report A-45 at Table 30.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On April 29, 1983, the U.S. Department of Commerce published in the Federal Register (48 F.R. 19439) its preliminary determination that there is a reasonable basis to believe or suspect that bicycles from Taiwan are being sold, or are likely to be sold, in the United States at less than fair value (LTFV). 1/ Accordingly, effective April 29, 1983, the U.S. International Trade Commission instituted investigation No. 731-TA-111 (Final) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports from Taiwan of bicycles provided for in items 732.02 through 732.26, inclusive, of the Tariff Schedules of the United States (TSUS) which the Commerce Department has determined are being, or are likely to be, sold in the United States at LTFV within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673).

Notice of the institution of the Commission's final investigation and of the public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission and by publishing the notice in the Federal Register of May 25, 1983 (48 F.R. 23488). 2/ The hearing was held in Washington, D.C., on July 26, 1983. 3/ On July 11, 1983, Commerce published in the Federal Register (48 F.R. 31688) its affirmative final determination with respect to LTFV sales of bicycles from Taiwan. The statutory deadline for reporting the Commission's final injury determination to the Department of Commerce is August 29, 1983. The Commission's briefing and vote on this investigation were held in a public "Government in the Sunshine" meeting on August 17, 1983.

Background

On September 24, 1982, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of AMF, Wheel Goods Division (now Roadmaster Corp.), Columbia Manufacturing Co., 4/ Huffy Corp., and Murray Ohio Manufacturing Co., individually, and as members of the Bicycle Manufacturers Association of America, Inc. The petitions alleged that bicycles from the Republic of Korea (Korea) and Taiwan were being, or were likely to be, sold in the United States at LTFV. Accordingly, on September 27, 1982, the Commission instituted investigations Nos. 731-TA-110 (Preliminary) and 731-TA-111 (Preliminary) under section 733(a) of the Tariff Act of 1930 to determine whether there was a reasonable indication that an industry in the United States was materially injured, or was threatened with material injury, or the establishment of an industry in

1/ Copies of Commerce's preliminary and final determinations, as published in the Federal Register, are presented in app. A.

2/ A copy of the Commission's Federal Register notice is presented in app. B.

3/ A calendar of witnesses who appeared at the public hearing is presented in app. C.

4/ Columbia Manufacturing Co. has since withdrawn its support for the petition. See app. D.

the United States was materially retarded, by reason of imports from Korea or Taiwan of bicycles provided for in TSUS items 732.02 through 732.26. On November 8, 1982, the Commission notified the Commerce Department of its negative determination with respect to its preliminary investigation on imports of bicycles from Korea and of its affirmative determination with respect to its preliminary investigation on imports from Taiwan. As a result, Commerce terminated its investigation on alleged LTFV sales of bicycles from Korea and continued its investigation on alleged LTFV sales of bicycles from Taiwan.

Previous Investigations

The Commission (formerly the U.S. Tariff Commission) has conducted several previous investigations with respect to bicycles. In 1955, in "escape clause" investigation No. 7-37, under section 7 of the Tariff Act of 1930, the Commission determined that bicycles were being imported in such increased quantities as to seriously injure the domestic industry. As a result, the President partially suspended a 1947 tariff concession on articles that caused the injury, thereby raising the tariff level. The import protection remained in effect until 1968.

Three other antidumping investigations relating to bicycles have also been conducted by the Commission. On October 7, 1960, the Commission determined, in investigation No. AA1921-14, that an industry in the United States was being injured and was likely to continue to be injured by reason of the importation of bicycles from Czechoslovakia at LTFV prices. On March 8, 1965, in investigation No. AA1921-44, the Commission determined that there was no injury to a domestic industry by reason of LTFV sales from Hungary. In December 1971, the Commission made a similar determination in investigation No. AA1921-81, with respect to bicycles from West Germany.

Nature and Extent of Sales at LTFV

In order to determine whether sales of bicycles from Taiwan were made in the United States at LTFV, the Department of Commerce compared the foreign-market value with that of home market sales or, where appropriate, with third country sales for 16 Taiwan producers that accounted for 92 percent of all exports of bicycles to the U.S. market during the 6-month period of investigation (Apr. 1, 1982-Sept. 30, 1982). ^{1/} In its preliminary determination, Commerce found either no LTFV sales or de minimis LTFV sales for bicycles produced by 11 of the firms investigated, which were excluded from Commerce's final affirmative LTFV determination.

With respect to the firms found to have sold bicycles to the U.S. market at greater than de minimis, weighted average LTFV margins, Commerce has

^{1/} For four of the firms--Giant Manufacturing Co., Ltd., Kung Hsue She Co., Merida Industry Co., Ltd., and Wheel King Corp.--home-market sales were found sufficient in volume to allow the use of home-market prices in calculating the foreign-market value (fair value) of the merchandise. For the remaining 12 firms, Commerce used third country sales to determine the fair value of the merchandise examined.

Table 1.--Bicycles from Taiwan: Summary of data on U.S. imports from Taiwan used by the Department of Commerce in making its final LTFV determination, Apr. 1, 1982-Sept. 30, 1982

Item	Total U.S. market sales	U.S. market sales compared by Commerce	Ratio of sales compared to total sales	Sales at fair value	LTFV sales	Ratio of LTFV sales to sales compared	Ratio of the weighted average LTFV margin to LTFV sales only	LTFV margins 2/
	1,000 dollars	1,000 dollars	Percent	1,000 dollars	1,000 dollars	Percent	Percent	Percent
Firms having more than de minimis LTFV margins: 3/								
Wheeler Industrial-----	***	***	***	***	***	***	***	***
EE Co-----	***	***	***	***	***	***	***	***
Pacific Cycles-----	***	***	***	***	***	***	***	***
Sheng Fa Industry-----	***	***	***	***	***	***	***	***
Ching Tong Shan-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Firms having less than de minimis LTFV margins: 5/								
Giant Manufacturing-----	***	***	***	***	***	***	***	***
Kung Hsue She-----	***	***	***	***	***	***	***	***
Willing Industry-----	***	***	***	***	***	***	***	***
Fairly Bike-----	***	***	***	***	***	***	***	***
Taiwan Hodaka-----	***	***	***	***	***	***	***	***
Asahi Enterprises-----	***	***	***	***	***	***	***	***
Dodsun Bicycle-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Firms with no LTFV margins: 5/								
Merida Industry-----	***	***	***	***	***	***	***	***
Liyang Co-----	***	***	***	***	***	***	***	***
Wheel King-----	***	***	***	***	***	***	***	***
Sony Cycle-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Total, de minimis or no LTFV margins-----	***	***	***	***	***	***	***	***
Grand total-----	***	***	***	***	***	***	***	***

1/ Calculated by the staff of the U.S. International Trade Commission.

2/ The percentage LTFV margins are based on the U.S. price of the merchandise. On the basis of the fair value of the merchandise, the LTFV margin is somewhat lower.

3/ Firms subject to Commerce's final affirmative LTFV determination.

4/ ***.

5/ Firms excluded from Commerce's final affirmative LTFV determination.

6/ ***.

Source: Compiled from confidential worksheets of the U.S. Department of Commerce, except as noted.

directed the U.S. Customs Service to suspend liquidation of all imports of the subject merchandise entered, or withdrawn from warehouse for consumption, on or after April 29, 1983. Commerce examined 92 percent of all bicycle sales to the United States and found that the foreign-market value exceeded the U.S. price on 11.2 percent of the sales compared. LTFV margins ranged from 0.03 percent to 29.1 percent of the U.S. price of the merchandise, and the weighted-average margin on all sales compared was 0.36 percent. (See table 1 for a summary of all transactions compared by the Commerce Department in making its LTFV determinations.)

Description and Uses

Bicycles are vehicles having two wheels each, that are propelled by riders through a series of pedals, cranks, chains, and chainwheels. All bicycles have frames, seat posts, saddles, handlebar stems, handlebars, forks, wheels (consisting of hubs, spokes, rims, and nipples), pedals, cranks, chains, chainwheels, and brakes. 1/ Typical options include multiple speeds (which require front and rear derailleurs, gear shift levers, and cables), caliper brakes instead of coaster brakes, 3-piece cotterless cranks instead of single-piece cranks, reflectors, fenders, chain guards, grips, and taped handlebars.

Although certain models require additional or higher quality components, a better grade of steel for the tubing, or special care in the welding and finishing operations, all bicycles produced at a given plant generally are produced using the same methods, the same machinery, and the same workers. 2/ The basic material is U.S.-produced steel sheet and strip. The steel strip passes through a highly automated "tube mill," which makes the steel tubing used in the frames, seat posts, forks, handlebar stems, and handlebars. The steel tubes are then cut to appropriate lengths, depending on their functions and on the size of the frames. The process for welding tubes together to form the frame varies from producer to producer. ***.

Most tubing for U.S.-made frames is "straight gage," meaning that it is not reinforced where it joins other parts of the frame. The heat at which most mass-produced frames are automatically seam welded often exceeds 1,400 degrees Centigrade. Welding at such temperatures has a tendency to weaken the steel. However, strength can be added by double butting the tubing (the metal is thicker at both ends of the tube where the maximum stress occurs, yet the outside diameter of the tube is unchanged) and by hand welding at a lower heat (850 degrees Centigrade maximum) in a slower process.

The alternative to seam welding is the labor-intensive process of lugging the frames. Lugs are small metal sleeves which are fitted to the tubes prior to brazing. The lugs act as braces where the tubes fit together. 3/ Only a small portion of U.S.-made bicycles are lugged, yet nearly all imported lightweight bicycles are lugged.

1/ Some racing models do not have brakes.

2/ The machinery and employees used in the production of bicycles are sometimes used in the production of other articles, particularly lawnmowers and exercycles.

3/ Consumer Guide, Bicycle Buyer's Guide 1980, Publications International, Ltd., 1980, p. 15f.

* * * * *

Some producers form spokes and nipples from steel wire and roll and puncture the rims, and then chrome plate the spokes, nipples, and rims. Other producers buy all three wheel components from domestic sources. Wheel assembly is standard throughout the industry. Spokes are laced through the hub and into the rim in a very labor-intensive process. Nipples are attached manually to the end of the spokes passing through the rim. An "automatic-pull-up machine" tightens the spokes, and then screws on the nipples firmly. Both the single U.S. producer of bicycle tires and foreign tire manufacturers supply tires to U.S. bicycle manufacturers, who fit the tires to the wheels. The wheels are then trued in, a function which is critical to the safety of the bicycle.

Each producer has its own standards for painting the frame. Typically, the frame receives a phosphate bath after various small parts have been spot welded to it; it is then dipped in a nonvolatile primer. Coats of paint are applied in an electrostatic process. Manual touchup painting is required to varying degrees, according to the efficiency and quality of the automatic sprayers used and the quality requirements. The frames are then finish baked. The procedure is fairly capital intensive.

Decals are placed on the painted frames manually. ***. The frames then move down an assembly line to receive the rear wheels, chain wheels, sprockets, derailleurs, and chains. The degree of final assembly depends on the manufacturer. To facilitate packing and shipping, some assembly is required at or after the point of sale. Schwinn requires its authorized dealers to assemble the front wheels, pedals, seat posts, saddles, handlebar stems, handlebars, caliper brakes, and reflector packages. Additionally, cables must be strung and adjusted. Typically, it will require a trained dealer (or contractor for a mass merchandiser) 45 minutes to assemble each multispeed bicycle and 30 minutes for a single speed bicycle. Some bicycles sold by mass merchandisers must be assembled by the consumer.

In addition to importing a large portion of their tires, and some of their saddles and reflectors, domestic bicycle manufacturers rely heavily on foreign sources for bicycle chains, brakes, levers, hubs, cogs, multiple freewheel sprockets, and derailleurs; in addition, they are totally dependent on imports for 3-piece cranks.

The principal categories of bicycles are described briefly below.

27-inch 10-speed bicycles.

These are lightweight bicycles, weighing less than 36 pounds, having wheels with a 27-inch diameter, 1-1/4-inch tires, 10 speeds, caliper brakes, and tape-wrapped handlebars. The retail prices range from \$160 to as much as \$3,000, with most of these bicycles being sold through independent bicycle dealers (IBD's). The price usually increases as the weight decreases. Stock models can weigh as little as 21 pounds. Weight reduction can be achieved by using high-grade alloy steel--such as chrome molybdenum (chrome-moly), or seamless manganese-and-molybdenum steel--for tubing, and by lugging the frame. Lugging is particularly important for adding strength to lightweight frames. Although the lugging process adds weight, it makes the use of

lightweight alloy steel feasible, thereby decreasing the net weight of the bicycle. Straight gage, seam-welded frames become less reliable as the weight of the steel decreases. Other than decreasing the weight and lugging the joints, better quality is achieved by doublebutting the tubes, and upgrading components such as derailleurs, hubs, cotterless cranks, chainwheels, brakes, and pedals. The best grades of such components are imported from Japan and Italy. Adults are the prime market for this category of bicycle. Variations of this category are 27-inch, 12- and 15-speed, lightweight bicycles. In 1982, this category accounted for *** percent of the bicycles produced by U.S. firms which responded to the Commission's producers' questionnaires and *** percent of the bicycles imported from Taiwan.

26-inch 10-speed bicycles

These bicycles have wheels 26 inches in diameter and 1-3/8-inch tires. More of these bikes are sold through mass merchandisers than through IBD's. Adults are an important market for this category. Almost all domestically produced models are seam welded; nearly all imports are lugged. In 1982, this category accounted for *** percent of the bicycles produced in the United States by the questionnaire respondents and *** percent of U.S. imports from Taiwan.

Other 10-speed bicycles

The most common bicycles in this category are the lightweight bicycles with 24-inch diameter wheels and 1-3/8-inch tires. These lightweight bicycles are typically ridden by adult females or younger riders. Other features are similar to the 26- and 27-inch, 10-speed lightweights. An emerging type of 10-speed bicycle is the "all-terrain," an adult "dirt bike," with 26-inch diameter wheels, 2-1/8-inch rugged tires, and partially extended handlebars with grips instead of tape. These are lightweight bicycles with components similar to those of BMX models discussed below. The speeds are geared down for steep hills and mountain trails. This entire category accounted for *** percent of the bicycles produced in the United States by the questionnaire respondents in 1982, and *** percent of U.S. imports from Taiwan.

26-inch, 3-speed bicycles

These lightweight bicycles have 3 speeds, 26-inch diameter wheels, 1-3/8-inch tires, taped handle bars, and a choice of caliper brakes or coaster brakes. Most are sold through mass merchants, with the chief consumers being youths, as well as adults over the age of 30. In 1982, these models accounted for *** percent of the bicycles produced in the United States by the questionnaire respondents, and *** percent of the imports from Taiwan.

20-inch BMX bicycles

These models emerged in the early 1970's, as children in California modified their "high risers" to look like the motorcycles used in motocross racing. The sport of bicycle motocross (BMX) racing quickly developed. BMX^{A-6} bicycles have 20-inch diameter wheels with 2-1/8-inch knobby tires, handlebar grips, extended handlebars, and a choice of caliper or coaster brakes.

"Competition" models, designed for use on BMX tracks or for stunting, have certain distinctive features, such as high-tension, carbon-steel or chrome-moly frames, 6-1/2-inch, single-piece cranks, special handlebars with horizontal braces, and 4-1/2-inch hanger drops, which BMX "look-alikes" may not have. Both competition BMX bicycles and BMX look-alikes are sold by mass merchandisers, but IBD's concentrate on the competition models, which range in retail price from \$80 to \$400, while look-alikes are priced from \$48 to \$145. BMX models and BMX look-alikes together accounted for *** percent of the bicycles produced in the United States by the questionnaire respondents in 1982, and *** percent of U.S. imports from Taiwan.

Other single-speed bicycles with 20-inch diameter wheels

The most important type of bicycle in this category is the high-riser. It was introduced in 1963 by Schwinn under the Sting brand name. High-risers have 20-inch-diameter wheels with 1-3/4-inch tires, extended handlebars, handlebar grips, coaster brakes, chain guards, fenders, and elongated saddles raised on adjustable seat braces. High-risers, which generally weigh from 36 to 39 pounds, are designed for children and are sold primarily through mass merchandisers.

The other type of bicycle in this category is a sturdy middleweight (36 to 39 pounds) bicycle designed for children; it features 20-inch diameter wheels with 1-3/4-inch tires. It has coaster brakes, standard handlebars, handlebar grips, chain guards, and fenders. These bicycles are sold principally through mass merchandisers. They can be converted to "cruisers" by substituting 2-1/8-inch (balloon) knobby tires and removing the fenders and chain guards. These single-speed bicycles accounted for *** percent of the 1982 U.S. production by the questionnaire respondents and for *** percent of U.S. imports from Taiwan.

Other bicycles

The most significant type of bicycle not included in the above categories is the single-speed, 26-inch diameter wheel, 1-3/4-inch tire middleweight. These bicycles have single-speeds, coaster brakes, standard handlebars with grips, fenders, and chain guards. The cruiser is a variation popular on the beaches of California, Florida, and other beach resort areas. As described above, it is a middleweight without fenders or chain guards, but it has knobby balloon tires, and is available with either 26-inch or 24-inch wheels; a 5-speed model with caliper brakes is also available.

Other important types of bicycles are (1) 12- and 15-speed lightweights, which are otherwise identical to 27-inch 10 speeds and tend to be high priced; (2) 5-speed lightweights which are similar to 26-inch, 10-speed lightweights, and are available with 26- or 24-inch diameter wheels and 1-3/8-inch tires; (3) 5- and single-speed "all terrain," bicycles which are otherwise identical to the 10-speed all-terrain models; (4) 16-inch wheel middleweights ^{1/} designed for young children and which are otherwise identical to the 20-inch middleweights described above, except that these bicycles may be modified

^{1/} These are also called sidewalk bicycles, because they are not designed to be ridden on highways. The Consumer Product Safety Commission has less stringent standards for sidewalk bicycles.

through cosmetics, fenders, and seat styling to look similar to BMX or high-rise models, and may feature training wheels; and (5) tandem bicycles, which are available in 10-speed, 27-inch by 1-1/4-inch tire models, with taped handlebars, or 5-speed, 26-inch by 1-3/8-inch tire models, with handlebar grips, fenders, and chain guards. Tandems are available almost exclusively through IBD's. This miscellaneous category accounted for *** percent of the bicycles produced in the United States by the questionnaire respondents in 1982, and for *** percent of the 1982 imports from Taiwan.

U.S. Tariff Treatment

Imported bicycles are classified under items 732.02 through 732.26 of the TSUS. Table 2 shows the current rates of duty which apply to imports of bicycles from those countries having most-favored-nation (MFN) status (col. 1); 1/ the future column 1 rates of duty negotiated in the Tokyo round of the Multilateral Trade Negotiations (MTN), which are also currently applicable to the least developed developing countries (LDDC's); 2/ and the rates of duty which apply to imports from countries under Communist domination or control (col. 2). 3/ No imported bicycles are eligible for duty-free treatment under the GSP. 4/ The staged column 1 rate reductions negotiated under the MTN and the base rates, in effect from January 1, 1972, to December 31, 1979, are shown in table 3.

U.S. Producers

Eight firms accounted for virtually all of the domestic shipments of bicycles by U.S. producers in 1982. The firms are currently manufacturing bicycles in a total of 11 facilities located in Ohio, Tennessee, Illinois, Massachusetts, Pennsylvania, Oklahoma, California, Mississippi, and Wisconsin. 5/ There are at least five other small, specialty bicycle

1/ The rates of duty in rate of duty column numbered 1 are 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 Tariff Schedules of the United States Annotated (TSUSA). 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.

2/ 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 LDDC's 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.

3/ 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 TSUSA.

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

5/ In April 1983, Huffy announced that it would close and sell its facility in Oklahoma and would consolidate its operations in Ohio. The Oklahoma plant was closed on July 15, 1983.

Table 2.--Bicycles: U.S. rates of duty, present and negotiated, by TSUS items

(Percent ad valorem; cents each)			
TSUS: item: No. :	Description	: Present : col. 1 rate : of duty 1/	: Negotiated : Col. 2 : col. 1 rate: rate of : of duty 2/: duty 3/
:	Bicycles:	:	:
:	Having both wheels not over 19	:	:
:	inches in diameter:	:	:
732.02:	Valued not over \$6.25 each-----	:15%	: - : 30%
732.04:	Valued over \$6.25 but not over	:69¢	: 45¢ : 30%
:	\$8.33-1/3 each.	:	:
732.06:	Valued over \$8.33-1/3 each-----	:11%	: - : 30%
:	Having both wheels over 19 inches:	:	:
:	but not over 25 inches in	:	:
:	diameter:	:	:
732.08:	Valued not over \$10 each-----	:15%	: - : 30%
732.10:	Valued over \$10 but not over	:105¢	: 60¢ : 30%
:	\$13.33-1/3 each.	:	:
732.12:	Valued over \$13.33-1/3 each-----	:11%	: - : 30%
:	Having both wheels over 25	:	:
:	inches in diameter:	:	:
:	If weighing less than 36	:	:
:	pounds complete without	:	:
:	accessories and not de-	:	:
:	signed for use with tires	:	:
:	having a cross-sectional	:	:
:	diameter exceeding	:	:
:	1.625 inches:	:	:
732.14:	Valued not over \$8.33-1/3	:11%	: - : 30%
:	each.	:	:
732.16:	Valued over \$8.33-1/3 but	:	:
:	not over \$16.66-2/3	:79¢	: 65¢ : 30%
:	each.	:	:
732.18:	Valued over \$16.66-2/3	:5.5%	: - : 30%
:	each.	:	:
:	Other:	:	:
732.21:	Valued not over \$16.66-2/3	:11.1%	: 7.2% : 30%
:	each.	: val.	:
732.24:	Valued over \$16.66-2/3	:11%	: - : 30%
:	each.	:	:
732.26:	Other-----	:15%	: - : 30%
:		:	:

1/ Effective Jan. 1, 1983.

2/ Rate negotiated under the Multilateral Trade Negotiations in Geneva (Tokyo Round). These rates are scheduled to go into effect on Jan. 1, 1987, for imports from MFN countries, but have applied to imports from LDDC's since Jan. 1, 1980. In recent years, however, there have been no imports of bicycles from LDDC's. The column is blank for items 732.02, 732.06, 732.08, 732.12, 732.14, 732.18, 732.24, and 732.26 since their duty rates were not reduced in the Tokyo round.

3/ Rate provided for in the Tariff Act of 1930 and currently applicable to imports from certain Communist-dominated or Communist-controlled countries.

Table 3.--Bicycles: Pre-MTN U.S. rates of duty and staged rate modifications, resulting from concessions granted by the United States during the Tokyo round of the Multilateral Trade Negotiations, by TSUS items, 1980-87

		(Percent ad valorem; cents each)									
TSUS item No.	Pre-MTN : col. 1 : rate of : duty 1/ :	Rates of duty effective with respect to articles entered on and after Jan. 1--									
		1980	1981	1982	1983	1984	1985	1986	1987		
732.04--	93.5¢	87¢	81¢	75¢	69¢	63¢	57¢	51¢	45¢		
732.10--	150¢	138¢	127¢	116¢	105¢	93¢	82¢	71¢	60¢		
732.16--	93¢	89¢	86¢	82¢	79¢	75¢	72¢	68¢	65¢		
732.21--	15%	14%	13.1 %	12.1%	11.1%	10.1%	9.2%	8.2%	7.2%		
1/ Effective Jan. 1, 1972-Dec. 31, 1979.											

manufacturers in California and Wisconsin. In addition, there are over 40 domestic firms that produce custom-made bicycle frames, not including the bicycle producers enumerated above.

Manufacturers responding to the Commission's questionnaires accounted for virtually all of estimated U.S. production in 1982. 1/ The three current petitioning firms accounted for *** percent of U.S. producers' shipments in 1982: Huffy, *** percent; Murray Ohio, *** percent; and Roadmaster, *** percent. The five other respondents were Columbia Manufacturing, which accounted for *** percent of domestic shipments in 1982; Schwinn, 2/ which accounted for *** percent; Ross Bicycles (formerly Chain Bike), which accounted for *** percent; BMX Products, which accounted for an estimated *** percent; and Scorpion, which accounted for *** percent. The remaining five firms, which produced specialty bicycles exclusively, are believed to have accounted for a negligible portion of U.S. production in 1982. Table 4 presents the 1982 production by the eight largest U.S. producers, by categories of bicycles manufactured. The petitioners concentrated their production on the 26-inch, 10-speed and BMX models, whereas Schwinn concentrated its production on the 27-inch, 10-speed and high-risers.

Since 1970, Excelsior Manufacturing Co. (1970), H. P. Synder Manufacturing Co. (1976), and Stebler Cycle Corp. (1977) have stopped manufacturing bicycles. However, a number of companies (at least four) were established during the 1970's to produce BMX bicycles in California. Another operation was also set up in Wisconsin. In addition, Huffy opened a large plant in Ponca City, Okla., in 1980, and after the facility became fully operational, Huffy closed an older, smaller, less efficient facility in California in 1982. 3/ Huffy announced in April 1983 that it would close its new Ponca City plant; the plant closed on July 15, 1983.

Schwinn constructed a new plant in Mississippi in 1980 for the manufacture of high-quality (lugged-frame), lightweight, 27-inch, 10-speed bicycles, opened a small facility in Wisconsin for custom-made bicycles in 1981, and scaled down its Chicago operations for making middleweight models in 1982, ultimately closing two of its four Chicago plants. Schwinn signed an agreement on September 23, 1982, to send certain bicycle frames made in its Chicago facilities and various Schwinn-made or purchased components to Murray Ohio in Lawrenceburg, Tenn., under a 2-year contract whereby Murray Ohio will assemble *** Schwinn models *** from parts supplied or approved by Schwinn. The assembly and finishing process will meet Schwinn's specifications, and all of the bicycles will be sold under the Schwinn label to Schwinn's authorized dealers.

1/ Estimates by the Bicycle Manufacturers Association of producers' shipments presented in Schwinn's March 1982 publication, U.S. Bicycle Market Statistics-1895 to 1981, preliminary conference exhibit 3, are believed to be the most reliable available data on U.S. producers' shipments, because the Commission did not receive a 100-percent response level to its questionnaires.

2/ Schwinn was represented at the conference during the preliminary investigation and at the hearing during the final investigation, and provided testimony in opposition to the petition.

3/ The Value Line Investment Survey, July 30, 1982, p. 784; and "Many Plant Closings Reflect Switch in Strategy as Well as Poor Economy," Wall Street Journal, Oct. 15, 1982, Sec. 2, p. 37.

Table 4.--Bicycles: Principal U.S. producers and their locations and production, by types, 1982

(In thousands of units)

Firm	Principal location	10-speed			26- inch, 3-speed	Single-speed,		All other	Total
		27- inch	26- inch	Other		20-inch BMX	Other		
Huffy-----	Ohio-----	***	***	***	***	***	***	***	***
Murray Ohio--	Tennessee----	***	***	***	***	***	***	***	***
Columbia-----	Massachusetts--	***	***	***	***	***	***	***	***
Schwinn-----	Illinois-----	***	***	***	***	***	***	***	***
Roadmaster----	do-----	***	***	***	***	***	***	***	***
Ross									
Bicycles---	Pennsylvania---	***	***	***	***	***	***	***	***
BMX Products--	California----	***	***	***	***	***	***	***	***
Scorpion-----	do-----	***	***	***	***	***	***	***	***
Total----		***	***	***	***	***	***	***	***

1/ Not available.

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

In 1980, Roadmaster consolidated its operations by relocating a portion of its bicycle production equipment from its Little Rock, Ark., site to its Olney, Ill., operation, where it had manufactured other wheel goods.

U.S. Importers

Approximately 50 firms imported bicycles from Taiwan in 1982; Schwinn, a domestic producer, accounted for *** percent of such U.S. imports in that year. *** Schwinn began importing bicycles in 1972 to supplement its production of 27-inch, 10-speed lightweights when it negotiated a contract with the largest bicycle manufacturer in Japan, Bridgestone Cycle. 1/ ***

Matsushita also makes top-of-the-line, Raleigh brand, 27-inch 10-speeds. Additionally, Raleigh bicycles are also made by several other companies in Taiwan. 2/ In the first half of 1982, Huffy purchased the rights to the trademarks of TI Raleigh Industries, Ltd., for a 10-year period. Huffy created a subsidiary, Raleigh Cycle Corp. of America, to market Raleigh brand bicycles imported from Japan and Taiwan and Rampar brand bicycles, all of which are produced in the United States, through independent authorized Raleigh dealerships.

* * * * *

1/ Transcript of the hearing, p. 121.

2/ The Commission did not receive a questionnaire response from a company^{A-12} believed to be, until recently, a significant importer of bicycles from Taiwan, TI Raleigh Industries, Ltd., because its U.S. subsidiary went out of business in 1982.

Table 5 lists the importers of bicycles from Taiwan which responded to the Commission's questionnaires, *** and their imports of bicycles by types, during 1982.

Table 5.--Bicycles: U.S. imports for consumption from Taiwan, by importing firms and by types, 1982

(In thousands of units)									
Importer	10-speed		26- inch, 3-speed		20-inch single-speed		All other	Total	
	27- inch	26- inch	Other	BMX	Other				
*	*	*	*	*	*	*	*		

Channels of Distribution

Mass merchandisers account for approximately 70 to 75 percent of the bicycles sold in the United States, and IBD's account for the remaining 25 to 30 percent. In general, those bicycles retailing for under \$150 are sold through mass merchandisers, and more expensive bicycles are sold through IBD's. The exception is Schwinn, whose bicycles are marketed exclusively through IBD's. Of the approximately 7,000 IBD's in the United States, about 1,860 are authorized Schwinn dealers, 1/ which also sell other brands of bicycles and account for about 10 percent of total U.S. sales. Except for the Schwinn and Ross lines, almost all IBD sales are competition-type BMX models or imported, lugged-frame, 27-inch, multispeed lightweights. 2/ The three current petitioners sell almost exclusively to mass merchandisers. 3/ Except for competition BMX models and the Schwinn line, almost all juvenile bicycles are sold through mass merchandisers. Most lightweights sold through mass-merchandisers have 26-inch wheels.

Questionnaire responses during the preliminary investigation indicate that 85 percent of bicycles imported from Taiwan in 1981 were sold through IBD's. 4/

Apparent U.S. Consumption

The Commission did not receive full questionnaire responses from all U.S. producers of bicycles during this investigation. Domestic producers' shipments data shown in this section of the report, as stated earlier, were prepared by the Bicycle Manufacturers Association and published by Schwinn. These data are believed to be the most complete and reliable data available in the absence of total response to the questionnaires.

As shown in table 6, apparent U.S. consumption of bicycles declined annually, from 9.0 million units in 1980 to 6.8 million units in 1982, or by 24 percent. During January-April 1983, consumption increased to 2.8 million units from 2.3 million units in the corresponding period of 1982, or by 23 percent.

1/ Transcript of the hearing, p. 125.

2/ According to Schwinn, its unlugged lightweight bicycles are accepted by dealers because of the quality of their parts and workmanship and the strength of their frames, achieved through their flash-welding technique.

3/ ***

4/ ***

Table 6.--Bicycles: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent U.S. consumption, 1971-82, January-April 1982, and January-April 1983

Period	Shipments ^{1/}	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	1,000 units				Percent
1971-----	6,519	2,339	9	8,849	26.4
1972-----	8,751	5,156	10	13,897	37.0
1973-----	10,072	5,155	17	15,210	33.8
1974-----	10,161	3,979	35	14,105	28.2
1975-----	5,607	1,718	30	7,295	23.6
1976-----	6,466	1,668	41	8,093	20.6
1977-----	7,484	1,968	39	9,413	20.9
1978-----	7,492	1,960	73	9,379	20.9
1979-----	9,038	1,867	52	10,853	17.2
1980-----	6,942	2,155	92	9,005	23.9
1981-----	6,832	2,224	91	8,965	24.8
1982-----	5,170	1,726	50	6,846	25.2
January-April--					
1982-----	1,787	488	9	2,266	21.5
1983-----	2,091	717	10	2,798	25.6

^{1/} Estimated by the Bicycle Manufacturers Association of America, Inc.; does not include sidewalk bicycles.

Source: Compiled by the U.S. International Trade Commission from official statistics of the Department of Commerce, except as noted.

Consideration of Alleged Material Injury to an Industry in the United States

U.S. production

All eight principal U.S. manufacturers of bicycles provided the Commission with data on their U.S. production. Production by those firms, which accounted for virtually all of U.S. producers' shipments in 1982, increased from *** units in 1980 to *** units in 1981, or by 1.5 percent. In 1982, bicycle production by those firms declined to *** units, 29.3 percent below production in 1981 and 28.3 percent below production in 1980. ^{1/} During January-April 1983, production increased by 6.8 percent from that in the corresponding period of 1982. Table 7 shows production, by firm, during the period covered by the Commission's questionnaires.

^{1/} Representatives of the Taiwan Transportation Vehicle Manufacturers Association alleged at the Commission hearing that the 1982 production decline was misleading because manufacturers were working off inventories instead of producing during that period. Transcript of the hearing, p. 195.

Table 7.--Bicycles: U.S. production, by firms, 1980-82,
January-April 1982, and January-April 1983

(In thousands of units)						
Firm	1980	1981	1982	January-April--		
				1982	1983	
Huffy-----	***	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***	***
Columbia Manufacturing--	***	***	***	***	***	***
Schwinn-----	***	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***	***
Roadmaster-----	***	***	***	***	***	***
BMX Products-----	***	***	***	***	***	***
Scorpion Cycle-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***

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

Table 8 shows U.S. production, by types of bicycles, as reported by the responding firms. 1/ As shown, production of all types of bicycles declined substantially in 1982, compared with that in 1980.

Table 8.--Bicycles: U.S. production, by types, 1/ 1980-82,
January-April 1982, and January-April 1983

(In thousands of units)						
Item	1980	1981	1982	January-April--		
				1982	1983	
10-speed:						
27-inch wheels-----	***	***	***	***	***	***
26-inch wheels-----	***	***	***	***	***	***
All other-----	***	***	***	***	***	***
3-speed, 26-inch wheels--	***	***	***	***	***	***
Single-speed, 20-inch wheels:						
BMX/motocross-----	***	***	***	***	***	***
All other-----	***	***	***	***	***	***
All other-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***

1/ Does not include Columbia Manufacturing or Ross Bicycles.

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

A-15

1/ Totals on table 8 do not agree with those shown in table 7 because Columbia Manufacturing and Ross Bicycles did not supply data by types of bicycles.

U.S. production capacity and capacity utilization

Total U.S. production capacity for seven U.S. bicycle manufacturers ^{1/} increased from *** units in 1980 to *** units in 1982, or by 13.3 percent. As shown in table 9, capacity utilization by the responding firms fell from *** percent in 1980 to *** percent in 1982, but increased in January-April 1983.

Three firms, Huffy, Schwinn, and Roadmaster, reported significant changes in their bicycle production facilities during the period covered by the Commission's questionnaires. One firm, ***, reported a new plant under construction. ***.

Table 9.--Bicycles: U.S. production capacity and capacity utilization, by firms, ^{1/} 1980-82, January-April 1982, and January-April 1983

Firm	1980	1981	1982	January-April--	
				1982	1983
Capacity (1,000 units)					
Huffy-----	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***
Schwinn-----	***	***	***	***	***
Roadmaster-----	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***
BMX Products-----	***	***	***	***	***
Scorpion Cycle-----	***	***	***	***	***
Total-----	***	***	***	***	***
Capacity utilization (percent) <u>2/</u>					
Huffy-----	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***
Schwinn-----	***	***	***	***	***
Roadmaster-----	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***
BMX Products-----	***	***	***	***	***
Scorpion Cycle-----	***	***	***	***	***
Average-----	***	***	***	***	***

^{1/} Does not include Columbia Manufacturing.

^{2/} The Commission requested capacity data based on 1 shift, 5 days per week. Production data are total bicycle output, and in some instances, reflect multiple-shift operations.

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

Huffy.--In addition to its production facility in Celina, Ohio, Huffy¹⁶ commenced production of bicycles in Ponca City, Okla. in April 1980. In September 1982, Huffy discontinued production at its older, less-efficient

^{1/} Columbia Manufacturing did not supply capacity data.

Azusa, Calif., facility. The closing of the California plant reduced Huffy's capacity by *** units annually. On April 14, 1983, Huffy announced that it would close and sell its factory in Oklahoma and would consolidate its operations in its Celina, Ohio, plant. Huffy's Ponca City plant closed on July 15, 1983. ***.

Schwinn.--Plans were implemented in late 1980 and early 1981 to open a manufacturing facility in Greenville, Miss. 1/ The Greenville facility was ready for operation at the beginning of 1982 and is today manufacturing several lines of lugged-frame, lightweight bicycles. Concurrently, Schwinn completed a manufacturing facility in Waterford, Wis., for the building of its top-of-the-line Paramount bicycle. The Waterford plant currently is also manufacturing top-of-the-line Sting brand name and BMX bicycles. With the addition of these two plants, Schwinn's 1982 capacity was *** units above its 1981 capacity. In September 1982, Schwinn announced plans to close its Chicago bicycle frame fabrication plant No. 4, and to integrate its operations into its existing Chicago bicycle assembly plant No. 1. The integration of these operations was completed at the end of 1982. At the end of June 1983, Schwinn closed its Chicago bicycle assembly plant No. 1, consolidating some of its operations into its Chicago component-manufacturing plant No. 2. As a result of the closing of plant No. 1, Murray Ohio began to produce complete frames for Schwinn, utilizing Schwinn's flash-welding equipment through a lease arrangement.

Roadmaster.--Roadmaster (formerly AMF, Wheel Goods Division) produced bicycles at Little Rock, Ark., until November 1980, when that facility was closed. Production equipment from the Little Rock plant was consolidated with that at AMF's other plant in Olney, Ill., and production of bicycles with the integrated equipment began in January 1981. The closing of the Arkansas plant and the transfer of production temporarily reduced AMF's capacity by *** units annually, to *** units a year. However, when the Olney facility was fully converted in 1982, it reached a practical capacity of *** units per year--***.

U.S. producers' domestic shipments

U.S. producers' domestic shipments of their U.S.-produced bicycles 2/ rose from *** units in 1980 to *** units in 1981, but decreased by 22.0 percent to *** units in 1982. Shipments during January-April 1983 increased by 26.6 percent from shipments in the corresponding 1982 period (table 10).

As shown in table 11, shipments of all types of bicycles were lower in 1982 than in 1980. 3/

1/ On Oct. 29, 1980, the United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW), representing Schwinn's shop employees, struck at Schwinn's Chicago plants, effectively stopping the production of bicycles and exercisers. The strike ended in February 1981 with a 3-year labor agreement. During the strike, Schwinn entered into arrangements with foreign sources to supply increased quantities of Schwinn bicycles. The arrangements were reported to have been made to assure Schwinn dealers of product availability.

2/ BMX Products did not supply shipments data.

3/ Totals shown in table 11 do not agree with those shown in table ^{A-17} 10 because Columbia Manufacturing and Ross Bicycles did not supply shipments data by types of bicycles.

Table 10.--Bicycles: U.S. producers' domestic shipments of their U.S.-produced bicycles, by firms, 1/ 1980-82, January-April 1982, and January-April 1983

Firm	1980	1981	1982	January-April--	
				1982	1983
Quantity (1,000 units)					
Huffy Corp-----	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***
Columbia Manufacturing--	***	***	***	***	***
Schwinn-----	***	***	***	***	***
Roadmaster-----	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***
Scorpion Cycle-----	***	***	***	***	***
Total-----	***	***	***	***	***
Value (1,000 dollars)					
Huffy Corp-----	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***
Columbia Manufacturing--	***	***	***	***	***
Schwinn-----	***	***	***	***	***
Roadmaster-----	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***
Scorpion Cycle-----	***	***	***	***	***
Total-----	***	***	***	***	***
Unit value					
Huffy Corp-----	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***
Columbia Manufacturing--	***	***	***	***	***
Schwinn-----	***	***	***	***	***
Roadmaster-----	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***
Scorpion Cycle-----	***	***	***	***	***
Average-----	***	***	***	***	***

1/ Does not include BMX Products.

2/ ***.

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

Table 11.--Bicycles: U.S. producers' domestic shipments of their U.S.-produced bicycles, 1/ by specified types, 1980-82, January-April 1982, and January-April 1983

Item	1980	1981	1982	January-April--		
				1982	1983	
	Quantity (1,000 units)					
10-Speed:						
27-inch wheels-----	***	***	***	***		***
26-inch wheels-----	***	***	***	***		***
All other-----	***	***	***	***		***
3-speed, 26-inch wheels--	***	***	***	***		***
Single-speed, 20-inch wheels:						
BMX/motocross-----	***	***	***	***		***
All other-----	***	***	***	***		***
All other-----	***	***	***	***		***
Total-----	***	***	***	***		***
	Value (1,000 dollars)					
10-Speed:						
27-inch wheels-----	***	***	***	***		***
26-inch wheels-----	***	***	***	***		***
All other-----	***	***	***	***		***
3-Speed, 26-inch wheels--	***	***	***	***		***
Single-speed, 20-inch wheels:						
BMX/motocross-----	***	***	***	***		***
All other-----	***	***	***	***		***
All other-----	***	***	***	***		***
Total-----	***	***	***	***		***
	Unit value					
10-Speed:						
27-inch wheels-----	***	***	***	***		***
26-inch wheels-----	***	***	***	***		***
All other-----	***	***	***	***		***
3-Speed, 26-inch wheels--	***	***	***	***		***
Single-speed, 20-inch wheels:						
BMX/motocross-----	***	***	***	***		***
All other-----	***	***	***	***		***
All other-----	***	***	***	***		***
Average-----	***	***	***	***		***

1/ Does not include Columbia Manufacturing, Ross Bicycles, or BMX Products.

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

U.S. exports

U.S. exports of domestically produced bicycles declined from 92,000 units in 1980 to 50,000 units in 1982, or by 46 percent. ***. Exports of bicycles in recent years have consisted principally of 20-inch, BMX bicycles. Principal foreign markets for U.S. exports in 1982 were the United Kingdom, Canada, Venezuela, and the Bahamas (table 12).

Table 12.--Bicycles: U.S. exports of domestically produced merchandise, by principal markets, 1980-82, January-April 1982, and January-April 1983

Market	1980	1981	1982	January-April--	
				1982	1983
Quantity (1,000 units)					
United Kingdom-----	20	22	8	3	<u>1</u> /
Canada-----	22	7	6	1	3
Venezuela-----	1	10	5	<u>1</u> /	<u>1</u> /
Bahamas-----	2	4	5	1	1
All other-----	47	48	26	4	6
Total-----	92	91	50	9	10
Value (1,000 dollars)					
United Kingdom-----	1,524	2,027	991	297	4
Canada-----	820	345	369	65	127
Venezuela-----	25	595	289	34	27
Bahamas-----	114	150	237	40	64
All other-----	2,843	2,817	1,804	288	328
Total-----	5,326	5,934	3,690	724	550
Unit value <u>2</u> /					
United Kingdom-----	\$75.29	\$90.42	\$120.80	\$97.26	<u>3</u> / \$18.75
Canada-----	36.70	49.50	60.15	60.42	45.59
Venezuela-----	31.66	60.77	57.53	118.00	59.64
Bahamas-----	60.61	40.34	47.45	72.02	69.64
All other-----	60.49	58.69	69.38	72.00	69.64
Average-----	57.58	65.46	73.39	84.86	56.40

1/ Less than 500 units.

2/ Calculated from unrounded figures.

3/ The sharp drop in unit value is believed to be attributable to a change in product mix.

Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. producers' inventories

Five U.S. producers' provided inventory data to the Commission; their yearend inventories of domestically produced bicycles increased by 54.3 percent between 1980 and 1981, and then declined by 41.0 percent in 1982 to 9.0 percent below the level of December 31, 1980. The ratio of yearend inventories to producers' shipments increased from *** percent in 1980 to *** percent in 1981, and then declined to *** percent in 1982 (table 13). As of April 30, 1982, the five U.S. producers' inventories stood at *** bicycles, or *** percent of their shipments during January-April 1982, but fell sharply to *** bicycles as of April 30, 1983, or *** percent of their shipments during the preceeding 4 months.

Table 13.--Bicycles: 5 U.S. producers' inventories of U.S.-produced bicycles as of Dec. 31 of 1980-82, and as of Apr. 30 of 1982 and 1983

Firm	As of Dec. 31--			As of Apr. 30--	
	1980	1981	1982	1982	1983
Quantity (1,000 units)					
Huffy Corp-----	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***
Schwinn-----	***	***	***	***	***
Roadmaster-----	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***
Total-----	***	***	***	***	***
Ratio of inventories to producers'					
shipments (percent)					
Huffy Corp-----	***	***	***	***	***
Murray Ohio-----	***	***	***	***	***
Schwinn-----	***	***	***	***	***
Roadmaster-----	***	***	***	***	***
Ross Bicycles-----	***	***	***	***	***
Average-----	***	***	***	***	***

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

U.S. employment, productivity, and wages

Total employment for the four U.S. producers ^{1/} that provided employment data to the Commission rose slightly, from *** workers in 1980 to *** workers in 1981, but dropped by 20 percent to *** workers in 1982. Total employment continued to fall in January-April 1983, by 12 percent from the level experienced in the corresponding period of 1982 (table 14). ^{2/}

^{1/} Huffy, Murray Ohio, Schwinn, and Roadmaster.

^{2/} In June 1983, Huffy announced that 800 of its former workers at its Celina, Ohio plant would be called back; transcript of hearing, p. 116.

Table 14.--Average number of employees, total and production and related workers employed in establishments producing bicycles, and hours worked by the latter, 1/ 1980-82, January-April 1982 and January-April 1983

Item	1980	1981	1982	January-April--	
				1982	1983
All persons-----number--	***	***	***	***	***
Production and related workers producing--					
Bicycles-----number--	***	***	***	***	***
All other products <u>2/</u> -----do--	***	***	***	***	***
Total-----do--	***	***	***	***	***
Hours worked by production workers <u>3/</u> producing--					
Bicycles-----1,000 hours--	***	***	***	***	***
All other products <u>2/</u> -----do--	***	***	***	***	***
Total-----do--	***	***	***	***	***
Average number of hours worked per production worker <u>3/</u> producing--					
Bicycles-----hours--	***	***	***	***	***
All other products <u>2/</u> -----do--	***	***	***	***	***
Average-----do--	***	***	***	***	***

1/ Does not include Columbia Manufacturing, Ross Bicycles or BMX Products.

2/ All other products include such articles as lawnmowers and exercisers.

3/ Includes related workers.

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

The number of production and related workers engaged in the manufacture of bicycles declined annually, from *** in 1980 to *** in 1982, or by 24 percent. Employment continued to decline in January-April 1983, falling 13 percent from employment during January-April 1982. Productivity among production and related workers in the production of bicycles in the United States rose slightly between 1980 and 1981, fell off in 1982, and rose substantially in January-April of 1983; this along with the total cost of workers compensation per bicycle produced, is shown in the following tabulation.

	<u>Bicycles produced per worker (Units)</u>	<u>Hourly output of bicycles per worker (Units)</u>	<u>Total compensation of production and related workers per bicycle produced</u>
1980-----	***	***	***
1981-----	***	***	***
1982-----	***	***	***
January-April--			
1982-----	***	***	***
1983-----	***	***	***

Employees at a number of the bicycle plants are represented by unions. Employees at Schwinn's Chicago plants are represented by the UAW, as are employees at Roadmaster's facilities and Huffy's Ohio and California facilities. Workers that are not represented by unions are those employed at Schwinn's Greenville, Miss., and Waterford, Wis., facilities; in addition, Huffy's closed Ponca City, Okla., facility was not unionized. None of Murray Ohio's workers are unionized.

Total annual wages paid to production and related workers that manufactured bicycles rose from *** in 1980 to *** in 1981, but fell by 21 percent, to ***, in 1982 (table 15). Production and related workers' average hourly wages for the production of bicycles increased from *** in 1980 to *** in 1982, and continued to increase in January-April 1983. Fringe benefits paid to production workers increased from *** per hour in 1980 to *** per hour in 1982. Average hourly fringe benefits dropped in January-April 1983 compared with those in January-April of 1982.

Table 15.--Compensation paid to production and related workers in U.S. establishments producing bicycles, 1/ 1980-82, January-April 1982, and January-April 1983

Item	1980	1981	1982	January-April--	
				1982	1983
Wages paid to production and related workers producing--					
Bicycles-----1,000 dollars--	***	***	***	***	***
All other products-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
Average hourly wages paid to production workers <u>2/</u> producing--					
Bicycles-----	***	***	***	***	***
All other products-----	***	***	***	***	***
Total-----	***	***	***	***	***
Fringe benefits paid to production workers <u>2/</u> producing--					
Bicycles-----1,000 dollars--	***	***	***	***	***
All other products-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
Average hourly fringe benefits paid to production workers <u>2/</u> producing--					
Bicycles-----	***	***	***	***	***
All other products-----	***	***	***	***	***
Total-----	***	***	***	***	***
Total employment costs charged to production workers <u>2/</u> producing--					
Bicycles-----1,000 dollars--	***	***	***	***	***
All other products-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***

1/ Does not include Columbia Manufacturing, Ross Bicycles, or BMX Products.

2/ Includes related workers.

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

Financial experience of U.S. producers

Four U.S. firms (Huffy, Murray Ohio, Schwinn, and Roadmaster), accounting for *** percent of the value of total U.S. producers' domestic shipments of bicycles in 1982, supplied usable income-and-loss data relative both to their overall establishment operations and to their operations on bicycles alone. In the aggregate, the four firms reported diminishing sales and profits from both categories of operations during 1980-82.

Overall establishment operations.--The four firms' overall establishment net sales declined irregularly, from *** to *** during 1980-82 (table 16). Net sales rose to *** in January-April 1983, compared with *** for January-April 1982.

In the aggregate, a declining share of the net sales of the establishments in which bicycles are produced is accounted for by bicycles. The share of the four firms' net sales accounted for by bicycles dropped from 63 percent in 1980 to 59 percent in each of the years 1981 and 1982. The share of total net sales accounted for by bicycles fell to 54 percent during January-April 1983, compared with 60 percent for the corresponding period of 1982.

In the aggregate, the four firms' establishment operations sustained an operating loss of ***, or 0.4 percent of net sales, during 1982, compared with operating incomes of ***, or 7.2 percent of net sales, and ***, or 4.0 percent of net sales, in 1980 and 1981, respectively. Operating income was ***, or 3.2 percent of net sales, during January-April 1983, compared with ***, or 4.5 percent of net sales, for the corresponding period of 1982.

Due to the cost of discontinuing certain bicycle and other manufacturing operations, aggregate net income fell at a faster rate than operating income during 1980-83. As a share of net sales, net income before income taxes declined from 4.9 percent of net sales in 1980 to a loss of 6.7 percent of net sales in 1982. The four firms reported a net income of only 0.04 percent of net sales during January-April 1983, compared with a net income of 1.5 percent of net sales for the corresponding period of 1982.

Cash flow generated from U.S. producers' overall establishment operations are also shown in table 16. Cash flow declined annually during 1980-82, from a positive cash flow of *** in 1980 to a negative cash flow of *** in 1982. The four firms posted a positive cash flow of *** during January-April 1983, compared with a cash flow of *** during the corresponding period of 1982.

Manufacturing costs and operating expenses increased at a faster rate than sales revenue during 1980-82. As a share of net sales, cost of goods sold increased from 84.3 percent in 1980 to 88.7 percent in 1982, and from 85.2 percent in January-April 1982 to 88.0 percent during the corresponding period of 1983. General, selling, and administrative expenses increased from 8.5 percent of net sales in 1980 to 11.8 percent in 1982. They fell, however, from 10.3 percent of net sales in January-April 1982 to 8.8 percent of net sales during January-April 1983.

Table 16.--Income-and-loss experience of 4 U.S. producers 1/ on the overall operations of their establishments within which bicycles are produced, accounting years 1980-82, January-April 1982, and January-April 1983

Item	1980	1981	1982	January-April--	
				1982	1983
Net sales-----1,000 dollars--:	***	***	***	***	***
Cost of goods sold-----do-----:	***	***	***	***	***
Gross income-----do-----:	***	***	***	***	***
General, selling, and administrative expenses					
1,000 dollars--:	***	***	***	***	***
Operating income or (loss)					
1,000 dollars--:	***	***	***	***	***
Other (expense)					
1,000 dollars--:	***	***	***	***	***
Net income or (loss) before income taxes					
1,000 dollars--:	***	***	***	***	***
Depreciation and amortization: expense-----1,000 dollars--:	***	***	***	***	***
Cash flow from operations					
1,000 dollars--:	***	***	***	***	***
Ratio to net sales of--					
Gross income-----percent--:	15.7	13.7	11.3	14.8	12.0
Operating income or (loss) percent--:	7.2	4.0	(0.4)	4.5	3.2
Net income or (loss) before income taxes----percent--:	4.9	1.3	(6.7)	1.5	<u>2/</u>
Cost of goods sold----do-----:	84.3	86.3	88.7	85.2	88.0
General, selling, and administrative expenses					
percent--:	8.5	9.7	11.8	10.3	8.8
Number of firms reporting operating losses-----:	***	***	***	***	***
Number of firms reporting net losses-----:	***	***	***	***	***
Ratio of bicycle sales to total establishment sales-----percent--:	***	***	***	***	***

1/ Huffy, Murray Ohio, Schwinn, and Roadmaster.

2/ Less than 0.05 percent.

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

Operations on bicycles.---The four reporting firms' net sales of bicycles declined annually, from *** in 1980 to *** in 1982, or by 16 percent. Net sales totaled *** during January-April 1983, compared with *** for the corresponding period of 1982 (table 17). Operating income declined sharply from ***, or 6.4 percent of net sales, in 1980 to ***, or 0.8 percent of net sales in 1981. In 1982, the four firms sustained an aggregate operating loss of ***, or 1.6 percent of net sales. During interim 1983, they earned an operating income of ***, or 0.2 percent of net sales, compared to an operating income of ***, or 3.1 percent of net sales, for the corresponding period of 1982.

The four firms incurred substantial interest costs and costs from discontinued operations (other income or expense) during the reporting period. As a result, net income margins were substantially lower than operating income margins during the reporting period. In 1980, the four firms posted a net income equal to 4.4 percent of their net sales. In 1981 and 1982, they sustained net losses equal to 1.3 percent and 4.7 percent of net sales, respectively. During interim 1983, the four firms sustained a net loss equal to 5.6 percent of net sales, compared to a net income equal to 0.3 percent of net sales for the corresponding period of 1982.

* * * * * *

The cost of goods sold rose from 84.5 percent of net sales in 1980 to 89.4 percent in 1982. Such costs were equal to 10.5 percent of net sales during January-April 1983, compared with 11.9 percent for the corresponding period of 1982. General, selling, and administrative expenses rose from 9.1 percent of net sales in 1980 to 12.2 percent in 1982, and then declined to 10.5 percent during January-April 1983.

Cash flow generated from U.S. producers' bicycle operations declined annually during 1980-82, from a positive cash flow of *** in 1980 to a negative cash flow of *** in 1982. The four firms reported a negative cash flow of *** during January-April 1983, compared with a positive cash flow of *** for the corresponding period of 1982.

Individual company income-and-loss data relative to the four firms' bicycle operations, presented in table 18, reveal that profits for *** declined substantially during 1980-82. ***.

Value of plant, property, and equipment (investment in productive facilities).---All four of the reporting firms supplied data relative to the net value of their investment in productive facilities for the establishments in which bicycles are manufactured and for the productive facilities used in the manufacture of bicycles. (table 19). The value of the four firms' plant, property and equipment for the establishments in which bicycles are produced, at original cost, declined irregularly, from *** at the end of accounting year 1980 to *** at the end of accounting year 1982; it declined to *** as of April 30, 1983. The book value of such assets declined irregularly, from *** at the end of accounting year 1980 to *** at the end of accounting year 1982. As of April 30, 1983, the book value of such assets was ***.

Table 17.--Income-and-loss experience of 4 U.S. producers 1/ on their bicycle operations, accounting years 1980-82, January-April 1982, and January-April 1983

Item	1980	1981	1982	January-April--	
				1982	1983
Net sales-----1,000 dollars--:	***	***	***	***	***
Cost of goods sold-----do-----:	***	***	***	***	***
Gross income-----do-----:	***	***	***	***	***
General, selling, and administrative expenses					
1,000 dollars--:	***	***	***	***	***
Operating income or (loss)					
1,000 dollars--:	***	***	***	***	***
Other (expense)					
1,000 dollars--:	***	***	***	***	***
Net income or (loss) before income taxes					
1,000 dollars--:	***	***	***	***	***
Depreciation and amortization: expense-----1,000 dollars--:	***	***	***	***	***
Cash flow from operations					
1,000 dollars--:	***	***	***	***	***
Ratio to net sales of--					
Gross income-----percent--:	15.5	10.8	10.6	15.0	10.7
Operating income or (loss) :					
percent--:	6.4	0.8	(1.6)	3.1	0.2
Net income or (loss) before: income taxes-----percent--:	4.4	(1.3)	(4.7)	0.3	(5.6)
Cost of goods sold-----do-----:	84.5	89.2	89.4	85.0	89.3
General, selling, and administrative expenses					
percent--:	9.1	10.0	12.2	11.9	10.5
Number of firms reporting operating losses-----:	***	***	***	***	***
Number of firms reporting net losses-----:	***	***	***	***	***

1/ Huffy, Murray Ohio, Schwinn, and Roadmaster.

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

Table 18.--Income-and-loss experience of 4 U.S. producers ^{1/} on their bicycle operations, by firms, accounting years 1980-82, January-April 1982, and January-April 1983

Item	1980	1981	1982	January-April--	
				1982	1983
Net sales:					
Huffy-----1,000 dollars--:	***	***	***	***	***
Murray Ohio-----do-----:	***	***	***	***	***
Schwinn-----do-----:	***	***	***	***	***
Roadmaster-----do-----:	***	***	***	***	***
Total-----do-----:	***	***	***	***	***
Cost of goods sold:					
Huffy-----1,000 dollars--:	***	***	***	***	***
Murray Ohio-----do-----:	***	***	***	***	***
Schwinn-----do-----:	***	***	***	***	***
Roadmaster-----do-----:	***	***	***	***	***
Total-----do-----:	***	***	***	***	***
Gross income or (loss)					
Huffy-----1,000 dollars--:	***	***	***	***	***
Murray Ohio-----do-----:	***	***	***	***	***
Schwinn-----do-----:	***	***	***	***	***
Roadmaster-----do-----:	***	***	***	***	***
Total-----do-----:	***	***	***	***	***
General, selling, and administrative expenses:					
Huffy-----1,000 dollars--:	***	***	***	***	***
Murray Ohio-----do-----:	***	***	***	***	***
Schwinn-----do-----:	***	***	***	***	***
Roadmaster-----do-----:	***	***	***	***	***
Total-----do-----:	***	***	***	***	***
Operating income or (loss):					
Huffy-----1,000 dollars--:	***	***	***	***	***
Murray Ohio-----do-----:	***	***	***	***	***
Schwinn-----do-----:	***	***	***	***	***
Roadmaster-----do-----:	***	***	***	***	***
Total-----do-----:	***	***	***	***	***
Other (expense):					
Huffy-----1,000 dollars--:	***	***	***	***	***
Murray Ohio-----do-----:	***	***	***	***	***
Schwinn-----do-----:	***	***	***	***	***
Roadmaster-----do-----:	***	***	***	***	***
Total-----do-----:	***	***	***	***	***

See footnote at end of table.

Table 18.--Income-and-loss experience of 4 U.S. producers ^{1/} on their bicycle operations, by firms, accounting years 1980-82, January-April 1982, and January-April 1983--Continued

Item	1980	1981	1982	January-April--	
				1982	1983
Net income or (loss) before income taxes:					
Huffy-----1,000 dollars--	***	***	***	***	***
Murray Ohio-----do-----	***	***	***	***	***
Schwinn-----do-----	***	***	***	***	***
Roadmaster-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
Cash flow from operations:					
Huffy-----1,000 dollars--	***	***	***	***	***
Murray Ohio-----do-----	***	***	***	***	***
Schwinn-----do-----	***	***	***	***	***
Roadmaster-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
Ratio of operating income or (loss) to net sales:					
Huffy-----percent--	***	***	***	***	***
Murray Ohio-----do-----	***	***	***	***	***
Schwinn-----do-----	***	***	***	***	***
Roadmaster-----do-----	***	***	***	***	***
Total-----do-----	6.4	0.8	(1.6)	3.1	0.2
Ratio of net income or (loss) before income taxes to net sales:					
Huffy-----percent--	***	***	***	***	***
Murray Ohio-----do-----	***	***	***	***	***
Schwinn-----do-----	***	***	***	***	***
Roadmaster-----do-----	***	***	***	***	***
Total-----do-----	4.4	(1.3)	(4.7)	(0.3)	(5.6)

^{1/} Huffy, Murray Ohio, Schwinn, and Roadmaster.

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

The value of the four firms' plant, property, and equipment used in the manufacture of bicycles, at original cost, rose from *** at the end of accounting year 1980, to *** at the end of accounting year 1981, but fell to *** by the end of accounting year 1982. This value fell from *** as of April 30, 1982 to *** as of April 30, 1983. The book value of plant, property, and equipment used in bicycle production rose from *** at the end of accounting year 1980 to *** at the end of accounting year 1981, and fell to *** as of the end of accounting year 1982. The book value of such assets declined further to *** as of April 30, 1983, from *** as of the corresponding date of 1982. ***.

Table 19.--Investment in production facilities for 4 U.S. bicycle producers, 1/ of as of the end of accounting years 1980-82, January-April 1982, and January-April 1983

Item	1980	1981	1982	January-April--	
				1982	1983
Establishment operations:					
Original cost					
1,000 dollars--	***	***	***	***	***
Book value-----do----	***	***	***	***	***
Ratio of operating income					
or (loss) to--					
Net sales-----percent--	***	***	***	***	***
Original cost-----do----	***	***	***	***	***
Book value-----do----	***	***	***	***	***
Bicycle operations:					
Original cost					
1,000 dollars--	***	***	***	***	***
Book value-----do----	***	***	***	***	***
Ratio of operating income					
or (loss) to--					
Net sales-----percent--	***	***	***	***	***
Original cost-----do----	***	***	***	***	***
Book value-----do----	***	***	***	***	***

1/ Huffy, Murray Ohio, Schwinn, and Roadmaster.

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

Statements by U.S. producers on the effects of LTFV imports on their financial condition.--U.S. bicycle producers were requested to describe any potential negative effects that imports of bicycles from Taiwan had on their firms' growth, investment, and ability to raise capital. ***.

* * * * *

Capital expenditures.--Capital expenditures for land, buildings, and machinery and equipment used in the manufacture of all products in the establishments within which bicycles are produced and expenditures for such facilities used in the manufacture of bicycles alone are shown in table 20 for 1980-82, January-April 1982, and January-April 1983.

Total establishment capital expenditures declined from *** in 1980 to *** in 1982, or by 32 percent. Such expenditures declined to *** during January-April 1983, compared with *** for the corresponding period of 1982. Capital expenditures for facilities used in the production of bicycles followed the same trend, declining from *** in 1980 to *** in 1982, or by 35 percent; they declined further during January-April 1983 to ***, compared with *** for the corresponding period of 1982.

Research and development expenditures.--Four reporting U.S. bicycle producers submitted usable data relative to their research and development expenditures during accounting years 1980-82, January-April 1982, and January-April 1983. Such expenditures are shown in the following tabulation.

Expenditures
(1,000 dollars)

1980	***
1981-----	***
1982-----	***
January-April--	
1982-----	***
1983-----	***

Table 20.--Capital expenditures for land and land improvement, buildings and leasehold improvement, and machinery and equipment for 4 U.S. bicycle producers, 1/ accounting years 1980-82, January-April 1982, and January-April 1983

(In thousands of dollars)					
Year	Land and land improvements	Building and leasehold improvements	Machinery: and equipment	Total	
Establishment operations:					
1980-----	***	***	***	***	***
1981-----	***	***	***	***	***
1982-----	***	***	***	***	***
January-April--					
1982-----	***	***	***	***	***
1983-----	***	***	***	***	***
Bicycle operations:					
1980-----	***	***	***	***	***
1981-----	***	***	***	***	***
1982-----	***	***	***	***	***
January-April--					
1982-----	***	***	***	***	***
1983-----	***	***	***	***	***

1/ Huffy, Murray Ohio, Schwinn, and Roadmaster.

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

Consideration of Alleged Threat of Material Injury to an Industry
in the United States by LTFV Imports From Taiwan

Taiwan producers

During the bicycle boom of 1972-74, as many as 100 firms in Taiwan were producing and exporting bicycles to the U.S. market. Currently, however, only 28 firms produce bicycles in Taiwan, 16 of which were covered by Commerce's LTFV investigation. ^{1/} In 1980, the 28 firms together produced 2.5 million bicycles, of which 1.8 million, or 73 percent of the total, were produced by the 16 firms covered by Commerce's LTFV investigation. In 1980, the 28 firms exported 2.2 million bicycles, of which 1.8 million, or 80 percent of the total, were exported by the 16 firms covered by Commerce's LTFV investigation. Also in 1980, the 28 firms exported 1.1 million bicycles to the United States, of which 1.0 million, or 96 percent of the total, were exported to the United States by the 16 firms included in Commerce's LTFV investigation. In 1982, total exports to the United States by the 28 Taiwan bicycles producers amounted to 1.1 million units, of which 978,000 units, or 88.5 percent, were accounted for by the 16 Taiwan producers investigated by Commerce. During the 6-month period of Commerce's LTFV investigation (Apr. 1, 1982-Sept 30, 1982), these 16 firms accounted for 92 percent of Taiwan's exports of bicycles to the U.S. market.

The 16 firms that were included in the Department of Commerce's LTFV investigation are listed below. Individual company data on production, capacity, capacity utilization, and exports by these 16 firms are covered in the following sections of this report.

Producer-exporters found to have more than de minimis LTFV margins:

Wheeler Industrial Co., Ltd. (Wheeler Industrial)
EE Co.
Pacific Cycles Co., Inc. (Pacific Cycles)
Sheng Fa Industries Co., Ltd. (Sheng Fa)
Ching Tong Shan Enterprise Co., Ltd. (Ching Tong Shan)

Producer-exporters found to have less than de minimis LTFV margins:

Giant Manufacturing Co., Ltd. (Giant Manufacturing)
Kung Hsue She Co. (Kung Hsue She)
Willing Industry Co., Ltd. (Willing Industry)
Fairly Bike Manufacturing Co., Ltd. (Fairly Bike)
Taiwan Hodaka Industrial Co., Ltd. (Taiwan Hodaka)
Asahi Enterprises Corp. (Asahi Enterprises)
Dodsun Bicycle & Machinery Manufacturers, Inc. (Dodsun Bicycle)

Producer-exporters found to have no sales with LTFV margins:

Merida Industry Co., Ltd. (Merida Industry)
Liyang Co., Ltd. (Liyang Company)
Wheel King Corp. (Wheel King)
Sony Cycle Industry Co., Ltd. (Sony Cycle)

^{1/} Transcript of the preliminary conference, p. 151; and "Taiwan Makers looking to Escape From Dependence on Exports to U.S.," Japan Bicycle Press, Jan. 14, 1981, p. 14.

Taiwan production capacity

Data on bicycle production capacity by the 16 Taiwan manufacturers that were covered by Commerce's LTFV investigation are shown, by firms, in table 21. Overall production capacity by the 16 firms grew from 2.4 million bicycles in 1980 to 2.6 million bicycles in 1982, or by 5 percent. The five firms found to have more than de minimis LTFV margins accounted for 17.8 percent of Taiwan's capacity in 1980 and 19.4 percent in 1982 (table 22). Production capacity by these firms grew by 15 percent during 1980-82, from 431,000 units in 1980 to 496,000 units in 1982. Capacity by the seven firms that Commerce found to have less than de minimis margins grew by only 2 percent from 1980 to 1981 and fell by 2 percent in 1982, representing a net period gain of only 0.4 percent. These seven firms' share of Taiwan's total bicycle-producing capacity dropped from 56.8 percent in 1980 to 54.1 percent in 1982. The four firms found to have no LTFV margins increased their productive capacity by 10 percent from 1980 to 1982. These four firms increased their share of Taiwan's total bicycle producing capacity from 25.4 percent in 1980 to 26.5 percent in 1982.

Chief among Taiwan's bicycle producers is Giant Manufacturing Co., which is 10 years old. With the construction of a new factory in 1980, Giant was able to expand its capacity from *** in 1979 to *** in 1980--*** percent of Taiwan's total capacity in that year. Giant's operations have benefited from technical assistance provided by engineers from Schwinn and its Japanese customers to insure that Giant's bicycles would be built to their specifications. Schwinn's engineers continue to share their technology with their associates at Giant, whose increase in capacity coincided with a strike at Schwinn's Chicago plants that lasted from October 1980 to February 1981. Giant's new plant is intended to make medium-priced, lightweight bicycles that will be focused on the European market; its older plant will continue to produce lower priced bicycles.

The second largest producer of bicycles in Taiwan, in terms of 1982 capacity, Merida Industry, reported ***.

EE Co. had been ranked second only to Giant in 1978, but dropped to fifth place in 1980, with a capacity of *** units. Capacity increased to *** units in 1982, ***; however, it has changed its concentration in the U.S. market from 10-speed models to BMX bicycles marketed under the Raleigh brand. 1/

Taiwan's sixth largest producer in 1982, in terms of capacity, Taiwan Hodaka Industrial Co., Ltd., is a subsidiary of a Japanese producer of high-quality, lightweight bicycles. Taiwan Hodaka was one of the first Taiwan producers to enter the U.S. market. Most exports were of high risers and BMX look alikes, having unit values ranging from *** to *** f.o.b. Taiwan. 2/ ***.

1/ Huffy is believed to have accounted for all U.S. imports of Raleigh bicycles since mid-1982 through its subsidiary, Raleigh Cycle Corp. of America. Prior to this time, U.S. imports of Raleigh bicycles were made exclusively for TI Raleigh Industries.

2/ ***.

Table 21.--Bicycles: Production capacity by 16 Taiwan manufacturers,
by firms and by Commerce LTFV groupings, 1980-83

(In units)				
Item	1980	1981	1982	1983 <u>1/</u>
Firms having more than de minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Subtotal-----	431,000	443,000	496,450	505,000
Firms having less than de minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	<u>2/</u>
Kung Hsue She-----	***	***	***	<u>2/</u>
Willing Industry-----	***	***	***	<u>2/</u>
Fairly Bike-----	***	***	***	<u>2/</u>
Taiwan Hodaka-----	***	***	***	<u>2/</u>
Asahi Enterprises-----	***	***	***	<u>2/</u>
Dodsun Bicycle-----	***	***	***	<u>2/</u>
Subtotal-----	1,378,159	1,405,615	1,383,822	<u>2/</u>
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	<u>2/</u>
Liyang Co-----	***	***	***	<u>2/</u>
Wheel King-----	***	***	***	<u>2/</u>
Sony Cycle-----	***	***	***	<u>2/</u>
Subtotal-----	616,000	668,000	678,000	<u>2/</u>
Total, de minimis or no LTFV margins-----	1,994,159	2,073,615	2,061,822	<u>2/</u>
Grand total-----	2,425,159	2,516,615	2,558,272	<u>2/</u>

1/ Projected by the Taiwan Transportation Vehicle Manufacturers Association in its Aug. 2, 1983, confidential posthearing brief.

2/ Not available.

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association, except as noted.

Table 22.--Bicycles: Percentage distribution of production capacity by 16 Taiwan manufacturers, by firms and by Commerce LTFV groupings, 1980-82

(In percent)				
Item	1980	1981	1982	
Firms having more than de minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Subtotal-----	17.8	17.6	19.4	
Firms having less than de minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	***
Kung Hsue She-----	***	***	***	***
Willing Industry-----	***	***	***	***
Fairly Bike-----	***	***	***	***
Taiwan Hodaka-----	***	***	***	***
Asahi Enterprises-----	***	***	***	***
Dodsun Bicycle-----	***	***	***	***
Subtotal-----	56.8	55.9	54.1	
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	***
Liyang Co-----	***	***	***	***
Wheel King-----	***	***	***	***
Sony Cycle-----	***	***	***	***
Subtotal-----	25.4	26.5	26.5	
Total, de minimis or no LTFV margins-----	82.2	82.4	80.6	
Grand total-----	100.0	100.0	100.0	

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association.

Taiwan production

The production of bicycles by the 16 firms that were covered by Commerce's LTFV investigation rose from 1.8 million units in 1980 to 2.0 million units in 1981, but dropped off to 1.9 million units in 1982, as shown in table 23. The five firms found by the Department of Commerce to be selling bicycles in the United States at more than de minimis LTFV margins produced 373,000 bicycles in 1980, 330,000 units in 1981 (a drop of 11 percent), and 362,000 units in 1982, representing an increase over the 1981 level of 9 percent. These 5 firms together accounted for 20.4 percent of production of the 16 reporting producers in 1980, 16.1 percent in 1981, and 19.5 percent in 1982 (table 24). Production by the seven firms found to have LTFV margins that were less than de minimis rose from 1.0 million units in 1980 (54.2 percent of the total) to 1.2 million units in 1981 (57.9 percent of the total), and fell in 1982 to 1.1 million units, or 60.2 percent of the year's total production by all 16 firms studied.

Table 23.--Bicycles: Production by 16 Taiwan manufacturers, by firms and by Commerce LTFV groupings, 1980-83

(In units)				
Item	1980	1981	1982	1983 <u>1/</u>
Firms having more than de minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Subtotal-----	372,575	330,413	361,563	401,000
Firms having less than de minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	***
Kung Hsue She-----	***	***	***	***
Willing Industry-----	***	***	***	***
Fairly Bike-----	***	***	***	***
Taiwan Hodaka-----	***	***	***	***
Asahi Enterprises-----	***	***	***	***
Dodsun Bicycle-----	***	***	***	***
Subtotal-----	989,065	1,184,482	1,120,337	<u>2/</u>
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	***
Liyang Co-----	***	***	***	***
Wheel King-----	***	***	***	***
Sony Cycle-----	***	***	***	***
Subtotal-----	462,529	532,956	376,959	<u>2/</u>
Total, de minimis or no LTFV margins-----	1,451,594	1,717,438	1,497,296	<u>2/</u>
Grand total-----	1,824,169	2,047,851	1,858,859	<u>2/</u>

1/ Projected by the Taiwan Transportation Vehicle Manufacturers Association in its Aug. 2, 1983, confidential posthearing brief.

2/ Not available.

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association, except as noted.

Table 24.--Bicycles: Percentage distribution of production by 16 Taiwan manufacturers, by firms and by Commerce LTFV groupings, 1980-82

(In percent)			
Item	1980	1981	1982
Firms having more than de minimis LTFV margins:			
Wheeler Industrial-----	***	***	***
EE Co-----	***	***	***
Pacific Cycles-----	***	***	***
Sheng Fa-----	***	***	***
Ching Tong Shan-----	***	***	***
Subtotal-----	20.4	16.1	19.5
Firms having less than de minimis LTFV margins:			
Giant Manufacturing-----	***	***	***
Kung Hsue She-----	***	***	***
Willing Industry-----	***	***	***
Fairly Bike-----	***	***	***
Taiwan Hodaka-----	***	***	***
Asahi Enterprises-----	***	***	***
Dodsun Bicycle-----	***	***	***
Subtotal-----	54.2	57.9	60.2
Firms with no LTFV margins:			
Merida Industry-----	***	***	***
Liyang Co-----	***	***	***
Wheel King-----	***	***	***
Sony Cycle-----	***	***	***
Subtotal-----	25.4	26.0	20.3
Total, de minimis or no LTFV margins-----	79.6	83.9	80.5
Grand total-----	100.0	100.0	100.0

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association.

Production of bicycles by the four firms that made no LTFV sales increased from 463,000 units in 1980 (25.4 percent of production by the 16 firms for which such data are available) to 533,000 units in 1981 (26.0 percent of the 16-firm total), but fell sharply in 1982 to 377,000 units (20.3 percent of the 16-firm total).

Taiwan capacity utilization ratios

The 16 Taiwan producers for which capacity utilization data are available increased their overall capacity utilization from 75.2 percent in 1980 to 81.4 percent in 1981, but registered only a 72.7-percent ratio in 1982 (table 25). For the five producers found to be selling bicycles in the United States at LTFV prices, the ratio fell from 86.4 percent in 1980 to 74.6 percent in 1981.

Table 25.--Bicycles: Capacity utilization of 16 Taiwan manufacturers,
by firms and by Commerce LTFV groupings, 1980-83

(In percent)				
Item	1980	1981	1982	1983 <u>1/</u>
Firms having more than de minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Average-----	86.4	74.6	72.8	79.4
Firms having less than de minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	***
Kung Hsue She-----	***	***	***	***
Willing Industry-----	***	***	***	***
Fairly Bike-----	***	***	***	***
Taiwan Hodaka-----	***	***	***	***
Asahi Enterprises-----	***	***	***	***
Dodsun Bicycle-----	***	***	***	***
Average-----	71.8	84.3	81.0	<u>2/</u>
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	***
Liyang Co-----	***	***	***	***
Wheel King-----	***	***	***	***
Sony Cycle-----	***	***	***	***
Average-----	75.1	79.8	55.6	<u>2/</u>
Average de minimis or no LTFV margins-----	72.8	82.8	72.6	<u>2/</u>
Average, all firms-----	75.2	81.4	72.7	<u>2/</u>

1/ Projected by the Taiwan Transportation Vehicle Manufacturers Association in its Aug. 2, 1983, confidential posthearing brief.

2/ Not available.

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association, except as noted.

and to 72.8 percent in 1982. The seven producers having less than de minimis LTFV margins reported capacity utilization ratios increasing from 71.8 percent in 1980 to 84.3 percent in 1981, and then dropping to 81.0 percent in 1982.

***. The capacity utilization ratio for the four firms found not to be selling at LTFV margins rose from 75.1 percent in 1980 to 79.8 percent in 1981, but dropped sharply to 55.6 percent in 1982.

Taiwan exports to all countries

Exports of bicycles by the 16 Taiwan producers covered by Commerce's LTFV investigation increased from 1.8 million units in 1980 to 2.0 million units in 1981, and fell to 1.7 million units in 1982 (table 26). Exports by the five firms found to be selling bicycles to the United States at LTFV prices dropped by 2 percent, from 335,000 units in 1980 to 330,000 units in 1981, and then rose to 359,000 units in 1982. Such exports accounted for 19.1 percent of the total exports by the 16 firms in 1980, 16.6 percent in 1981, and 21.3 percent in 1982 (table 27). Exports by the seven firms found to be selling at less than de minimis LTFV margins rose by 16 percent, from 977,000 units in 1980 to 1.1 million units in 1981, but fell in 1982 to 983,000 units. Exports by these firms accounted for an increasing share of total exports by the 16 reporting firms, increasing from 55.7 percent of the total in 1980 to 58.4 percent of the total in 1982. Exports by the four firms for which no LTFV margins were found rose by 20 percent, from 442,000 units in 1980 to 532,000 units in 1981, but fell sharply, to 342,000 units in 1982, or by 36 percent below their 1981 level. For most Taiwan producers, exports account for all, or nearly all, of their production, as shown in table 28. Exports by the five producers selling merchandise at more than de minimis LTFV margins rose from 89.9 percent of their production in 1980 to over 99 percent of their production in 1982. For the producers for which Commerce found less than de minimis LTFV margins, exports declined as a share of their production, from 98.8 percent in 1980 to 87.7 percent in 1982. For those producers found not to be selling at LTFV margins, the proportion of their output that was exported dropped from 95.5 percent in 1980 to 90.7 percent in 1982.

Taiwan exports to the United States

Exports of bicycles to the United States by the 16 firms covered by Commerce's LTFV investigation rose by 8.2 percent from 1980 to 1981, from 1.0 million units to 1.1 million units, falling thereafter to 978,000 units, or by 12 percent, in 1982 (table 29). The five firms found to be selling their products to the U.S. market at greater than de minimis margins decreased their exports to the United States irregularly, from 164,000 units in 1980 to 141,000 units in 1982, or by 13.8 percent. These firms' share of Taiwan's exports to the United States declined irregularly from 15.9 percent in 1980 to 14.4 percent in 1982 (table 30). At the same time, for these five firms, the U.S. market also took a declining share of their total exports, declining from 48.8 percent in 1980 to 39.3 percent in 1981 and 1982 (table 31). As the same time, the five firms' exports to the United States decreased from 43.9 percent of their production in 1980, to 39.2 percent in 1981, and to 39.0 percent in 1982.

Table 26.--Bicycles: Exports to all countries by 16 Taiwan manufacturers, by firms and by Commerce LTFV groupings, 1980-83

(In units)				
Item	1980	1981	1982	1983 <u>1/</u>
Firms having more than de				
minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Subtotal-----	335,069	330,001	358,867	401,000
Firms having more than de				
minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	***
Kung Hsue She-----	***	***	***	***
Willing Industry-----	***	***	***	***
Fairly Bike-----	***	***	***	***
Taiwan Hodaka-----	***	***	***	***
Asahi Enterprises-----	***	***	***	***
Dodsun Bicycle-----	***	***	***	***
Subtotal-----	976,755	1,131,444	982,675	<u>2/</u>
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	***
Liyang Co-----	***	***	***	***
Wheel King-----	***	***	***	***
Sony Cycle-----	***	***	***	***
Subtotal-----	441,549	531,767	342,084	<u>2/</u>
Total, de minimis or no				
LTFV margins-----	1,418,304	1,663,211	1,324,759	<u>2/</u>
Grand total-----	1,753,373	1,993,212	1,683,626	<u>2/</u>

1/ Projected by the Taiwan Transportation Vehicle Manufacturers Association in its Aug. 2, 1983, confidential posthearing brief.

2/ Not available.

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association, except as noted.

Table 27.--Bicycles: Percentage distribution of exports to all countries by 16 Taiwan manufacturers, by firms and by Commerce LTFV groupings, 1980-82

(In percent)			
Item	1980	1981	1982
Firms having more than de minimis LTFV margins:			
Wheeler Industrial-----	***	***	***
EE Co-----	***	***	***
Pacific Cycles-----	***	***	***
Sheng Fa-----	***	***	***
Ching Tong Shan-----	***	***	***
Subtotal-----	19.1	16.6	21.3
Firms having less than de minimis LTFV margins:			
Giant Manufacturing-----	***	***	***
Kung Hsue She-----	***	***	***
Willing Industry-----	***	***	***
Fairly Bike-----	***	***	***
Taiwan Hodaka-----	***	***	***
Asahi Enterprises-----	***	***	***
Dodsun Bicycle-----	***	***	***
Subtotal-----	55.7	56.7	58.4
Firms with no LTFV margins:			
Merida Industry-----	***	***	***
Liyang Co-----	***	***	***
Wheel King-----	***	***	***
Sony Cycle-----	***	***	***
Subtotal-----	25.2	26.7	20.3
Total, de minimis or no LTFV margins-----	80.9	83.4	78.7
Grand total-----	100.0	100.0	100.0

Source: Compiled from July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association.

Table 28.--Bicycles: Share of production by 16 Taiwan manufacturers accounted for by their exports to all countries, by firms and by Commerce LTFV groupings, 1980-83

(In percent)				
Item	1980	1981	1982	1983 <u>1/</u>
Firms having more than de minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Average-----	89.9	99.9	99.3	100.00
Firms having less than de minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	<u>2/</u>
Kung Hsue She-----	***	***	***	<u>2/</u>
Willing Industry-----	***	***	***	<u>2/</u>
Fairly Bike-----	***	***	***	<u>2/</u>
Taiwan Hodaka-----	***	***	***	<u>2/</u>
Asahi Enterprises-----	***	***	***	<u>2/</u>
Dodsun Bicycle-----	***	***	***	<u>2/</u>
Average-----	98.8	95.5	87.7	<u>2/</u>
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	<u>2/</u>
Liyang Co-----	***	***	***	<u>2/</u>
Wheel King-----	***	***	***	<u>2/</u>
Sony Cycle-----	***	***	***	<u>2/</u>
Average-----	95.5	99.8	90.7	<u>2/</u>
Average, de minimis or no LTFV margins-----	97.7	96.9	88.5	<u>2/</u>
Average, all firms-----	96.1	97.3	90.6	<u>2/</u>

1/ Projected by the Taiwan Transportation Vehicle Manufacturers Association in its Aug. 2, 1983, confidential posthearing brief.

2/ Not available.

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association, except as noted.

Table 29.--Bicycles: Exports to the United States by 16 Taiwan manufacturers, by firms and by Commerce LTFV groupings, 1980-83

(In units)				
Item	1980	1981	1982	1983 <u>1/</u>
Firms having more than de minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Subtotal-----	163,638	129,551	141,048	142,500
Firms having less than de minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	2/
Kung Hsue She-----	***	***	***	2/
Willing Industry-----	***	***	***	2/
Fairly Bike-----	***	***	***	2/
Taiwan Hodaka-----	***	***	***	2/
Asahi Enterprises-----	***	***	***	2/
Dodson Bicycle-----	***	***	***	2/
Subtotal-----	619,439	766,481	684,885	2/
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	2/
Liyang Co-----	***	***	***	2/
Wheel King-----	***	***	***	2/
Sony Cycle-----	***	***	***	2/
Subtotal-----	245,713	217,401	152,178	2/
Total, de minimis or no LTFV margins-----	865,152	983,882	837,063	2/
Grand total-----	1,028,790	1,113,433	978,111	2/

1/ Projected by the Taiwan Transportation Vehicle Manufacturers Association in its Aug. 2, 1983, confidential posthearing brief.

2/ Not available.

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association, except as noted.

Table 30.--Bicycles: Percentage distribution of the quantity of exports to the United States by 16 Taiwan manufacturers, by firms and by Commerce LTFV groupings, 1980-82

(In percent)			
Item	1980	1981	1982
Firms having more than de minimis LTFV margins:			
Wheeler Industrial-----	***	***	***
EE Co-----	***	***	***
Pacific Cycles-----	***	***	***
Sheng Fa-----	***	***	***
Ching Tong Shan-----	***	***	***
Subtotal-----	15.9	11.6	14.4
Firms having less than de minimis LTFV margins:			
Giant Manufacturing-----	***	***	***
Kung Hsue She-----	***	***	***
Willing Industry-----	***	***	***
Fairly Bike-----	***	***	***
Taiwan Hodaka-----	***	***	***
Asahi Enterprises-----	***	***	***
Dodsun Bicycle-----	***	***	***
Subtotal-----	60.2	68.9	70.0
Firms with no LTFV margins:			
Merida Industry-----	***	***	***
Liyang Co-----	***	***	***
Wheel King-----	***	***	***
Sony Cycle-----	***	***	***
Subtotal-----	23.9	19.5	15.6
Total, de minimis or no LTFV margins-----	84.1	88.4	85.6
Grand total-----	100.0	100.0	100.0

Source: Compiled from July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association.

Table 31.--Bicycles: Share of total exports to all countries by 16 Taiwan manufacturers accounted for by their exports to the United States, by firms and by Commerce LTFV groupings, 1980-83

(In percent)				
Item	1980	1981	1982	1983 <u>1/</u>
Firms having more than de minimis LTFV margins:				
Wheeler Industrial-----	***	***	***	***
EE Co-----	***	***	***	***
Pacific Cycles-----	***	***	***	***
Sheng Fa-----	***	***	***	***
Ching Tong Shan-----	***	***	***	***
Average-----	48.8	39.3	39.3	35.5
Firms having less than de minimis LTFV margins:				
Giant Manufacturing-----	***	***	***	***
Kung Hsue She-----	***	***	***	***
Willing Industry-----	***	***	***	***
Fairly Bike-----	***	***	***	***
Taiwan Hodaka-----	***	***	***	***
Asahi Enterprises-----	***	***	***	***
Dodsun Bicycle-----	***	***	***	***
Average-----	63.4	67.7	69.7	<u>2/</u>
Firms with no LTFV margins:				
Merida Industry-----	***	***	***	***
Liyang Co-----	***	***	***	***
Wheel King-----	***	***	***	***
Sony Cycle-----	***	***	***	***
Average-----	55.6	40.9	44.5	<u>2/</u>
Average, de minimis or no LTFV margins-----	61.0	59.2	63.2	<u>2/</u>
Average, all firms-----	58.7	55.9	58.1	<u>2/</u>

1/ Projected by the Taiwan Transportation Vehicle Manufacturers Association in its Aug. 2, 1983, confidential posthearing brief.

2/ Not available.

Source: Compiled from the July 21, 1983, confidential submission by counsel on behalf of the Taiwan Transportation Vehicle Manufacturers Association, except as noted.

Exports to the United States market by the seven firms that were found to be selling bicycles for less than de minimis LTFV margins increased from 619,000 units in 1980 to 766,000 in 1981, or by 24 percent, but then dropped to 685,000 bicycles in 1982, representing a decrease of 11 percent from the 1981 level. However, exports to the United States in 1982 were still 11 percent above the 1980 figure. The share of exports to the United States accounted for by these seven firms increased annually, from 60.2 percent in 1980 to 70.0 percent in 1982, as the U.S. market claimed an increasing proportion of the seven firms' total exports to all markets. In 1980, exports by the seven firms to the United States accounted for 63.4 percent of their total exports to all markets, and in 1982, the corresponding ratio had risen to 69.7 percent.

Exports to the U.S. market by the four firms found to have no LTFV sales fell each year, from 246,000 units in 1980 to 152,000 units in 1982, or by 38 percent. Such exports declined as a share of exports to the U.S. market by the 16 firms for which separate data are available, from 23.9 percent of the total in 1980 to 15.6 percent of the total in 1982. These firms sharply reduced their dependence on the U.S. market between 1980 and 1981, but then increased the proportion of their total exports in 1982 that was accounted for by their exports to the U.S. market. In 1980, exports to the U.S. market accounted for 55.6 percent of the four firms' total exports; the corresponding ratios for 1981 and 1982 were 40.9 and 44.5 percent, respectively.

Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports

U.S. imports for consumption

U.S. imports of bicycles declined from 2.2 million units in 1980 and 1981 to 1.7 million units in 1982, or by 22 percent (table 32). Imports increased from 488,000 units during January-April 1982 to 717,000 units in January-April 1983. Principal sources of U.S. imports during the period were Taiwan, Japan, France, and the Republic of Korea (Korea) (table 32).

As shown in table 32, imports of bicycles from Taiwan increased from 1.1 million units in 1980 to 1.2 million units in 1981, and then fell back to 1.1 million units, or by 7 percent, in 1982, or 3 percent above the 1980 level. During January-April 1983, imports from Taiwan increased to 455,000 units, or by 63 percent from imports of 280,000 units during January-April 1982. These imports from Taiwan accounted for an increasing share of total U.S. imports from all sources, rising from 49.8 percent of the total in 1980 to 64.0 percent of the total in 1982. A further increase occurred in January-April 1983, to 63.4 percent from the 57.5-percent level experienced in the corresponding period of 1982.

Market penetration by U.S. imports

U.S. imports of bicycles from all sources increased their share of apparent U.S. consumption from 23.9 percent in 1980 to 25.2 percent in 1982, increasing further from 21.5 percent in January-April 1982 to 25.6 percent during the corresponding period of 1983 (table 33). Imports from Taiwan increased as a share of total U.S. imports and of U.S. consumption throughout the period, from 49.8 percent of total U.S. imports and 11.9 percent of

Table 32.--Bicycles: U.S. imports for consumption, by principal sources, 1980-82, January-April 1982, and January-April 1983

Source	1980	1981	1982	January-April--	
				1982	1983
Quantity (1,000 units)					
Taiwan-----	1,074	1,193	1,105	280	455
Japan-----	620	661	341	114	174
Republic of Korea-----	123	131	113	47	28
France-----	77	62	74	29	26
Poland-----	161	111	40	1	3
China-----	1/	2	22	3	7
Italy-----	3	14	10	4	14
All other-----	97	50	21	10	10
Total-----	2,155	2,224	1,726	488	717
Value (1,000 dollars)					
Taiwan-----	58,239	73,405	61,897	17,542	26,235
Japan-----	59,581	81,430	38,437	14,342	17,931
Republic of Korea-----	5,609	7,483	6,090	2,572	1,512
France-----	11,076	10,860	9,657	3,902	2,803
Poland-----	4,289	3,336	1,227	54	85
China-----	22	148	1,831	287	531
Italy-----	657	1,353	2,081	844	797
All other-----	11,204	6,617	2,065	611	1,063
Total-----	150,677	184,632	123,285	40,154	50,957
Unit value 2/					
Taiwan-----	\$54.22	\$61.55	\$56.01	\$62.63	\$57.71
Japan-----	96.08	123.17	112.75	125.51	103.17
Republic of Korea-----	45.61	56.93	53.83	54.86	53.67
France-----	144.43	174.50	131.22	136.08	109.91
Poland-----	26.57	30.40	30.68	40.45	30.14
China-----	58.61	62.58	81.93	91.01	77.60
Italy-----	206.35	100.10	215.52	226.01	58.17
All other-----	115.73	129.46	90.60	61.10	106.30
Average-----	69.92	83.01	71.43	82.22	71.03
Percent of total quantity					
Taiwan-----	49.8	53.7	64.0	57.5	63.4
Japan-----	28.8	29.7	19.8	23.4	24.3
Republic of Korea-----	5.7	5.9	6.5	9.6	3.9
France-----	3.6	2.8	4.3	5.9	3.6
Poland-----	7.5	5.0	2.3	.2	.4
China-----	3/	.1	1.3	.6	1.0
Italy-----	.1	.6	.6	.8	2.0
All other-----	4.5	2.2	2.2	2.0	1.4
Total-----	100.0	100.0	100.0	100.0	100.0

1/ Less than 500 units.

2/ Based on unrounded figures.

3/ Less than 0.05 percent.

Table 33.--Bicycles: U.S. imports, total and from Taiwan, 1980-82, January-April 1982, and January-April 1983

Source	1980	1981	1982	January-April--	
				1982	1983
	Quantity (1,000 units)				
Taiwan:					
Firms investigated by Commerce: <u>1/</u>					
Firms having more than de minimis LTFV margins-----	164	130	141	<u>2/</u> 47	<u>2/3/</u> 48
Firms having less than de minimis LTFV margins-----	619	766	685	<u>4/</u>	<u>4/</u>
Firms having no LTFV margins-----	246	217	152	<u>4/</u>	<u>4/</u>
Subtotal, all firms investigated----	1,029	1,113	978	<u>4/</u>	<u>4/</u>
All other Taiwan firms-----	45	80	127	<u>4/</u>	<u>4/</u>
Total, all Taiwan suppliers-----	1,074	1,193	1,105	280	455
All other countries-----	1,081	1,031	621	208	262
Grand total-----	2,155	2,224	1,726	488	717
	Percent of total				
Taiwan:					
Firms investigated by Commerce: <u>1/</u>					
Firms having more than de minimis LTFV margins-----	7.6	5.8	8.2	<u>2/</u> 9.6	<u>2/3/</u> 6.7
Firms having less than de minimis LTFV margins-----	28.7	34.4	39.7	<u>4/</u>	<u>4/</u>
Firms having no LTFV margins-----	11.4	9.8	8.8	<u>4/</u>	<u>4/</u>
Average, all firms investigated----	47.7	50.0	56.7	<u>4/</u>	<u>4/</u>
All other Taiwan firms-----	2.1	3.6	7.3	<u>4/</u>	<u>4/</u>
Subtotal, all Taiwan suppliers-----	49.8	53.6	64.0	57.4	63.5
All other countries-----	50.2	46.4	36.0	42.6	36.5
Average-----	100.0	100.0	100.0	100.0	100.0
	Ratio of imports to apparent U.S. consumption (percent)				
Taiwan:					
Firms investigated by Commerce: <u>1/</u>					
Firms having more than de minimis LTFV margins-----	1.8	1.5	2.1	<u>2/</u> 2.1	<u>2/3/</u> 1.7
Firms having less than de minimis LTFV margins-----	6.9	8.5	10.0	<u>4/</u>	<u>4/</u>
Firms having no LTFV margins-----	2.7	2.4	2.2	<u>4/</u>	<u>4/</u>
Average, all firms investigated----	11.4	12.4	14.3	<u>4/</u>	<u>4/</u>
All other Taiwan firms-----	0.5	0.9	1.8	<u>4/</u>	<u>4/</u>
Average, all Taiwan suppliers-----	11.9	13.3	16.1	12.3	16.3
All other countries-----	12.0	11.5	9.1	9.2	9.3
Average-----	23.9	24.8	25.2	21.5	25.6

1/ Based on export data supplied by the Taiwan Transportation Vehicle Manufacturers Association.

2/ Estimated by the staff of the U.S. International Trade Commission.

3/ Based on projections of the Taiwan Transportation Vehicle Manufacturers Association.

4/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

apparent U.S. consumption in 1980 to 64.0 percent of U.S. imports and 16.1 percent of apparent U.S. consumption in 1982. Such imports continued their rise in January-April 1983 compared with those in January-April 1982. Imports from Taiwan as a share of total imports grew from 57.4 percent in January-April 1982 to 63.5 percent in the corresponding period of 1983. Likewise, Taiwan's share of apparent U.S. consumption grew from 12.3 percent in January-April 1982 to 16.3 percent in January-April 1983.

Imports from the five Taiwan exporters found to have more than de minimis LTFV margins fell from 7.6 percent of total U.S. imports in 1980 to 5.8 percent in 1981 but rose to 8.2 percent of total U.S. imports in 1982. ^{1/} For the seven Taiwan exporters found to have less than de minimis LTFV margins, their share of total imports from all sources grew from 28.7 percent in 1980 to 39.7 percent in 1982. Only those four Taiwan firms found to have no LTFV sales experienced a reduced share of total U.S. imports; from 11.4 percent of total U.S. imports in 1980 to 8.8 percent of total imports in 1982.

Imports from the five Taiwan exporters found to have more than de minimis LTFV margins reduced their share of apparent U.S. consumption from 1.8 percent in 1980 to 1.5 percent in 1981; they increased their share to 2.1 percent in 1982, however. The seven Taiwan exporters found to have less than de minimis LTFV margins captured an increasing share of the U.S. market, from 6.9 percent of apparent U.S. consumption in 1980 to 8.5 percent in 1981, and 10.0 percent in 1982. The ratios of imports to apparent U.S. consumption for the four Taiwan exporters that sold no LTFV merchandise dropped from 2.7 percent in 1980 to 2.4 percent in 1981, and 2.2 percent in 1982.

Imports by respondents to the Commission questionnaires

U.S. imports of bicycles from Taiwan by importers that responded to the Commission's questionnaires ^{2/} increased irregularly from *** units in 1980 to *** units in 1982, or by 28 percent (table 34). Imports by those firms in January-April 1983 totaled *** units, representing an increase of 68 percent from those in January-April 1982. Although many of the firms increased their imports during the 1983 period, the bulk of the increase was the result of increases by ***.

Table 34.--Bicycles: U.S. imports from Taiwan, by firms,
1980-82, January-April 1982, and January-April 1983

* * * * * *

Between 1980 and 1982, the average unit value of bicycles imported from Taiwan by the questionnaire respondents increased by 10 percent. During January-April 1983, unit values of imports dropped by an average of 8 percent from the average unit value of imports during January-April 1982.

^{1/} Of the five firms found to have LTFV sales, all but Sheng Fa which represents only *** percent of the exports by those five firms, sell predominately to the dealer market. Posthearing brief on behalf of the Taiwan Transportation Vehicle Manufacturers Association p. 3.

^{2/} Firms that responded to the Commission's questionnaires accounted for 54 percent of total U.S. imports from Taiwan in 1980, and 67 percent in 1981 and 1982.

Imports by types of bicycles

Data obtained from importers by questionnaires show that 27-inch, 10-speed bicycles and 20-inch, BMX models have accounted for the bulk of the imports since 1980. The share of total imports accounted for by the other types of bicycles has remained relatively stable since 1980 (table 35).

Table 35.--Bicycles: Percentage distribution of the quantity of U.S. imports from Taiwan, by types, 1980-82, January-April 1982, and January-April 1983

(In percent)						
Type	1980	1981	1982	January-April--		
				1982	1983	
10-speed:						
27-inch wheels-----	***	***	***	***		***
26-inch wheels-----	***	***	***	***		***
All other-----	***	***	***	***		***
3-speed:						
26-inch wheels-----	***	***	***	***		***
Single-speed, 20-inch wheels:						
BMX/motocross-----	***	***	***	***		***
All other-----	***	***	***	***		***
All other bicycles-----	***	***	***	***		***
Total-----	100	100	100	100		100

1/ Less than 0.5 percent.

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

U.S. importers' shipments

U.S. importers' shipments of bicycles from Taiwan by firms that responded to the Commission's questionnaires increased annually, from *** units in 1980 to *** units in 1982, or by 48 percent. Importers' shipments continued upward during January-April 1983, increasing by 61 percent from importers' shipments during January-April 1982 (table 36).

Table 36.--Bicycles from Taiwan: U.S. importers' shipments, by firms, 1/ 1980-82, January-April 1982, and January-April 1983

* * * * *

Between 1980 and 1982, the average unit value of importers' shipments increased from *** each to *** each, or by 17 percent. During January-April 1983, the average unit value of importers' shipments increased by 7 percent, to *** each from *** per bicycle during January-April 1982.

U.S. importers' inventories

As shown in table 37, inventories of bicycles imported from Taiwan increased from *** units on December 31, 1980 to *** units on December 31, 1981, and fell to *** units on December 31, 1982. ***.

Table 37.--Bicycles from Taiwan: U.S. importers' inventories, by firms, as of Dec. 31 of 1980-82, and as of Apr. 30 of 1982 and 1983

* * * * * *

Prices

Price comparisons between U.S.-produced bicycles and those imported from Taiwan are complicated by the many different possible product comparisons, different distribution channels, and the various off-invoice price adjustments. Bicycles are produced in a variety of styles and sizes. Moreover, given styles and sizes can be produced with numerous component and frame combinations. Thus, depending on the specific combination of features, given styles and sizes can vary significantly in price.

Bicycle producers and importers sell almost exclusively either to the mass-merchandise market or to IBD's; the latter is made up principally of bicycle specialty shops. In the mass-merchandise market, bicycles are sold directly to the retailers, but regarding IBD's, bicycles are sold either directly to retailers or first to distributors, which in turn sell to the IBD's. Mass merchandisers generally sell large volumes of bicycles with standard frame sizes and offer limited service; IBD's typically sell small volumes of bicycles with custom-fitted frame sizes and offer extensive service. As a result, retail bicycle prices of mass merchandisers range up to \$200, and those of IBD's range up to several hundred, and in some cases, even thousands of dollars.

The Commission staff was unable to obtain meaningful data with respect to the volume of competition which exists between the mass-merchandisers and IBD's. It was stated by representatives of the petitioners ^{1/} and acknowledged by Schwinn ^{2/} that the competition between the two market segments is concentrated largely in the overlap area between the higher-priced, mass-merchandise bicycles and the opening price points of the IBD's. For BMX bicycles, Schwinn stated at the hearing that the crossover price points range from \$139 to \$159 at retail. ^{3/} In general, it is believed that such crossover competition occurs only for bicycles which retail from \$125 to \$200.

Price incentives extended by domestic producers and importers, but typically not reflected in the invoice price, also can affect price comparisons of bicycles. For instance, the invoice price may overstate the purchaser's cost if the supplier offers liberal payment terms (extending beyond the usual net 30 day terms), or the invoice price may include promotional overbilling that later will be rebated by the supplier.

^{1/} Posthearing brief on behalf of petitioners, p. 4.

^{2/} Transcript of hearing, p. 130.

^{3/} Ibid.

In addition to the above complexities, other factors may also complicate price comparisons of bicycles. Purchasers of imported Taiwan bicycles incur certain costs that are not encountered when purchasing domestic bicycles. Examples of such import-specific costs include (1) use of letters of credit, which generally are payable when the bicycles leave the foreign port, (2) longer lead times, (3) extra inventory and handling costs, and (4) less-attractive parts supply and service arrangements. Hence, in order to be competitive with domestic producers, importers often offer low prices, step-up features, or some combination of both, thereby offsetting these extra costs. 1/ ***.

During the final investigation the Commission requested U.S. producers and U.S. importers of bicycles from Taiwan to provide their weighted-average, net f.o.b. selling prices and their total sales volumes for each of six bicycle categories (identified in app. E), by quarters, from January 1980 through March 1983. These producers and importers were requested to provide the price data for only their opening price point models (OPP's) 2/ in each of the six bicycle categories to separate their sales to mass merchandisers from those to IBD's, and to distinguish between their factory-label sales and their private-label sales. 3/ In addition, purchasers of bicycles were sent questionnaires requesting their net delivered purchase prices and quantities for the same types of products.

Selling prices.--Four domestic producers and 15 importers reported price data, but not necessarily for every bicycle category, for every type of customer, or for every quarter requested. 4/ The weighted-average, net f.o.b. selling prices, quantities, and average margins of underselling for the domestic and imported Taiwan OPP bicycles are presented in tables 38 and 39.

Table 38 shows price data for five categories of factory-label bicycles sold to mass merchandisers; table 39 shows price data for three categories of bicycles sold to U.S. IBD's. Three of the five bicycle categories covered by table 38 each accounted for a significant portion of total 1982 domestic bicycle production--the 10-speed, 26-inch category, at *** percent, and the two BMX categories combined at *** percent; whereas the two remaining categories were less important, at *** percent for the 3-speed and less than *** percent for the high riser. The three bicycle categories shown in table 39--the 10-speed, 27-inch and the two BMX categories--together accounted for *** percent of total 1982 U.S. bicycle production, but *** percent of 1982 bicycle imports from Taiwan. Only factory-label price data are shown in

1/ Buyers with four large mass-merchandise firms, *** indicated that off-invoice price adjustments and extra cost factors associated with imports could significantly affect selling-price comparisons between domestic and imported bicycles. (Telephone conversations with Bill Osborne of the Chairman's office on Oct. 21 and 22, 1982.)

2/ A firm's opening price point model refers to the bicycle model in a particular bicycle category which that firm sells at the lowest price point in the price range for that category.

3/ ***.

4/ The 4 reporting domestic producers--Huffy, Murray Ohio, Schwinn, and Roadmaster--together accounted for *** percent of total domestic shipments in 1982; the 15 reporting importers together accounted for approximately 62 percent of all bicycles imported from Taiwan in 1982.

Table 38.--Bicycles: Weighted-average net selling prices, quantities, and average margins of underselling or overselling 1/ for sales of factory-label bicycles to mass merchandisers by U.S. producers and importers of bicycles from Taiwan, by types and by quarters, January 1980-March 1983

Period	Domestic	Taiwan subject sales <u>2/</u>	Average margin of underselling or (overselling) <u>3/</u>		Taiwan excluded sales <u>4/</u>	Average margin of underselling or (overselling) <u>3/</u>	
			Per unit	Percent		Per unit	Percent
10-speed, 26-inch							
1980:			Units	Per unit	Units	Per unit	Percent
January-March-----	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***
1981:							
January-March-----	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***
1982:							
January-March-----	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***	***	***
3-speed, 26-inch							
1980:			Units	Per unit	Units	Per unit	Percent
January-March-----	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***
1981:							
January-March-----	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***
1982:							
January-March-----	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***	***	***

See footnotes at end of table.

Table 38.--Weighted-average net selling prices, quantities, and average margins of underselling or overselling 1/ for sales of factory-label bicycles to mass merchandisers by U.S. producers and importers of bicycles from Taiwan, by types and by quarters, January 1980-March 1983--Continued

Period	Domestic		Taiwan subject sales 2/		Average margin of underselling or (overselling) 3/		Taiwan excluded sales 4/		Average margin of underselling or (overselling) 3/	
	Units	Per unit	Units	Per unit	Percent	Per unit	Units	Per unit	Percent	
Single-speed, 20-inch high-riser										
1980:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1981:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1982:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***	***	***	***	***	***
Single-speed, 20-inch BMX										
1980:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1981:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1982:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***	***	***	***	***	***

See footnotes at end of table.

Table 38.--Weighted-average net selling prices, quantities, and average margins of underselling or overselling 1/ for sales of factory-label bicycles to mass merchandisers by U.S. producers and importers of bicycles from Taiwan, by types and by quarters, January 1980-March 1983--Continued

Period	Domestic	Taiwan subject sales 2/	Average margin of underselling or (overselling) 3/	Taiwan excluded sales 4/	Average margin of underselling or (overselling) 3/
Single-speed, 20-inch BMX look-alike					
	Per unit	Units	Per unit	Units	Per unit
1980:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1981:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1982:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1983:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***

1/ U.S. producers of bicycles and U.S. importers of bicycles from Taiwan were requested to supply the total quantity sold and the net weighted-average selling prices of their opening price point (OPP) models in each of 6 categories. The 5 categories shown were the most significant of the 6, together accounting for approximately *** percent of all reported sales of OPP, factory-label bicycles to mass merchandisers. Significant quality differences, however, may exist even at the low-price end of the market.

2/ These bicycle sales were reported by U.S. importers that were supplied only the foreign bicycles by 1 or more of the Taiwan producers subject to Commerce's final affirmative LTFV determination, and by U.S. importers that were also supplied the foreign bicycles by 1 or more of the 11 firms excluded from the affirmative LTFV determination.

3/ Calculated as a percentage of the domestic producers' aggregate weighted-average selling price.

4/ These bicycle sales were reported by U.S. importers that were supplied the foreign bicycles only by Taiwan producers specifically excluded from the Commerce's affirmative LTFV determination. ***.

5/ Not available.

6/ ***.

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

Table 39.--Bicycles: Weighted-average net selling prices, quantities, and average margins of underselling or overselling 1/ for sales of factory-label bicycles to IBD's, by U.S. producers 2/ and importers of bicycles from Taiwan, by types and by quarters, January 1980-March 1983

Period	Domestic		Taiwan subject sales 3/		Average margin of underselling or (overselling) 4/		Taiwan excluded sales 5/		Average margin of underselling or (overselling) 4/	
	Per unit	Units	Per unit	Units	Per unit	Percent	Per unit	Units	Per unit	Percent
10-speed, 27-inch										
1980:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1981:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1982:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***	***	***	***	***	***
Single-speed, 20-inch BMX										
1980:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1981:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1982:										
January-March-----	***	***	***	***	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***	***	***	***	***	***

See footnotes at end of table.

Table 39.--Bicycles: Weighted-average net selling prices, quantities, and average margins of underselling or overselling 1/ for sales of factory-label bicycles to IBD's, by U.S. producers 2/ and importers of bicycles from Taiwan, by types and by quarters, January 1980-March 1983--Continued

Period	Domestic	Taiwan sales 3/	Average margin of underselling or (overselling) 4/	Taiwan excluded sales 5/	Average margin of underselling or (overselling) 4/
	Per unit	Units	Per unit	Units	Per unit
Single-speed, 20-inch, BMX look-alike					
1980:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1981:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1982:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1983 (January-March)-----	***	***	***	***	***

1/ U.S. producers of bicycles and U.S. importers of bicycles from Taiwan were requested to supply the total quantity sold and the net weighted-average selling prices of their opening price point (OPP) models in each of 6 bicycle categories. The three categories shown were the most significant of the 6, accounting for approximately *** percent of all reported sales of OPP bicycles to IBD's. Significant quality differences, however, may exist even at the low-price end of the market.

2/ Schwinn was the only U.S. producer that reported sales to IBD's of its domestically produced bicycles. It is believed that the other reporting U.S. producers (Huffy, Murray Ohio, and Roadmaster) do not sell significant quantities of their domestically produced bicycles to IBD's.

3/ These bicycle sales were reported by U.S. importers that were supplied the foreign bicycles only by 1 or more of the Taiwan producers subject to Commerce's final affirmative LTFV determination, and by U.S. importers that were also supplied the foreign bicycles by 1 or more of the 11 firms excluded from the affirmative LTFV determination.

4/ Calculated as a percentage of the domestic producers' aggregate weighted average selling price.

5/ These bicycle sales were reported by U.S. importers that were supplied the foreign bicycles only by Taiwan producers specifically excluded from the Commerce's final affirmative LTFV determination. ***.

6/ ***.

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

table 38, because only domestic producers reported private-label sales of OPP's to mass merchandisers. 1/ In the IBD market, these factory-label versus private-label distinctions do not apply.

In tables 38 and 39, prices of the imported bicycles from Taiwan are shown separately for (1) those bicycles imported by U.S. firms that import only from any of the Taiwan producers included in Commerce's final affirmative LTFV determination, as well as those bicycles imported by U.S. firms that also import from both the 5 Taiwan firms included in the affirmative LTFV determination and the 11 firms excluded from the affirmative LTFV determination, and (2) those bicycles imported by firms that import only from the 11 Taiwan producers specifically excluded from Commerce's final affirmative LTFV determination. See appendix F for a listing of the reporting U.S. importers and their supplying Taiwan producers.

Bicycles sold to mass merchandisers (table 38).--Weighted-average prices of the domestic bicycles reported by three domestic producers increased for each of the five bicycle categories for the period under investigation from January-March 1980 through January-March 1983. 2/ Domestic prices generally increased during 1980 and 1981, with generally minor or offsetting price changes occurring in the subsequent periods. On the other hand, weighted-average prices of the bicycles imported from Taiwan subject to the affirmative LTFV determination, reported by six U.S. importers, increased in four of the five bicycle categories for the entire period, but remained unchanged for the three-speed, 26-inch bicycles during the periods for which prices were reported. These import price increases generally occurred in 1981, 1982, or January-March 1983, somewhat later than the initial increases in domestic prices.

In each of the first three bicycle categories--the 10-speed, 26-inch, the 3-speed, 26-inch, and the single-speed, 20-inch high-riser--domestic prices increased by approximately *** percent for the entire period; the import prices increased at similar rates for the first and third product categories during this period, but remained unchanged for the three-speed, 26-inch category during 1982, the year for which prices were reported for this latter category. Most of the increase in the domestic prices occurred in 1980 and 1981, with relatively stable prices reported in the subsequent periods, whereas most of the increases in the import prices occurred in 1981 for the 10-speed category and in 1982 for the high-risers. Import prices in these two categories dropped, however, by *** percent and *** percent, respectively, in January-March 1983.

1/ For the six product categories requested, reported sales of domestic OPP, private-label bicycles to mass merchandisers equaled approximately *** percent of all reported domestic OPP sales to both markets from January 1980 through March 1983. The aggregate, weighted-average domestic price of private-label bicycles was generally less than the domestic price of factory-label bicycles sold to mass merchandisers. Typically, the private-label prices were within 5 percent of the factory-label prices, but occasionally ranged up to 20 percent less.

2/ Only the three copetitioners, Huffy, Murray, and Roadmaster, reported OPP sales of domestically produced bicycles to mass merchandisers (they did not report any sales to IBDs), and together accounted for approximately *** percent of all reported OPP sales to mass merchandisers from January 1980 through March 1983.

During the period, for the single-speed, 20-inch, BMX category, domestic prices increased by approximately *** percent, but the import prices increased by only *** percent. Domestic prices of the BMX bicycle rose by *** percent through October-December of 1981, but then fell by *** percent by October-December 1982, before rising by *** percent in January-March 1983. However, most of the increase in the import prices occurred in January-March 1983, with no significant net price changes in the previous periods.

For the single-speed, BMX look-alike category, domestic prices increased by approximately *** percent for the entire period, but the import prices increased by only *** percent. Price changes for the latter category fluctuated more widely than in the other categories for both the domestic and Taiwan bicycles. From 1980 through 1981, domestic prices generally increased, by approximately *** percent, whereas the import prices were relatively stable, increasing by only *** percent. Domestic prices dropped by *** percent in 1982 but then rose by *** in January-March 1983; import prices first rose by *** percent, and then dropped by *** percent during these respective periods.

Weighted-average prices of the imported bicycles that were produced by Taiwan manufacturers excluded from the affirmative LTFV findings, reported by *** U.S. importers, decreased in three of the five bicycle categories for the entire period investigated, but increased in one category. In the remaining bicycle category, single-speed, BMX bicycles, no prices of the excluded bicycles were reported. For two bicycle categories, the three-speed and the BMX look-alike, import prices generally declined throughout the entire period, falling by approximately *** and *** percent, respectively. For the 10-speed bicycle category, import prices decreased by approximately *** percent for the entire period, whereas for the high-riser category, import prices increased by approximately *** percent. For these last two categories, import prices generally rose in 1980 and 1981, but generally fell in the subsequent periods.

The imported bicycles that were produced by the Taiwan manufacturers subject to the affirmative LTFV determination undersold the domestic bicycles in 31 of the 47 instances where price comparisons were possible, at average margins ranging from approximately 4 to 20 percent. ^{1/} The subject Taiwan bicycles were priced higher than the domestic bicycles in the remaining 16 instances, at average margins ranging from approximately 1 to 16 percent. In contrast, the imported bicycles that were produced by the Taiwan manufacturers excluded from Commerce's affirmative LTFV findings undersold the domestic bicycles in 25 of the 47 instances where price comparisons were possible, at average margins ranging from approximately 1 to 19 percent. The excluded Taiwan bicycles were priced approximately equal to the domestic bicycles in another 2 instances and higher in the remaining 20 instances, at average margins ranging from approximately 1 to 31 percent. For both the subject and the excluded Taiwan bicycles, underselling was consistently reported in the 10-speed, 26-inch category, whereas in the other bicycle categories, underselling was mixed with overselling.

^{1/} Average margins were calculated as a percentage of the domestic producers' aggregate weighted-average price.

Bicycles sold to IBD's (table 39).--Weighted-average prices of domestic bicycles sold to IBD's were reported only by Schwinn. 1/ ***. Domestic prices changed annually or semiannually. Weighted-average prices of the imported bicycles that were produced by the Taiwan manufacturers subject to the affirmative LTFV determination, reported by six U.S. importers, increased for two of the three bicycle categories for the entire period, but the importers' prices decreased for the remaining category. The import prices changed more frequently than the domestic prices.

In two bicycle categories, the single-speed, 20-inch BMX and the single-speed, 20-inch BMX look-alike, domestic prices rose by approximately *** and *** percent, respectively, for the entire period. Import prices rose by approximately *** percent in the BMX category but fell by approximately *** percent for BMX look-alikes; domestic prices of both of these categories generally increased through January-March 1982, but remained constant thereafter through the corresponding period of 1983. The import prices, although fluctuating more than the domestic prices, generally increased through October-December 1982, before dropping in January-March of 1983.

* * * * * * *

Weighted-average prices to IBD's of imported bicycles that were produced by the Taiwan manufacturers excluded from the affirmative LTFV findings, reported by nine U.S. importers, decreased for two bicycle categories for the entire period and increased for the remaining category. The import price decreased by approximately *** percent in the 10-speed, 27-inch category and by approximately *** percent in the BMX category for the entire period, but rose by approximately *** percent in the BMX look-alike category. 2/ In the 10-speed, 27-inch category and the BMX look-alike category, the import prices generally increased from January-March 1980 through October-December 1982, before falling in January-March of 1983. In the BMX category, the import price was relatively stable within each of the years, but dropped in 1981 from that in 1980, and then rose in 1982 to about its 1980 level, before falling in January-March 1983 to approximately the 1981 average level.

The imported bicycles that were produced by the Taiwan manufacturers subject to the affirmative LTFV findings undersold domestic bicycles in 26 of the 38 instances where price comparisons were possible, at average margins ranging from approximately 11 to 29 percent. The subject Taiwan bicycles were priced higher than the domestic bicycles in the remaining 12 instances, at average margins ranging from approximately 3 to 36 percent. In contrast, the imported bicycles that were produced by the Taiwan manufacturers excluded from Commerce's affirmative LTFV determination undersold the domestic bicycles in 18 of the 38 instances where price comparisons were possible, at margins

1/ Schwinn's reported OPP sales of domestically produced bicycles to IBD's (the firm did not report any sales to mass merchandisers) accounted for approximately *** percent of all reported OPP sales to IBD's from January 1980 through March 1983.

2/ ***.

ranging from approximately 1 to 24 percent. These excluded Taiwan bicycles were priced approximately equal to the domestic bicycles in another instance, and higher in the remaining 19 instances, at average margins ranging from approximately 1 to 22 percent.

Purchase prices. 1/--To compare delivered prices of the domestic and Taiwan bicycles at specified locations during recent periods, the Commission sent questionnaires to 42 mass merchandisers, 14 distributors, and 102 IBD's located in one or more of the following five metropolitan areas: New York, Chicago, Los Angeles, Dallas, and Atlanta. These purchasers were requested to provide their net delivered purchase price paid and the quantity received for a single large shipment of only the OPP bicycle in each of the six bicycle categories covered by the producers' and importers' questionnaires, by quarters, January 1981-March 1983. Purchasers were requested to show their price data separately for each of the five metropolitan areas.

Twenty mass merchandisers, 7 distributors, and 21 IBD's responded to the questionnaires, and of these, 6 mass merchandisers and 7 IBD's provided price data that could be used in making price comparisons on a metropolitan-area basis. These latter 13 respondents, however, did not necessarily report price data for every bicycle category or for every quarter requested. Each of the seven responding distributors reported data for periods and products that were not comparable with those reported by the other responding distributors.

The weighted-average delivered prices, quantities, and average margins of underselling or overselling for the domestic bicycles and imported bicycles from Taiwan are shown in tables 40 through 43. Table 40 shows the price data reported by mass merchandisers in the Los Angeles area. Mass merchandisers also provided one price comparison in the Chicago area and one in the New York area. The New York data are not shown in the table but are discussed in the text which follows. Table 41 shows the price data reported by IBD's in the Los Angeles, Dallas, and New York metropolitan areas. In both of these tables, prices of the imported bicycles from Taiwan are shown separately for (1) those bicycles that were produced by the 5 Taiwan manufacturers subject to Commerce's affirmative LTFV combined with those bicycles produced by Taiwan firms not investigated by Commerce (also subject bicycles), and (2) those bicycles that were produced by the 11 Taiwan manufacturers specifically excluded from Commerce's affirmative LTFV finding (excluded bicycles).

The reported delivered price data shown in tables 40 through 43, may still reflect significant product differences, despite the Commission staff's efforts to present comparisons of similar products. Even bicycles that share identical general descriptions may vary significantly in quality, depending, for instance, on the quality of the components.

Bicycles purchased by mass merchandisers (table 40).--Three mass merchandisers in the Los Angeles area reported price data that provided 14 price comparisons between the domestic and imported Taiwan bicycles, across three bicycle categories--the 10-speed, 26-inch, the 10-speed, 27-inch, and the 20-inch BMX look-alikes. Twelve of the 14 comparisons are in the 26-inch and the BMX look-alike categories, 2 large-volume categories for U.S.

Table 40.--Bicycles: Weighted-average net delivered purchase prices for U.S.-produced bicycles and for those imported from Taiwan, quantities, and average margins of underselling or overselling 1/ for purchases of bicycles by mass merchandisers in the Los Angeles metropolitan area, by types and by quarters, January 1981-March 1983

Period	Domestic	Taiwan subject purchases 2/	Average margin of underselling or (overselling) 3/	Taiwan excluded purchases 4/	Average margin of underselling or (overselling) 3/
*	*	*	*	*	*

Table 41.--Bicycles: Weighted-average net delivered purchase prices for U.S.-produced bicycles and for those imported from Taiwan, quantities, and average margins of underselling or overselling 1/ for purchases of bicycles by IBD's in the Los Angeles metropolitan area, by types and by quarters, January 1981-March 1983

Period	Domestic	Taiwan subject purchases 2/	Average margin of underselling or (overselling) 3/	Taiwan excluded purchases 4/	Average margin of underselling or (overselling) 3/
*	*	*	*	*	*

Table 42.--Bicycles: Weighted-average net delivered purchase prices for U.S.-produced bicycles and for those imported from Taiwan, quantities, and average margins of underselling or overselling 1/ for purchases of bicycles by IBD's in the Dallas metropolitan area, by types and by quarters, January 1981-March 1983

Period	Domestic	Taiwan subject purchases 2/	Average margin of underselling or (overselling) 3/
*	*	*	*

Table 43.--Bicycles: Weighted-average net delivered purchase prices for U.S.-produced bicycles and for those imported from Taiwan, quantities, and average margins of underselling or overselling 1/ for purchases of bicycles by IBD's in the New York metropolitan area, by types and by quarters, January 1981-March 1983

Period	Domestic	Taiwan subject purchases 2/	Average margin of underselling or (overselling) 3/	Taiwan excluded purchases 4/	Average margin of underselling or (overselling) 3/
*	*	*	*	*	*

producers, and the two remaining comparisons are in the 27-inch category. In seven of the 12 comparisons involving the high-volume categories, the imported bicycles from Taiwan undersold the domestic bicycles by average margins ranging from approximately 6 to 22 percent, but were priced higher than the domestic bicycles in the remaining 5 comparisons. In all seven instances of underselling and one instance of overselling, the imported bicycles were produced by Taiwan manufacturers specifically excluded from Commerce's affirmative LTFV determination, but in the four remaining instances of overselling, the imported bicycles may have been produced by Taiwan producers subject to the affirmative LTFV finding. Finally, imported bicycles from Taiwan, which were produced by firms excluded from any potential dumping duties, undersold the domestic bicycles in the two comparisons involving the BMX look-alike category, at average margins of 32 and 36 percent.

Three other mass merchandisers reported price data not shown in table 40, that also provided price comparisons--one in the New York area for the 10-speed, 26-inch category and one in the Chicago area for the 10-speed, 27-inch category. In New York, the imported bicycles from Taiwan undersold the domestic bicycle by 19 percent, and in Chicago, by 32 percent. In both instances, the imported bicycles from Taiwan may have been produced by firms subject to Commerce's affirmative LTFV determination.

Bicycles purchased by IBDs (table 41-43).--Price comparisons were possible in the Los Angeles, Dallas, and New York metropolitan areas.

Five Los Angeles IBD's reported price data that provided 15 price comparisons between domestic bicycles and bicycles imported from Taiwan for four bicycle categories--the 3-speed, 26-inch, the 10-speed, 27-inch, the 20-inch, high-riser, and the 20-inch BMX. Six of the 15 comparisons were in the 10-speed, 27-inch and the BMX categories--the two single largest categories sold through IBD's. The remaining nine comparisons were in the 10-speed, 26-inch and the high-riser categories.

Three of the six comparisons in the two large-volume categories involved imported bicycles that may have been produced by Taiwan manufacturers subject to Commerce's affirmative LTFV determination. One of these three comparisons showed underselling of approximately 4 percent, whereas the other two showed overselling. The three comparisons involving the imported bicycles that were produced by Taiwan manufacturers specifically excluded from any potential dumping duties all showed underselling ranging from approximately 4 to 15 percent.

Four of the nine comparisons in the smaller volume bicycle categories involved imported bicycles that may have been produced by Taiwan manufacturers subject to Commerce's affirmative LTFV findings. All four of these comparisons showed underselling ranging from approximately 1 to 8 percent. The five other comparisons involved imported bicycles that were produced by Taiwan manufacturers specifically excluded from potential dumping duties; three of these five comparisons showed underselling ranging from approximately 2 to 7 percent; one showed approximately equal prices of the domestic and Taiwan bicycles, and one showed overselling.

One IBD in the Dallas area reported price data which provided 27 price comparisons across three bicycle categories--the 3-speed, 26-inch, the 10-speed, 27-inch, and the 20-inch BMX. All 27 comparisons involved imported bicycles that may have been produced by the Taiwan manufacturers subject to the affirmative LTFV findings, and all showed overselling ranging from approximately 3 to 17 percent.

Two IBD's in the New York area reported price data which provided 10 price comparisons across two bicycle categories--the 10-speed, 27-inch and the 20-inch BMX. All 10 comparisons involved imported bicycles that were produced by the Taiwan manufacturers excluded from the LTFV duties. Six of these comparisons showed underselling ranging from approximately 8 to 32 percent, and the remaining five showed overselling.

Appreciation of the U.S. dollar

The recent strength of the U.S. dollar against the Taiwan dollar (new Taiwan (NT) dollar) may have enhanced the price competitiveness of Taiwan-produced bicycles vis-a-vis U.S.-produced bicycles. Table 44 presents an index of the real exchange rate ^{1/} between the U.S. dollar and the NT dollar from January-March 1981 (the base period) through January-March 1983. When the index is less than 100, the real value of the NT dollar has decreased relative to the U.S. dollar, as has been the case in every period since January-March 1981. This decrease in the real value of the NT dollar tends to make imports from Taiwan more competitive against U.S.-produced articles.

The approximate 15-percent real depreciation of the NT dollar against the U.S. dollar between January-March 1981 and January-March 1983 indicates the maximum increase in price competitiveness that Taiwan producers could have obtained while keeping their profit margins constant, assuming they had no dollar-denominated costs. However, relative dollar prices of the Taiwan-produced bicycles may not have fallen as much as the percentage of real depreciation of the NT dollar against the U.S. dollar. Two major factors largely explain this. First, U.S. importers may have passed-through only part of their cost decrease to consumers, thereby increasing their unit profits and also their sales volume if sufficient demand existed. Second, relative rates of inflation between U.S. prices of domestic bicycles and Taiwan prices of the foreign bicycles may not have been as divergent as the general price levels used in calculating the real-exchange-rate index.

^{1/} Real exchange rates are analyzed to show the effect of exchange-rate changes on international competitiveness. The index of a real exchange rate provides a combined measure of changes in the nominal exchange rate between two countries and changes in their rates of inflation.

Table 44.--Index of the real exchange rate between the new Taiwan dollar and the U.S. dollar, by quarters, January 1981-March 1983 1/

(January-March 1981=100)	
Period	Taiwan
1981:	
January-March-----	100.0
April-June-----	98.2
July-September-----	93.2
October-December-----	93.5
1982:	
January-March-----	91.6
April-June-----	88.8
July-September-----	86.8
October-December-----	86.1
1983 (January-March)-----	85.3

1/ The index was calculated from period average exchange-rates that were expressed in U.S. dollars per unit of foreign currency.

Source: Compiled from official statistics of the International Monetary Fund and the American Institute for Taiwan.

Lost sales

Huffy and Roadmaster provided the Commission with 13 specific allegations of lost sales, involving 12 purchasers (all mass merchandisers), concerning U.S. imports of bicycles from Taiwan. These alleged lost sales, covering September 1982-June 1983, 1/ amounted to approximately *** bicycles. In 4 of these instances, purchasers reported buying a total of *** Taiwan bicycles, all produced by Taiwan manufacturers not investigated by Commerce, but still subject to potential dumping duties. This number was *** fewer bicycles than alleged in these 4 instances. In four other allegations, purchasers reported buying a total of *** Taiwan bicycles, but all of these were produced by Taiwan manufacturers specically excluded from any potential dumping duties; this number was *** more bicycles than alleged in these latter 4 instances. In 3 other allegations, involving *** bicycles, purchasers stated that they did not buy the Taiwan bicycles, as had been alleged. Finally, in the 2 remaining allegations, involving approximately *** bicycles, the buyer for 1 firm was on vacation, and the legal counsel for the other firm did not return repeated phone calls.

1/ During the preliminary investigation, Huffy, Murray Ohio, and Roadmaster supplied the Commission with 17 other allegations of lost sales from January 1981 through August 1982. These 17 allegations, which were investigated by the Commission staff, were discussed in the preliminary report. This discussion did not identify the bicycles produced by Taiwan manufacturers now subject to Commerce's affirmative LTFV determination or those produced by those Taiwan manufacturers now specically excluded from the affirmative determination. A-66

In the eight allegations where purchasers stated that they had purchased the Taiwan bicycles, price was consistently cited as the major reason for buying the products from Taiwan instead of the competing domestic products; quality was generally cited as a secondary consideration. The price of the bicycles from Taiwan ranged from \$12.00 to \$20.00 per unit less than the domestic price in the four instances involving the foreign bicycles that were produced by the Taiwan manufacturers subject to Commerce's affirmative LTFV determination, and from \$10.00 to \$21.00 per unit less in the four instances involving the bicycles that were produced by Taiwan manufacturers specifically excluded from the affirmative LTFV findings. Better features of the bicycles from Taiwan that were cited included lug frames, three-piece cranks, gumwall tires, and extension brake levers.

Of the seven mass merchandisers who confirmed that they had purchased bicycles imported from Taiwan, three stated that they had purchased bicycles not investigated by Commerce but still subject to Commerce's affirmative LTFV determination. The remaining four mass merchandisers purchased bicycles from Taiwan that were produced by Taiwan manufacturers found not to have sold bicycles at LTFV prices. ***, the first mass merchandiser alleged to be a lost sale, confirmed a purchase of *** 10-speed bicycles from Taiwan (produced by ***), at a price of approximately \$20.00 per bicycle less than the competing domestic product. ***, stated that although no U.S. producer quoted him a price on these bicycles, price was the major reason for buying the Taiwan product. He also cited better quality as a secondary reason for buying the bicycles from Taiwan.

***, the second mass merchandiser alleged to be a lost sale, confirmed the purchase of *** 10-speed, 26-inch bicycles from Taiwan (produced by ***), at a price of approximately \$12.00 per bicycle less than the competing domestic product. *** stated that price was a major reason for buying the bicycles from Taiwan instead of the competing domestic product. He also cited slightly better specifications on the *** bicycle as a secondary factor for making the purchase.

*** the third mass merchandiser alleged to be a lost sale, confirmed a purchase of approximately *** 10-speed, 26-inch bicycles and approximately *** 20-inch BMX bicycles from Taiwan (produced by ***). ***, stated that he purchased the 26-inch bicycles for about \$20.00 per unit less than the competing domestic product, and that he had purchased the BMX bicycles for about \$18.00 per unit less than the competing domestic product. He further stated that price was the major reason for buying the bicycles from Taiwan. *** felt that the quality of the domestic 26-inch bicycles was comparable with that of the imported bicycles, but that the quality of the imported BMX bicycle was better than that of the domestic model.

APPENDIX A

U.S. DEPARTMENT OF COMMERCE, FEDERAL REGISTER
NOTICE OF PRELIMINARY AND FINAL DETERMINATION
OF SALES AT LESS THAN FAIR VALUE

equipment manufacturers (OEM's) should not have been considered because such sales were not normal in the trade, in the usual wholesale quantities and not in the ordinary course of trade for home consumption. Furthermore, this market is an export market in view of the fact that the OEM's in Taiwan export most of their production of bicycles to the United States, as evidenced by the concurrent antidumping investigation of bicycles from Taiwan now before the Department.

DOC Position: Under § 353.18 of our regulations ITA may not consider a "sale or offer for sale intended to establish a fictitious market." We have no evidence indicating that the sales to OEM's in Taiwan were made by the respondents with the intent to establish a fictitious market.

The Department considers sales to OEM's to be in the ordinary course of trade, in the usual wholesale quantities. Respondents sold bicycle tires and tubes to unrelated Taiwanese OEM's, who in turn manufactured bicycles in the home market. Where the product sold by the OEM includes the merchandise under investigation, but is not of the same general class or kind, the final destination of the OEM's product is not relevant to our investigation.

Comment 4: Petitioner argues that no allowance should be made for inland freight, packing or other port charges because these are included, respectively, in the home market and export to U.S. prices, and the statutory definition of foreign market value intends that adjustments for such expenses be made only by way of *addition* when such costs are not included in the price.

DOC Position: The U.S. Court of International Trade upheld the ITA practice of adjusting for the differential in the cost of packing and inland freight in making comparisons between the foreign market value and U.S. prices. See *Brother Industries, Ltd., et al. v. U.S.*, 3 CIT—, Slip Op. 82-34 (April 30, 1982).

Comment 5: Petitioner argues that the respondents overstated the amounts of customs duties rebated upon the exportation of tires and tubes. Petitioner states that the respondents used a larger quantity of domestically produced raw materials than indicated in their responses.

DOC Position: The Department is satisfied that the amounts of duties rebated were correctly stated in the responses to our questionnaire. During the course of the verifications conducted in this case, numerous customs

documents and production records were randomly selected and verified. No evidence existed that either the amounts imported or rebated were incorrect.

Comment 6: Petitioner alleges that there is no basis for an adjustment for differences in merchandise.

DOC Position: The Department made no adjustments for differences in merchandise except where there were, in fact, no counterpart sales of the exact size tire in the home market sold to non-OEM purchasers. As indicated previously, those differences were based on the cost of raw materials used in the production of tires and tubes sold in the home market to non-OEM purchasers.

Verification

We verified all information used in making this determination in accordance with section 776(a) of the Act. We were granted access to the books and records of the four foreign manufacturers. We used standard verification procedures, including on-site inspection of the manufacturers' operations and examination of accounting records and randomly selected documents containing relevant information.

Customs Notification

The U.S. Customs Service is being notified of this determination and directed to terminate the suspension of liquidation in effect for importations of tires and tubes exported to the United States by Hwa Fong and Li Hsin and to refund the full amount of any cash deposit or other security posted during the time that the suspension of liquidation was in effect.

ITC Notification

We are notifying the ITC of this determination.

Final Determination

Based on our investigation and in accordance with section 735(a) of the Act, we have reached a final determination that bicycle tires and tubes from Taiwan are not being, nor are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act.

The Secretary has provided an opportunity to known interested persons to present written and oral views pursuant to section 774 of the Act (19 U.S.C. 1677c), and all expressed views have been considered in making this final determination.

This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)).

Lawrence J. Brady,

Assistant Secretary for Trade Administration,
April 21, 1983.

[FR Doc 83-11340 Filed 4-28-83; 8:45 am]

BILLING CODE 3510-25-M

Antidumping; Preliminary Determination of Sales At Less Than Fair Value; Bicycles From Taiwan

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of preliminary determination of sales at less than fair value: Bicycles from Taiwan.

SUMMARY: We have preliminarily determined that bicycles from Taiwan are being, or are likely to be, sold in the United States at less than fair value. Therefore, we have notified the U.S. International Trade Commission (ITC) of our determination, and we have directed the U.S. Customs Service to suspend the liquidation of all entries of the subject merchandise which are entered, or withdrawn from warehouse, for consumption, on or after the date of publication of this notice and to require a cash deposit or bond for each such entry in an amount equal to the estimated dumping margin as described in the "Suspension of Liquidation" section of this notice. We have preliminarily determined that seven Taiwanese bicycle producers should be excluded from this preliminary determination. Those firms which are subject to suspension of liquidation and those firms which are excluded from this action are indicated in the "Suspension of Liquidation" section.

If this investigation proceeds normally, we will make a final determination by July 6, 1983.

EFFECTIVE DATE: April 29, 1983.

FOR FURTHER INFORMATION CONTACT: Steven Lim or Richard Rimlinger, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, telephone: (202) 377-1279.

SUPPLEMENTARY INFORMATION: Preliminary Determination

We have preliminarily determined that there is a reasonable basis to believe or suspect that bicycles from Taiwan are being sold or are likely to be sold, in the United States at less than "fair value," as provided in section 733 of the Tariff Act of 1930, as amended (the Act). We have found either no sales

or *de minimis* sales at less than fair value for bicycles produced by eleven of the firms investigated. However, additional information is needed for four of these eleven firms. Therefore, we are only excluding imports from the remaining seven firms from this preliminary determination. The concerned firms are indicated in the suspension of liquidation section of this notice.

We have found that the foreign market value of bicycles exceeded the United States price on 11.2 percent of the sales we compared. These margins ranged from 0.03 percent to 25.2 percent. The overall weighted-average margin on all sales compared is 0.65 percent. The weighted-average margins for individual companies investigated are presented in the "Suspension of Liquidation" section of this notice.

If this investigation proceeds normally, we will make a final determination by July 6, 1983.

Case History

On September 24, 1982, we received a petition in proper form from counsel for AMF Wheel Goods Division, Columbia Manufacturing Company, Huffy Corporation and Murray Ohio Manufacturing Company, on behalf of the U.S. industry producing bicycles. In accordance with the filing requirements of § 353.36 of the Commerce Department Regulations (19 CFR 353.36), the petition alleged that bicycles from Taiwan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that these imports are materially injuring, or are threatening to materially injure, a U.S. industry.

After reviewing the petition, we determined it contained sufficient grounds to initiate an antidumping investigation. We notified the ITC of our action and initiated such an investigation on October 14, 1982 (47 FR 46837). The ITC subsequently found, on November 8, 1982, that there is a reasonable indication that imports of bicycles from Taiwan are materially injuring, or are threatening to materially injure, a United States industry. We determined this case to be "extraordinarily complicated," as defined in section 733(c) of the Act. Therefore, we extended the period for making a preliminary determination by 50 days until April 22, 1983 (48 FR 4013).

Scope of the Investigation

The merchandise covered by this petition are complete bicycles imported from Taiwan and classified under item numbers 732.02 through 732.26 of the Tariff Schedules of the United States.

We investigated sales of these bicycles which were made by sixteen Taiwanese producers and sold to the United States during the period of investigation, April 1, 1982, through September 30, 1982. The firms investigated were:

1. Asahi Enterprises Corporation (Asahi);
2. Ching Tong Shan Enterprise Co. Ltd (Ching Tong Shan);
3. Dodsun Bicycle and Machinery Manufacturers (Dodson);
4. EE Company. (EE co.);
5. Fairly Bike Manufacturing Co., Ltd. (Fairly);
6. Giant Manufacturing Co., Ltd. (GMC);
7. King Hsue She Co., Ltd. (KHS);
8. Liyang Co., Ltd. (Liyang);
9. Merida Industry Co., Ltd. (Merida);
10. Pacific Cycles Co., Inc. (Pacific);
11. Sheng Fa Industries Co., Ltd. (Sheng Fa);
12. Sony Cycle Industry Co., Ltd. (Sony);
13. Taiwan Hodaka Industrial Co., Ltd. (Taiwan Hodaka);
14. Wheeler Industrial Co., Ltd. (Wheeler);
15. Wheel King Corporation (Wheel King); and
16. Willing Industry Co., Ltd. (Willing).

Sales by the above firms accounted for approximately 92 percent of all bicycle sales to the United States during the period of investigation.

Fair Value Comparison

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value. In the cases of GMC, KHS, Merida and Wheel King we compared United States price based on purchase price with foreign market value based on home market price. In all other cases, we compared United States price based on purchase price with foreign market value based on the price to third countries (countries other than the United States).

United States Price

As provided in section 772 of the Act, we used the purchase price of the subject merchandise to represent the United States price for sales by all Taiwanese producers because, with one exception, the merchandise was sold to unrelated purchasers prior to its importation into the United States. In the cases of KHS, bicycles were sold to a related U.S. purchaser, KHS Inc. However, since we do not know the prices of KHS Inc., to unrelated purchasers, we have not made comparisons on these particular sales. We will seek to obtain this information

prior to the final determination in this investigation.

We calculated the purchase price on the F.o.b. or c.&f. price to unrelated purchasers for sale in the United States. We made deductions, where appropriate, for inland freight, ocean freight, brokerage charges, bank charges, export promotion fees, stamp tax and sales commissions. We made additions for import duties or taxes which were rebated, or not collected, by reason of the exportation of the merchandise to the United States, pursuant to sections 772(d)(1) (B) and (C) of the Act. In the case of Sheng Fa, we deducted an amount for indirect selling expenses to offset a sales commission incurred on sales in a third country market.

Foreign Market Value

In the cases of GMC, KHS, Merida and Wheel King there were sufficient sales in the home market to allow us to use home market price as defined in section 773(a)(1)(A) of the Act, to determine foreign market value. We calculated home market price on the basis of the delivered or ex-factory prices to unrelated home market customers. Where appropriate we deducted stamp taxes, shipping charges, discounts and rebates. In the case of KHS, we deducted an amount of indirect selling expenses to offset a sales commission paid by KHS on certain U.S. sales. We made circumstance of sale adjustments for differences between U.S. and home market payment terms, direct advertising, royalty, and warranty expenses. We also adjusted for differences in packing and for physical differences in the merchandise.

GMC requested that we reduce the home market price to adjust for level of trade differences between the United States and the home market. GMC sells to the United States either directly to U.S. distributors or through unrelated trading companies. In the home market all sales are made to unrelated retailers through GMC's sole, related distributor, Giant Sales Co. (GSC). Since our fair value comparisons are based on GSC's prices to unrelated retailers, GMC has requested that a level of trade adjustment be made equal to GSC's entire mark-up.

For the purpose of this preliminary determination, we have made no level of trade adjustment, because the company was unable to provide data in a form sufficient to establish an objective quantity upon which to base such an adjustment. We will consider any additional data which will assist us in

this matter prior to reaching a final determination in this case.

In the cases of all other Taiwanese producers, there were either no sales, or insufficient sales, in the home market to use as a basis for foreign market value. For these firms, we selected sales for export to a country other than the United States (third countries) as a basis for foreign market value pursuant to section 773(a)(1)(B) of the Act. Our selection of a particular third country to be used for fair value comparisons for each Taiwanese producer was made, in order of preference, on the following bases: (1) The comparability of the bicycles sold in each country to those sold in the United States, and (2) the third country with the largest sales volume to any country outside the home market or the United States. Using these bases the following third countries were selected for each Taiwanese bicycle producer:

Name of firm	Third Country selected
Asahi	Australia
Ching Tong Shen	Panama
Dodson	Australia
EE Co	Australia
Fairly	Australia
Liyang	Venezuela
Pacific	Australia
Sheng Fa	Venezuela
Sony	Panama
Taiwan Hodaka	Australia
Wheeler	Australia
Willing Co	Australia

We calculated third country price on the basis of the f.o.b., or c.&f. price to unrelated purchasers for sale in the third country selected. We made deductions, where appropriate, for inland freight, ocean freight, brokerage charges, selling commission, export promotion fee and stamp tax. We also made additions for import duties, which were rebated or not collected by reason of the exportation of the merchandise, equal to those amounts added to United States price. We made circumstance of sale adjustments for differences between U.S. and third country payment terms and direct advertising. We also adjusted for differences in packing and for physical differences in merchandise.

Verification

For purposes of this preliminary determination, we have verified the data used in reaching the determination in this investigation, by using standard verification procedures, including on-site inspection of the manufacturers' operations and examination of accounting records and randomly selected documents containing relevant information. In accordance with 778(a) of the Act, we will verify all data used

in reaching a final determination in this investigation.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the United States Customs Service to suspend liquidation of all entries of bicycles from Taiwan, with the exception of those bicycles produced by Asahi, Dodson, GMC, KHS, Liyang, Merida, Pacific, Sony, Taiwan Hodaka, Wheel King, and Willing, which are entered, or withdrawn from warehouse, for consumption, on or after the date of publication of this notice in the Federal Register. With the exception of these the Customs Service shall require a cash deposit or the posting of a bond equal to the estimated weighted average amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price. This suspension of liquidation will remain in effect until further notice. The weighted-average margins are as follows:

Manufacturer and status	Weighted average margin percentage
Asahi (excluded)	0.37
Ching Tong Shen (subject to suspension)	1.11
Dodson (excluded)	0.37
EE Co. (subject to suspension)	2.31
Fairly (subject to suspension)	3.16
GMC (excluded)	0.20
KHS (not subject to suspension but not excluded from this preliminary determination)	0.09
Liyang (excluded)	0.00
Merida (excluded)	0.00
Pacific (not subject to suspension but not excluded from this preliminary determination)	0.13
Sheng Fa (subject to suspension)	1.90
Sony (excluded)	0.00
Taiwan Hodaka (not subject to suspension but not excluded from this preliminary determination)	0.10
Wheeler (subject to suspension)	1.10
Wheel King (excluded)	0.00
Willing (not subject to suspension but not excluded from this preliminary determination)	0.20
All others	0.65

Although Pacific, KHS, Taiwan Hodaka and Willing have *de minimis* margins, we are not excluding these four firms from this preliminary determination because further information is needed from them which will allow the Department to make more extensive comparisons. If this information is received in a timely manner and verified, these four firms will be considered for exclusion in the final determination.

ITC Notification

In accordance with Section 733(f) of the Act, we will notify the ITC of our determinations. In addition, we are

making available to the ITC all nonprivileged and nonconfidential information relating to these investigations. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC 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.

The ITC will determine whether these imports are materially injuring or threatening to materially injure a U.S. industry, before the latter of 120 days after the Department makes its preliminary affirmative determination or 45 days after the Department makes its final affirmative determination.

Public Comment

In accordance with § 353.47 of the Commerce Department Regulations, if requested, we will hold a public hearing to afford interested parties an opportunity to comment on these preliminary determinations at 10:00 a.m. on May 26, 1983, at the U.S. Department of Commerce, room 6802, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230. Individuals who wish to participate in the hearing must submit a request to the Deputy Assistant Secretary for Import Administration, Room 3099B, at the above address within ten days of this notice's publication. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reason for attending; and (4) a list of the issues to be discussed. In addition, prehearing briefs in at least ten copies must be submitted to the Deputy Assistant Secretary by May 19, 1983. Oral presentations will be limited to issues raised in the briefs. All written views should be filed in accordance with 19 CFR 353.46, within thirty days of publication of this notice, at the above address in at least 10 copies.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

April 22, 1983.

[PR Doc. 83-11339 Filed 4-28-83; 8:45 am]

BILLING CODE 3510-25-41

Antidumping; Certain Stainless Steel Sheet and Strip Products From France; Final Determinations of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Commerce.

Before granting a waiver of cash deposits of estimated antidumping duties we must be satisfied that we will be able to determine the appropriate foreign market values and United States prices within 90 days after the date of publication of the order. The Department is satisfied that it will be able to do so.

Accordingly, the Department is instructing the Customs Service to waive cash deposits of estimated antidumping duties and accept bonds or other security for entries of certain stainless steel sheet and strip products manufactured by Usinor entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice and/or before September 20, 1983.

Interested parties may submit written comments within 30 days of the date of publication of this notice and may request disclosure and/or a hearing within 10 days after the date of publication. The Department will publish the results of this expedited review by September 20, 1983, including the results of its analysis of any such comments or hearing.

This notice is published in accordance with section 736(c)(2)(A) of the Tariff Act (19 U.S.C. 1675(c)(2)(A)).

Alan F. Holmer,
Deputy Assistant Secretary for Import
Administration.

July 1, 1983.

[FR Doc. 83-18577 Filed 7-8-83; 8:45 am]

BILLING CODE 3510-25-M

Final Determination of Sales At Less Than Fair Value; Bicycles from Taiwan

AGENCY: United States Department of Commerce, International Trade Administration.

ACTION: Notice of Final Determination of Sales at Less than Fair Value: Bicycles from Taiwan.

SUMMARY: We have determined that bicycles from Taiwan are being, or are likely to be, sold in the United States at less than fair value. Therefore, we have notified the U.S. International Trade Commission (ITC) of our determination, and the ITC will determine whether these sales at less than fair value have caused injury to a U.S. industry. We have directed the U.S. Customs Service to continue to suspend the liquidation of all entries of the subject merchandise which are entered, or withdrawn from warehouse, for consumption, on or after the date of publication of our preliminary determination on April 29, 1983, and to require a cash deposit or bond for each such entry in an amount

equal to the estimated dumping margin as described in the "Continuation of Suspension of Liquidation" section of this notice. We have determined that eleven Taiwanese bicycle producers should be excluded from this final determination. Those firms which are subject to suspension of liquidation and those firms which are excluded from this action are indicated in the "Continuation of Suspension of Liquidation" section.

EFFECTIVE DATE: July 11, 1983.

FOR FURTHER INFORMATION CONTACT: Steven Lim or Richard Rimlinger, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230 telephone: (202) 377-1279.

SUPPLEMENTARY INFORMATION:

Final Determination

We have determined that bicycles from Taiwan are being sold, or are likely to be sold, in the United States at less than "fair value," as provided in section 735 of the Tariff Act of 1930, as amended (the Act). However, we have found either no sales or *de minimis* sales at less than fair value for bicycles produced by eleven of the firms investigated. Therefore, we are excluding imports from these eleven firms from this final determination. The concerned firms are indicated in the "Continuation of Suspension of Liquidation" section of this notice.

We have found that the foreign market value of bicycles exceeded the United States price on 11.5 percent of the sales we compared. These margins ranged from 0.03 to 29.1 percent. The overall weighted-average margin on all sales compared is 0.36 percent. The weighted-average margins for individual companies investigated are presented in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

On September 24, 1982, we received a petition in proper form from counsel for AMF Wheel Goods Division, Columbia Manufacturing Company, Huffy Corporation and Murray Ohio Manufacturing Company, on behalf of the U.S. industry producing bicycles. In accordance with the filing requirements of § 353.36 of the Commerce Department Regulations (19 CFR 353.36), the petition alleged that bicycles from Taiwan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that these imports are materially injuring, or are threatening to materially injure, a U.S. industry.

After reviewing the petition, we determined it contained sufficient grounds to initiate an antidumping investigation. We notified the ITC of our action and initiated such an investigation on October 14, 1982 (47 FR 46837). The ITC subsequently found, on November 8, 1982, that there is a reasonable indication that imports of bicycles from Taiwan are materially injuring, or are threatening to materially injure, a United States industry. We determined this case to be "extraordinarily complicated," as defined in section 733(c) of the Act. Therefore, we extended the period for making a preliminary determination by 50 days until April 22, 1983 (48 FR 4013).

On April 22, 1983, we preliminarily determined that bicycles from Taiwan are being, or are likely to be, sold in the United States at less than fair value (47 FR 19439). We excluded seven firms from this determination.

Scope of the Investigation

The merchandise covered by this petition are complete bicycles imported from Taiwan and classified under item numbers 732.02 through 732.26 of the *Tariff Schedules of the United States*. We investigated sales of these bicycles which were made by sixteen Taiwanese producers and sold to the United States during the period of investigation, April 1, 1982, through September 30, 1982.

The firms investigated were:

1. Asahi Enterprises Corporation (Asahi)
2. Ching Tong Shan Enterprise Co., Ltd. (Ching Tong Shan)
3. Dodsun Bicycle and Machinery Manufacturers (Dodson)
4. EE Company (EE Co.)
5. Fairly Bike Manufacturing Co., Ltd. (Fairly)
6. Giant Manufacturing Co., Ltd. (GMC)
7. Kung Hsue She Co., (KHS)
8. Liyang Co., Ltd. (Liyang)
9. Merida Industry Co., Ltd. (Merida)
10. Pacific Cycles Co., Inc. (Pacific)
11. Sheng Fa Industries Co., Ltd. (Sheng Fa)
12. Sony Cycle Industry Co., Ltd. (Sony)
13. Taiwan Hodaka Industrial Co., Ltd. (Taiwan Hodaka)
14. Wheeler Industrial Co., Ltd. (Wheeler)
15. Wheel King Corporation (Wheel King)
16. Willing Industry Co., Ltd. (Willing)

Sales by the above firms accounted for approximately 92 percent of all bicycle sales to the United States during the period of investigation.

Fair Value Comparison

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value. In the cases of GMC, KHS, Merida and Wheel King we compared United States price based on purchase price with foreign market value based on home market price. In the case of KHS, there were some exporter's sales price transactions. We therefore compared exporter's sales price with foreign market value based on home market prices with respect to these particular transactions. In all other cases, we compared United States price based on purchase price with foreign market value based on the price to third countries (countries other than the United States).

United States Price

As provided in section 772(b) of the act, we used the purchase price of the subject merchandise to represent the United States price for sales by all Taiwanese producers because, except for certain transactions made by one producer, the merchandise was sold by these producers to unrelated purchasers prior to its importation into the United States. In the case of KHS, some bicycles were sold to a related U.S. purchaser, KHS Inc. For these particular transactions we used the exporter's sales price of the subject merchandise, as provided in section 772(c) of the Act, to represent the United States price.

We calculated the purchase price on the f.o.b. or c. & f. price to unrelated purchasers for sale in the United States. We made deductions, where appropriate, for inland freight, ocean freight, brokerage charges, bank charges, export promotion fees, and stamp tax. We made additions for import duties or taxes which were rebated, or not collected, by reason of the exportation of the merchandise to the United States, pursuant to sections 772(d)(1) (B) and (C) of the Act. Exporter's sales price was calculated in the same manner as purchase price, except that further deductions were made for handling and inland freight in the United States, U.S. customs duties, U.S. sales commissions, and indirect selling expenses in the United States.

Foreign Market Value

In the cases of GMC, KHS, Merida and Wheel King there were sufficient sales in the home market to allow us to use home market price as defined in section 773(a)(1)(A) of the Act, to determine foreign market value. We calculated home market price on the

basis of the delivered or ex-factory prices to unrelated home market customers. Where appropriate, we deducted stamp taxes, shipping charges, discounts and rebates. We made circumstance of sales adjustments for differences between U.S. and home market payment terms, direct advertising, royalty, sales commissions and warranty expenses. We also adjusted for differences in packing and for physical differences in the merchandise.

GMC requested that we reduce the home market price to adjust for level of trade differences between the United States and the home market. GMC sells to the United States either directly to U.S. distributors or through unrelated trading companies. In the home market all sales are made to unrelated retailers through GMC's sole, related distributor, Giant Sales Co. (GSC). Since our fair value comparisons are based on GSC's prices to unrelated retailers, GMC has requested that a level of trade adjustment be made equal to GSC's entire mark-up.

For the purpose of this determination, we have made no level of trade adjustment because the company was unable to demonstrate that the prices it charged its distributor were arms-length prices or that there is an alternative, objective basis for quantifying a difference in the level of trade.

In the cases of all other Taiwanese producers, there were either no sales, or insufficient sales, in the home market to use as a basis for foreign market value. For these firms, we selected sales for export to a country other than the United States (third countries) as a basis for foreign market value pursuant to section 773(a)(1)(B) of the Act. Our selection of a particular third country to be used for fair value comparisons for each Taiwanese producer was made, in order of preference, on the following bases: (1) The comparability of the bicycles sold in each country to those sold in the United States, and (2) the third country with the largest sales volume to any country outside the home market or the United States. Using these bases the following third countries were selected for each Taiwanese bicycle producer with no sales, or insufficient sales in the home market:

Name of firm	Third Country selected
Ataka	Australia
Ching Tung Shan	Panama
Diamond	Australia
EE Co.	Do
Fahy	Do
Lung	Vietnam
Pacific	China
Sing Fa	Vietnam
Sun	Panama

Name of firm	Third Country selected
Taiwan Hodaka	Australia
Wheeler	Do
Willing Co.	Do

We calculated third country price on the basis of the f.o.b. or c. & f. price to unrelated purchasers for sale in the third country selected. We made deductions, where appropriate, for inland freight, ocean freight, brokerage charges, export promotion fee and stamp tax. We also made additions for import duties, which were rebated or not collected by reason of the exportation of the merchandise, equal to those amounts added to United States price. We made circumstance of sale adjustments for differences between U.S. and third country payment terms, selling commissions and direct advertising. We also adjusted for differences in packing and for physical differences in merchandise.

Verification

In accordance with section 776(a) of the Act, we verified all data used in making this determination in this investigation, by using standard verification procedures, including on-site inspection of the manufacturers' operations and examination of accounting records and randomly selected documents containing relevant information.

Submitted Comments

Petitioners' Comments

The following written comments were submitted by petitioners in response to our preliminary determination:

Comment 1. Petitioners object to the addition to the United States price of a duty rebate attributable to duties paid by domestic suppliers who imported components from abroad and sold bicycle parts to Taiwanese producers of finished bicycles. The Taiwan government has calculated the duty rebate to the bicycle manufacturer at the rate of 4.71 percent of the difference between the f.o.b. value of the finished bicycle and the c.i.f. value of components imported directly by the bicycle manufacturers themselves. The 4.71 percent rebate is paid to bicycle producers who export finished bicycles as compensation for that portion of the cost of its domestic parts attributable to paid-on import duties. The amount of rebate is determined by Taiwanese authorities based on their studies of the extent to which Taiwanese manufacturers use duty-paid imported raw materials in producing the bicycles.

Petitioners argue that there must be clear and reasonable evidence of the

amount and existence of the claimed expense and that under section 722(d) of the Act, the Department can only add back to United States price an amount for duties actually imposed. Petitioners further argue that there must be sufficient linkage between the incidence of an actual duty and the actual amount rebated and cite the Department's disallowance of an "export restitution payment" involving an antidumping investigation of Sorbitol from France (47 FR 6459) as support for this position. Finally, petitioners assert that the 4.71 percent duty rebate is a subsidy and, since the bicycle producer's prices to third countries have been made lower by the payment of this subsidy, the Department should add the duty rebate to third country prices in order to properly reflect "fair value" for cases in which third country prices are used as the basis for foreign market value.

DOC Position

Under section 772(d)(1)(B) of the Act, the Department is required to increase purchase price and exporter's sales price by "the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States." Based on its own evaluation of data submitted from industrial sources, the authority of Taiwan has concluded that the 4.71 percent duty rebate formula fairly reflects what has, on a nationwide basis, been paid by importers of bicycle parts and is reflected in the export value of finished bicycles. In the context of an antidumping investigation, we feel that the official documents issued to the Taiwanese bicycle producers on individual shipments by the authorities of Taiwan and supplied to ITA personnel at verification, and subsequent to verification, adequately establish that import duties have been imposed, reasonably quantified by the authority of Taiwan, and rebated. In the Sorbitol case, an adjustment was not made because linkage between the import payment and export payment was never established.

In the instant case, we believe that for antidumping purposes a sufficient link has been established between the import duties imposed and rebated to allow this adjustment to United States price. We also believe that the same adjustment must be made to foreign market value when foreign market value is based on third country prices. Our reasoning will be explained in response to respondents' comment 1 of this notice.

Comment 2. Petitioners contend that a four percent "harbor duty" assessed on bicycle parts imported directly by the bicycle producers under investigation and subsequently rebated to these producers upon exportation of finished bicycles is in reality a harbor usage fee and its remission should not be considered a rebated duty but an export subsidy. Petitioners further argue that, since the "harbor duty" is a subsidy and the bicycle producer's prices to third countries have been made lower by the payment of this subsidy, the Department should add the duty rebate to third country prices in order to properly reflect "fair value" for cases in which third country prices are used as the basis for foreign market value. Finally, petitioners argue that this adjustment is allowable, if at all, under section 772(d)(1)(C) of the Act (pertaining to the rebate of indirect taxes) rather than under section 772(d)(1)(B) of the Act (pertaining to import duties rebated) and cite the Department's treatment of this item in the antidumping investigation involving motorcycle batteries from Taiwan (47 FR 9264-5).

DOC Position. Our verification indicates that Taiwanese bicycle producers pay a total duty equal to 34 percent of the appraised retail value of all parts which are directly imported by these producers. This duty is rebated to these firms if the finished bicycles containing the imported parts are exported. Four percent of the duty rebate is attributable to "harbor dues." We believe that duties assessed on imported merchandise are subject to section 772(d)(1)(B) regardless of the purpose for which they are ultimately used by the Taiwan authorities. It is the right of the authority of Taiwan to finance its harbor services through import duties. Drawback of these import duties is not a subsidy under our countervailing duty statute.

In our antidumping investigation of motorcycle batteries from Taiwan we treated "harbor dues" as a "tax" under section 772(d)(1)(C) of the Act. However, whether the assessment is considered a "tax" or "duty" is immaterial to the outcome of this investigation. If we treat the assessment as a tax, we would add the rebate to United States price only to the extent that the tax is reflected in home market price. In this case, harbor dues would be included in home market price. The rebated tax would not be added to United States price in cases in which third country prices are used as the basis for foreign market value. If we treat the assessment as a duty we would add the rebated duty to both the United States price and the third country prices.

(See respondent's comment 1 and our response.)

In this investigation we have considered "harbor dues" to be a duty since it is assessed in conjunction with other duties and administered in the same manner. If duty free merchandise is imported, then no harbor dues are paid. Therefore, we have added total duties rebated to United States price and have made the exact same addition to foreign market value when foreign market value is based on third country prices (see DOC response to respondent's Comment 1 of this notice).

Comment 3. Petitioners request that the Department commence a countervailing duty investigation of Taiwan's rebate of 4.71 percent of the value of components which are "domestically-sourced" imports, and of the rebate of harbor dues upon export.

DOC Position. The Department's investigation has not uncovered sufficient evidence that a subsidy is being received by producers, manufacturers or exporters of bicycles in Taiwan to initiate a countervailing duty investigation. If the petitioners have any additional information concerning alleged subsidies, they may file a countervailing duty petition.

Comment 4. Petitioners assert that the Department should not have included the value of customs duties paid on imported components in calculating adjustments for physical differences in merchandise compared. Petitioners argue that the focus must be on the actual differences in physical qualities of the merchandise and the real cost attributable to those physical differences. Petitioners further argue that any adjustment for the cost of duties actually paid would be attributable to discretionary sourcing decisions, not for physical differences in merchandise. Finally, petitioners assert that if the duties are rebated then an actual cost is not incurred.

DOC Position. In adjusting for physical differences in merchandise, the Department considers, among other cost factors the total material cost differences. These material cost differences include all costs incurred in bringing these materials to the factory. If duty is incurred on imported raw materials and passed on to the bicycle manufacturers, then it should be considered part of the material costs. The Department does not consider duties to be an expense merely attributable to sourcing decisions. In many cases raw materials which have the desirable characteristics for a particular bicycle model cannot be

purchased domestically and must be imported.

In cases in which the imported component was used on an export model and a duty rebate was received by the manufacturer upon exportation of the finished bicycle, we added the amount of rebate to home market price in adjusting for differences in merchandise. For example, if a U.S. export model had an imported saddle and the domestic model had a domestically produced saddle, we adjusted the home market price to reflect the differences in saddle costs including the duty which was rebated on the saddle of the exported model. This in effect replaces the domestic saddle on the domestically sold model with the imported saddle contained on the exported model being compared. This methodology of adding rebated duties to home market price for the purpose of calculating adjustments for physical differences allows us to make an equitable comparison, since we are required to add the same rebated duties to United States price pursuant to section 772(d)(1)(B) of the Act.

Comment 5. Petitioners contrast total sales reported by the 16 respondents during the investigative period, April 1, through September 30 1982, with department of Commerce import statistics and other import statistics for the same period, and conclude that there is a 30 percent short fall between U.S. imports and reported Taiwanese sales. Therefore, petitioners assert that there is substantial evidence that the Taiwanese producers have not reported all sales to the United States.

DOC Position. Respondents were asked to report all sales to the United States during the investigative period, not exports. It is likely that the 16 Taiwanese producers have exported a significant number of bicycles during the investigative period which were purchased prior to the period. We have reviewed all information which has been made available to us during the course of this investigation, and have found no evidence of unreported sales by the producers under investigation.

Comment 6. Petitioners have compared the difference between the prices, net of certain expense adjustments, of such or similar bicycles sold in Taiwan, or to third countries, and to the United States by each of several producers and the overall operating performance for each particular producer as reported in the firm's most recent, available financial statement. Based on this comparison, petitioners allege that the net United States price is significantly higher than net home market price and that certain

Taiwanese bicycle producers would have had to sell bicycles in the home market, or to third countries, at less than the cost of production when operating results as shown on their financial statements are considered. Petitioners therefore argue that the Department should have investigated each producer's cost of production to determine if home market or third country sales were made below cost.

DOC Position. Section 773(b) of the Act states:

Whenever the administering authority has reasonable grounds to believe or suspect that sales in the home market of the country of exportation, or, as appropriate, to countries other than the United States, have been made at prices which represent less than the cost of producing the merchandise in question, it shall determine whether, in fact, such sales were made at less than the cost of producing the merchandise. If the administering authority determines that sales made at less than cost of production—

(1) Have been made over an extended period of time and in substantial quantities, and

(2) Are not at prices which permit recovery of all costs within a reasonable period of time in the normal course of trade, such sales shall be disregarded in the determination of foreign market value.

The differences between net prices are not a reasonable yardstick for measuring recovery of all costs. Because the net prices are exclusive of some costs, it is the actual rather than net prices charged by each firm in the home market or to third countries which determine whether all costs are being recovered. Moreover, financial statements often reflect accounting adjustments which can distort operating performance significantly. Petitioners have not provided a credible basis for suspecting that substantial quantities of bicycles sold in the home market or to third countries have been made at prices which are less than the cost of production.

Comment 7. Petitioners argue that the Department should have suspended liquidation of entries by KHS Pacific, Taiwan Hodaka and Willing at the time of the preliminary determination and used a bonding rate equivalent to the highest margin found for any of the producers investigated—in this case the rate of 3.16 percent attributable to Fairly. Petitioners cite numerous other antidumping investigations in which the Department has used the highest margin found, as a bonding rate, for firms that did not supply complete information. Petitioners further assert that under section 733(d)(1) of the Act, the Department is required to suspend liquidation of all entries of merchandise subject to the determination which are

entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the determination in the Federal Register. Therefore, the Department's failure to suspend liquidation for entries of bicycles produced by firms not excluded from the preliminary determination is said by petitioners to be unlawful.

DOC Position. In the cases of KHS, Pacific, Taiwan Hodaka, and Willing, the Department preliminarily found *de minimis* dumping margins but was unable to compare a sufficient percentage of each firm's sales to exclude these firms from the preliminary determination of sales at less than fair value. The firms in question were judged by the Department to be cooperating. They had submitted information concerning their total sales, which we verified before our preliminary determination. Therefore, we believe the information which they submitted was the best information available. However, additional data was needed from them to allow more extensive comparisons to be made. Since the four firms had only *de minimis* dumping margins on the sales we compared, we did not suspend liquidation.

Since section 737(a) of the Act prohibits the Department from collecting any duties in addition to those cash deposits received under section 733(d)(2) of the Act, suspension of liquidation would have served no practical purpose.

Comment 8. Petitioners have criticized the Department for selecting a single third country to make fair value comparisons for cases in which a firm has inadequate sales in the home market. Petitioners indicate that the Department should have adopted sales in multiple third countries as the basis for foreign market value where no one country accounted for all of the basic model types (e.g., 16-inch BMX, 20-inch BMX, 20-inch hi-rise, 24-inch 10-speed, 26-inch 10-speed, 27-inch 10-speed, etc.) sold in the United States.

DOC Position. Section 353.5(c) Commerce Regulations, directs that the Department select a single third country "meeting, in order of preference, the following criteria: (1) The product exported to such country has a greater degree of similarity to the product exported to the United States than does the product exported to other countries, provided the volume of sales to such country is deemed adequate; (2) the volume of sales to such country is the largest sales volume to any country outside the home market or the United States; and (3) the market in such country is, in terms of organization and

development, most like the United States market."

Once we have selected a third country market based on the above criteria, we generally do not resort to another third country market until we have exhausted all sales of such or similar merchandise in the first market selected. (For example, if we are comparing a 20-inch BMX model sold to the United States, we would compare it to a similar 16-inch BMX sold in the third country selected before we compare it to an identical 20-inch BMX sold to another third country.) However, if we have no sales of such or similar merchandise sold in the country selected, then we could select another third country where such or similar merchandise was sold. In our investigation of bicycles, we never exhausted sales of such or similar merchandise in the third country we initially selected as the basis for foreign market value.

Comment 9. In the case of Taiwan Hodaka, petitioners note that the Department verified sales prices of selected models from third countries not used for fair value comparisons but did not verify prices of a model from Australia, which was the third country selected by the Department for fair value comparisons. Petitioners therefore assert that the Department made comparisons based on unverified sales data.

DOC Position. In performing verification, the Department traces a sample of sales to company records. If the sample is successfully verified, then all sales are considered to have been verified. With respect to third country sales, the Department does not consider it necessary to verify all sales to all third countries. In this case, the sample of third country sales was successfully verified and therefore all third country sales were verified.

Comment 10. Petitioners contend that sales by Sony and Ching Tong Shan to Panama were entered in foreign-trade zones and were probably transhipped to other countries. Therefore, the Department acted improperly in basing foreign market value on sales to Panama for these two firms.

DOC Position. The Department has looked further into the Panamanian sales in question and has obtained information indicating that the bicycles sold to Panamanian purchasers did enter the commerce of that country for local consumption.

Comment 11. Petitioners argue that it is improper for the Department to allow a circumstance of sale adjustment for an expense incurred by Wheeler in securing a required license to sell bicycles in Australia. The expense in

question, the Standards Association of Australia ("SAA") license, is incurred periodically by Wheeler and allows the firm to mark its bicycles as having met those standards. Petitioners submit that the expense in question is not directly related to sales of the bicycles in question and should be disallowed.

DOC Position. The Department agrees with petitioners and has disallowed this claim for both the preliminary and final determinations in this investigation.

Respondents' Comments. The following written comments were submitted by respondents in response to our preliminary determination:

Comment 1. Respondents argue that it is improper for the Department to add to third country sales prices an amount of duty rebate equal to that incurred on U.S. sales instead of the actual duty rebate attributable to third country sales.

DOC Position. In the case of duty rebate on sales to the United States and third countries, an expense is *not* incurred by the bicycle producer and the amount of duty rebated is not reflected in either the United States or third country prices. However, since we are required to add duty rebates to United States price pursuant to section 772(d)(1)(B), the prices would no longer be comparable after this adjustment unless we add the same rebate to third country prices as well. We have therefore made a circumstance of sale adjustment to third country prices pursuant to § 353.15, Commerce Regulations, to preserve the price comparability.

Comment 2. Respondents object to the disallowance of the SAA license expenses incurred by Wheeler on Australian sales as a circumstance of sale adjustment to third country prices.

DOC Position. The SAA expenses which are incurred on an annual or bi-annual basis by Wheeler are not directly related to particular sales under investigation and cannot be allowed.

Comment 3. Respondents cite examples in which the Department has used incorrect cost adjustment figures in making adjustments for differences in merchandise on certain models compared for Wheeler, Ching Tong Shan, and Fairly as well as other clerical errors.

DOC Position. The Department has reviewed its calculations and corrected any clerical errors.

Comment 4. With respect to Ching Tong Shan, respondent objects to the deduction, from individual U.S. transactions covered by a particular purchase order, of an amount paid by Ching Tong Shan to a trading company to offset expenses incurred by that

trading company at two trade shows held in January and February 1982 in the United States. Ching Tong Shan indicates that for purposes of convenience it reimbursed the trading company by "discounting" a subsequent transaction. Respondent argues that inasmuch as the expenses were actually incurred prior to the period of investigation, no adjustment should be made to the unit price per bicycle covered by the particular purchase order. Respondent further argues that if an adjustment for this expense is deemed appropriate, the expense should be allowed over all bicycles sold in the United States for the year.

DOC Position. Ching Tong Shan discounted the purchase order in question without creating a document trail linking the discount to the alleged expenses incurred. Therefore, the Department has treated the adjustment as a simple discount from the prices being compared.

Comment 5. With respect to the Willing, respondent objects to a deduction made by the Department from prices to a particular U.S. customer. Willing claims that the discount is already reflected in the U.S. price.

DOC Position. Based on our verification and documents which are available to the Department concerning the transactions in question, we were unable to establish that the prices being compared are net of discounts.

Suspension of Liquidation

On April 29, 1983, we instructed the United States Customs Service to suspend liquidation of all entries of bicycles from Taiwan, with the exception of those bicycles produced by Asahi Dodsun, Fairly, GMC, KHS, Liyang, Merida, Sony, Taiwan Hodaka, Willing and Wheel King (476 FR 19441). As of the date of publication of this notice in the Federal Register, the liquidation of all entries, or withdrawals from warehouse for consumption of this merchandise will continue to be suspended for all firms previously subject to suspension with the exception of Fairly. Importers are no longer required to post a cash deposit or bond for entries of bicycles produced by Fairly, and all unliquidated entries of bicycles produced by Fairly may now be liquidated with any cash deposits refunded to importers. In addition, we are directing the United States Customs Service to suspend liquidation of all entries of bicycles produced by Pacific. The Customs Service shall require a cash deposit or the posting of a bond equal to the new estimated weighted average amounts shown in this notice

for those firms not excluded from this final determination, by which the foreign market value of the merchandise subject to this investigation exceeds the United States price. This suspension of liquidation will remain in effect until further notice. The weighted-average margins are as follows:

Manufacturer and status	Weighted average margin percentage
Asahi (excluded)	0.37
Chung Tong Shan (subject to suspension)	1.84
Dodsun (excluded)	0.37
EE Co (subject to suspension)	1.85
Fairly (excluded)	0.01
GMC (excluded)	0.20
KHS (excluded)	0.24
Liyang (excluded)	0.00
Menda (excluded)	0.00
Pacific (subject to suspension)	1.83
Sheng Fa (subject to suspension)	1.90
Sony (excluded)	0.00
Taiwan HodaKa (excluded)	0.17
Wheeler (subject to suspension)	0.84
Wheel King (excluded)	0.00
Willing (excluded)	0.20
All others	0.36

ITC Notification

In accordance with Section 735(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonconfidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC conforms 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.

The ITC will determine whether these imports are materially injuring or threatening to materially injure to a U.S. industry, before the latter of 120 days after the Department made its preliminary affirmative determination or 45 days after the Department made its final affirmative determination.

If the ITC determines that material injury or the threat of material injury does not exist, this proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. If, however, the ITC determines that such injury does exist, we will issue an antidumping order, directing Customs officers to assess an antidumping duty on bicycles from Taiwan (with the exception of those bicycles produced by Asahi, Dodsun, Fairly, GMC, KHS, Liyang, Menda, Sony, Taiwan HodaKa, Willing and Wheel King), entered, or withdrawn, for consumption after the

suspension of liquidation, equal to the amount by which the foreign market value of the merchandise exceeds the United States prices.

This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673(d)).

Dated: July 5, 1983.

Lawrence Brady,

Assistant Secretary for Trade Administration.

[FR Doc. 83-18603 Filed 7-8-83; 8:45 am]
BILLING CODE 3510-25-M

Numerically Controlled Machine Tool Technical Advisory Committee; Closed Meeting

Summary: The Numerically Controlled Machine Tool Technical Advisory Committee was initially established on January 3, 1973, and rechartered on September 18, 1981, in accordance with the Export Administration Act of 1979 and the Federal Advisory Committee Act.

Time and Place: July 25, 1983, at 10:00 a.m., Herbert C. Hoover Building, Room 3708, 14th Street and Constitution Ave., NW., Washington, D.C.

Agenda: The Committee will meet only in executive session to discuss matters properly classified under Executive Order 12356, dealing with the U.S. and COCOM Control program and strategic criteria related thereto.

Supplementary Information: A Notice of Determination to close meetings of the Committee to the public on the basis of 5 U.S.C. 552b(c)(1) was approved on September 29, 1981, in accordance with the Federal Advisory Committee Act. A copy of the Notice is available for public inspection and copying in the Central Reference and Records Inspection Facility, Room 6628, U.S. Department of Commerce, Telephone: 202-377-4217.

For further information contact: Mrs. Margaret A. Cornejo, telephone: 202-377-2583.

Dated: July 6, 1983.

Milton Baltas,

Director of Technical Programs, Office of Export Administration.

[FR Doc. 83-18579 Filed 7-8-83; 8:45 am]
BILLING CODE 3510-25-M

Tool Steel From the Federal Republic of Germany; Amendment to Final Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Commerce.

ACTION: Amendment to the final determination of sales at less than fair value.

SUMMARY: On June 6, 1983, we published a final affirmative antidumping duty determination on tool steel from the Federal Republic of Germany (FRG) (48 FR 25247). Due to a misunderstanding of computer data submitted, certain transactions were inadvertently counted twice when computing the weighted-average margins for sales of tool steel by Edeltahlwerke Buderus (Buderus). Due to a misinterpretation of the Buderus submissions which led the Department to believe that certain transactions had been deleted from the Buderus computer tape, the Department added these transactions to the Buderus tape before calculation of the weighted-average margin. The same transactions were subsequently discovered to be already included on the computer tape; we now correct the error that resulted from the double counting.

Due to a misunderstanding of the currency used in the reporting of costs of production, erroneous constructed values were employed when computing weighted average margins for sales of tool steel by Thyssen Edeltahlwerke (Thyssen). In the weighted average margin calculation for Thyssen, costs of production were treated as dollar denominations for U.S. sales, but were actually denominated in Deutsche marks. We now correct the error that resulted from the misinterpretation of the currency used for constructed values in the weighted-average margin computation.

In the "Continuation of Suspension of Liquidation" section of the notice, the posting of a cash deposit, bond, or other security will be based on the following revised weighted-average margins for Buderus and Thyssen. The other weighted-average margins remain the same.

Manufacturer/producer/exporter	Weighted-average margins
Buderus	5.65
Saarstahl	18.41
Thyssen	0.93
All other manufacturers/producers/exporters	7.06

This amendment corrects the section quoted. No other information in the June 6, 1983 determination is affected by this amendment.

EFFECTIVE DATE: July 11, 1983.

FOR FURTHER INFORMATION CONTACT: Charles Wilson or David Layton, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue,

APPENDIX B

U.S. INTERNATIONAL TRADE COMMISSION, FEDERAL
REGISTER NOTICE OF INSTITUTION OF FINAL
INVESTIGATION AND SCHEDULING OF PUBLIC
HEARING

Dated: May 19, 1983.

John T. Howley,
Deputy Director, Office of Housing and Urban
Programs.

[FR Doc. 83-14009 Filed 5-24-83; 8:45 am]

BILLING CODE 6116-01-M

Commission on Security and Economic Assistance

The notice of the second meeting of the Commission on Security and Economic Assistance to be held on May 26, 1983, was prepared, signed and forwarded to the Federal Register in sufficient time to comply with the 15-day advance notice requirements of OMB Circular A-63. However, because of inadvertent delays, the notice was not published until May 17, 1983 (48 FR 22220).

The Commission is required to produce its report on or about September 1983, and the schedules of the members of the Commission cannot be adjusted on such short notice. Accordingly, the meeting must be held as scheduled.

For further information contact: Mr. John K. Wilhelm, Agency for International Development, PPC/C, Room 1004 New State Building, Washington, D.C. 20523 (202) 632-7800.

Dated: May 20, 1983.

John K. Wilhelm,
A.I.D. Representative, Commission on
Security and Economic Assistance.

[FR Doc. 83-14040 Filed 5-24-83; 8:45 am]

BILLING CODE 6116-01-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-111; Final]

Bicycles From Taiwan

AGENCY: United States International
Trade Commission.

ACTION: Institution of final antidumping
investigation and scheduling of a
hearing to be held in connection with
the investigation.

EFFECTIVE DATE: April 29, 1983.

SUMMARY: As a result of an affirmative preliminary determination by the U.S. Department of Commerce that there is a reasonable basis to believe or suspect that imports from Taiwan of bicycles, provided for in items 732.02 through 732.26, inclusive, of the Tariff Schedules of the United States, are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673), the United States International Trade Commission

hereby gives notice of the institution of Investigation No. 731-TA-111 (Final) under section 735(b) of the act (19 U.S.C. 1673d(b)) to determine whether 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. Unless the investigation is extended, the Department of Commerce will make its final dumping determination in the case on or before July 6, 1983, and the Commission will notify the Department of Commerce of its final injury determination by August 29, 1983 (19 CFR 207.25).

FOR FURTHER INFORMATION CONTACT:
John MacHatton, Supervisory
Investigator, Office of Investigations,
U.S. International Trade Commission,
telephone 202-523-0439.

SUPPLEMENTARY INFORMATION:

Background.—On November 8, 1982, the Commission notified the Department of Commerce, on the basis of the information developed during the course of its preliminary investigation, that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of alleged LTFV imports of bicycles from Taiwan. The preliminary investigation was instituted in response to a petition filed on September 24, 1982, by counsel on behalf of Roadmaster Corp. (formerly AMF Wheel Goods Division), Columbia Manufacturing Co., Huffy Corp., and Murray Ohio Manufacturing Co., individually, and as members of the Bicycle Manufacturers Association, Inc.

Participation in the investigation.—Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than 21 days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)). Each document filed by a party to this investigation must be served on all other

parties to the investigation (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service (19 CFR 201.16(c), amended by 47 FR 33682, Aug. 4, 1982).

Staff report.—A public version of the staff report containing preliminary findings of fact in this investigation will be placed in the public record on July 12, 1983, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing.—The Commission will hold a hearing in connection with this investigation beginning at 10:00 a.m., on July 28, 1983, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. 20436. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on July 13, 1983. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m., on July 15, 1983 in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is July 21, 1983.

Testimony at the public hearing is governed by section 207.23 of the Commission's rules (19 CFR 207.23, as amended by 47 FR 33628, Aug. 4, 1982). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22, as amended by 47 FR 33682, Aug. 4, 1982). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24), and must be submitted not later than the close of business on August 2, 1983.

Written submission.—As mentioned, parties to this investigation may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before August 2, 1983. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with section 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for confidential business data will be

available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and C (19 CFR Part 207, as amended by 47 FR 33682, Aug. 4, 1982), and Part 201, subparts A through E (19 CFR Part 201, as amended by 47 FR 33682, Aug. 4, 1982).

This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

By order of the Commission.

Issued: May 16, 1983.

Kenneth R. Mason,
Secretary.

[FR Doc. 83-14064 Filed 5-23-83; 8:45 am]
BILLING CODE 7020-02-M

[Investigations Nos. 731-TA-113 and 114;
Final]

Carbon Steel Wire Rod From Brazil and Trinidad and Tobago

AGENCY: United States International
Trade Commission.

ACTION: Institution of final antidumping
investigations and scheduling of a
hearing to be held in connection with
the investigations.

EFFECTIVE DATE: May 4, 1983.

SUMMARY: As a result of affirmative preliminary determinations by the U.S. Department of Commerce that there is a reasonable basis to believe or suspect that imports from Brazil and Trinidad and Tobago of carbon steel wire rod, provided for in item 697.17 of the Tariff Schedules of the United States, are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673), the United States International Trade Commission hereby gives notice of the institution of investigations Nos. 731-TA-113 and 114 (Final) under section 735(b) of the act (19 U.S.C. 1673d(b)) to determine whether 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. Unless the investigation is extended, the Department of Commerce will make its final dumping determination in these cases on or before July 12, 1983, and the Commission will make its final injury determinations by August 31, 1983 (19 CFR 207.25).

FOR FURTHER INFORMATION CONTACT:
Mr. John MacHatton (202-523-0439),
Office of Investigations, U.S.
International Trade Commission.

SUPPLEMENTARY INFORMATION:

Background.—On November 15, 1982, the Commission determined, on the basis of the information developed during the course of its preliminary investigations, that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of allegedly LTFV imports of carbon steel wire rod from Brazil and Trinidad and Tobago. The preliminary investigations were instituted in response to a petition filed on September 30, 1982, by five producers of carbon steel wire rod.

Participation in the investigations.—Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11) not later than 21 days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)). Each document filed by a party to these investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service (19 CFR 201.16(c), as amended by 47 FR 33682, Aug. 4, 1982).

Staff report.—A public version of the staff report containing preliminary findings of fact in these investigations will be placed in the public record on

June 29, 1983, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearings.—The Commission will hold a hearing in connection with these investigations beginning at 10:00 a.m. on July 12, 1983, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. 20436. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on June 17, 1983. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m. on June 22, 1983, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is July 8, 1983.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23, as amended by 47 FR 33682, Aug. 4, 1982). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22), as amended by 47 FR 33682, Aug. 4, 1982). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on July 19, 1983.

Written submissions.—As mentioned, parties to these investigations may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before July 19, 1983. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for

APPENDIX C

U.S. INTERNATIONAL TRADE COMMISSION, CALENDAR OF
PUBLIC HEARING, JULY 26, 1983

TENTATIVE CALENDAR OF PUBLIC HEARING

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

Subject : Bicycles from Taiwan

Inv. No. : 731-TA-111 (Final)

Date and time: July 26, 1983 - 10:00 a.m.

Sessions were held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the imposition of antidumping duties:

Collier, Shannon, Rill & Scott--Counsel
Washington, D.C.
on behalf of

The Bicycle Manufacturers Association of America, Inc.
("BMA") and its members, Huffy Corporation, Murray Ohio
Manufacturing Company, and Roadmaster Corporation

James Hayes, Executive Director of Bicycle Manufacturers
Association of America, Inc.

Economic Consulting Services, Inc., Washington, D.C.

Stanley Nehmer, President

Mark Love, Vice President

Thomas F. Shannon)
Lauren R. Howard)--OF COUNSEL
Michael R. Kershow)

In opposition to the imposition of antidumping duties:

Keck, Mahin & Cate--Counsel
Washington, D.C.
on behalf of

The Schwinn Bicycle Company

John W. Barker, Vice President of Finance

William W. Austin, Jr., Vice President of Marketing

The Schwinn Bicycle Company (Continued)

Jay C. Townley, Vice President, Assistant to the President

Dr. Samuel M. Rosenblatt, President, SMR, Inc.

Brock R. Landry)
John R. F. Baer)--OF COUNSEL

Plaia, Schaumberg & deKieffer--Counsel
Washington, D.C.
on behalf of

Taiwan Transportation Vehicle Manufacturing Association (TTVMA)

Herbert C. Shelley)
Joel D. Kaufman)--OF COUNSEL

APPENDIX D.

LETTER OF JULY 8, 1983, SUBMITTED TO THE U.S. INTERNATIONAL
TRADE COMMISSION BY COUNSEL FOR THE BICYCLE MANUFACTURERS
ASSOCIATION OF AMERICA, WITHDRAWING COLUMBIA MANUFACTURING
CO. FROM SUPPORT OF THE PETITION

Collier, Shannon, Rill & Scott
Attorneys-at-Law

1055 Thomas Jefferson Street, N. W.
Washington, D. C. 20007

Telephone: (202) 342-8400

Writer's Direct Dial Number

(202) 342-8505

July 8, 1983

Robert A. Collier
Thomas F. Shannon
James F. Rill
William W. Scott
David A. Hartquist
James M. Nicholson
Richard E. Schwartz
Richard S. Silverman
R. Timothy Columbus
Lauren R. Howard
Paul D. Cullen
Kathleen E. McDermott
Michael D. Sherman
R. Sarah Compton
Steven Schaars
Mark L. Austrian
Norman G. Knopf

Walter Flowers
William F. Fox, Jr.
William D. Appler
Don Bailey
Of Counsel

Joan L. Goldfrank
Cynthia A. Nebergall
John B. Williams
Paul C. Rosenthal
Jeffrey W. King
Ralph A. Mittelberger
Julie M. Saulnier
Thomas J. Hamilton
Jeffrey L. Leiter
Alan M. Dunn
Robert L. Meuser
Thomas A. Hart, Jr.
Michael R. Kershow
David L. Dick
Michele A. Giusiana
David P. Hackett
Judith L. Oldham
Jeanne M. Forch
Laurence J. Lasoff
Christopher J. MacAvoy
Donald J. Patterson

BY HAND

Hon. Kenneth R. Mason
Secretary
U.S. International Trade Commission
701 E Street, N.W.
Washington, D.C. 20436

Re: Bicycles From Taiwan, Investi-
gation No. 731-TA-111 (Final)

Dear Mr. Mason:

This letter is to inform you that we have been instructed to withdraw the name of Columbia Manufacturing Company as one of the petitioners in the above-referenced proceeding.

This action is not to be construed as a withdrawal of the petition itself; Huffy Corporation, Murray Ohio Manufacturing Company and Roadmaster Corporation remain as named petitioners, both in their individual capacities and as members of the Bicycle Manufacturers Association of America, Inc.

Thank you for your attention to this letter.

Sincerely,

Lauren R. Howard

LAUREN R. HOWARD
MICHAEL R. KERSHOW

Counsel for the Bicycle
Manufacturers Association of
America, Inc.

OFFICE OF THE SECRETARY
DOCKET/USITC

1983 JUL - 8 PM 4: 29

RECEIVED

001039

APPENDIX E
BICYCLE CATEGORIES USED IN THE PRICE
SECTIONS OF THIS REPORT

Bicycle Categories:

- PRODUCT 1: 10-speed lightweight bicycles, both wheels 26 inches in diameter.
- PRODUCT 2: Three-speed lightweight bicycles, both wheels 26 inches in diameter.
- PRODUCT 3: 10-speed lightweight bicycles, both wheels 27 inches in diameter.
- PRODUCT 4: Single-speed high-riser bicycles with both wheels 20 inches in diameter.
- PRODUCT 5: Single-speed BMX (Bicycle Moto-cross) bicycles with both wheels 20 inches in diameter. Manufacturers intend these bicycles for competitive off-road use (for example, for use in racing on BMX tracks or unpaved terrain).
- PRODUCT 6: Single-speed BMX "look-alike" bicycles with both wheels 20 inches in diameter. Manufacturers do not intend these bicycles for off-road use, (for example, not for use on BMX track or unpaved terrain).

APPENDIX F

LIST OF TAIWAN SUPPLIERS FROM WHOM U.S.
IMPORTERS OBTAINED BICYCLES

* * * * *

