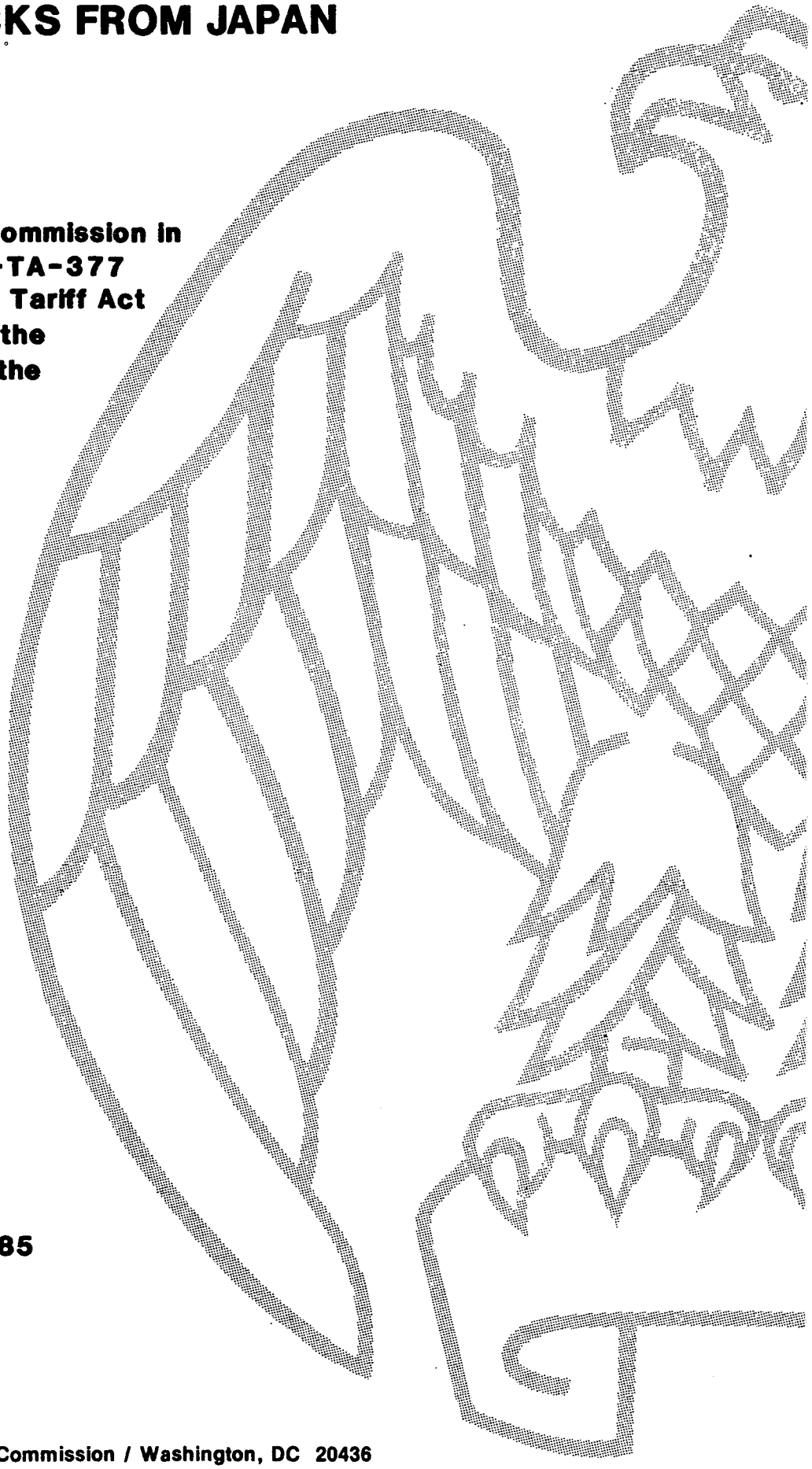
NTERNAL COMBUSTION ENGINE
'ORK-LIFT TRUCKS FROM JAPAN



)etermination of the Commission in
nvestigation No. 731-TA-377
Preliminary) Under the Tariff Act
)f 1930, Together With the
nformation Obtained in the
nvestigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 731-TA-377 (Preliminary)

INTERNAL COMBUSTION ENGINE FORK-LIFT TRUCKS FROM JAPAN

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Japan of internal combustion engine fork-lift trucks, provided for in item 692.40 of the Tariff Schedules of the United States, that are alleged to be sold in the United States at less than fair value (LTFV). 2/

Background

On April 22, 1987, a petition was filed with the Commission and the Department of Commerce by Hyster Company of Portland, OR, a U.S. producer of internal combustion engine fork-lift trucks, the Independent Lift Truck Builders Union, the International Association of Machinists and Aerospace Workers, the International Union, Allied Industrial Workers of America (AFL-CIO), and the United Shop and Service Employees alleging that an industry in the United States is materially injured and threatened with material injury

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

2/ For purposes of this investigation, "internal combustion engine fork-lift trucks" include both assembled, not assembled, and less than complete, finished and not finished, operator-riding fork-lift trucks powered by gasoline, propane, or diesel fuel internal combustion engines of off-the-highway types used in factories, warehouses, or transportation terminals for short-distance transport, towing, or handling of articles. "Less than complete" fork-lift trucks are defined as imports which include a frame by itself or a frame assembled with one or more component parts. The Department of Commerce has stated that the frame by itself is the identifying feature and principal component part of the product, and is solely dedicated for the manufacture of a complete internal combustion, industrial fork-lift truck.

by reason of LTFV imports of internal combustion engine fork-lift trucks from Japan. Accordingly, effective April 22, 1987, the Commission instituted preliminary antidumping investigation No. 731-TA-377 (Preliminary).

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of April 30, 1987 (52 F.R. 15781). The conference was held in Washington, DC, on May 14, 1987, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

We unanimously determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain internal-combustion, industrial forklift trucks from Japan that are allegedly being sold at less than fair value ("LTFV"). 1/ 2/

We base this determination primarily on the deteriorating condition of the industry, significant market penetration by imports from Japan and indications of price suppression or depression attributable to those imports.

Like product/domestic industry

The Commission first must identify the domestic industry to be examined for the purpose of making an assessment of material injury. 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/ The statute defines "like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 4/

The imported products subject to this investigation are certain industrial, operator-riding internal combustion engine forklift trucks ("IC

1/ Chairman Liebeler joins in the majority definitions of like product and domestic industry, and discussions of the condition of the industry and related parties. For her views of causation, see "Additional Views of Chairman Liebeler," infra.

2/ Material retardation of the establishment of an industry in the United States is not an issue in this investigation and will not be discussed further. See 19 U.S.C. § 1673(2)(B) (1985).

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

forklift trucks") with a weight-lift capacity of between 2,000 and 15,000 pounds (inclusive) from Japan. 5/ 6/ Forklift trucks subject to this investigation are self-propelled work trucks with platforms that can be raised and lowered for insertion under a load to be lifted or transported. 7/ Operator-riding forklift trucks (in contrast to riderless and operator-walking

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5/ The "article subject to an investigation" is defined by the scope of the investigation established by the Department of Commerce ("Commerce"). Commerce has defined the scope of this investigation to include "certain internal-combustion, industrial forklift trucks, with lifting capacity of 2,000 to 15,000 pounds, currently provided for under TSUSA items 692.4025, 692.4030, 692.4070 . . . assembled, not assembled, and less than complete, finished and not finished operator-riding forklift trucks . . . . 'Less than complete' forklift trucks are defined as imports which include a frame by itself or a frame assembled with one or more component parts. We understand that the frame by itself is the identifying feature and principal component part of the product, and is solely dedicated for the manufacture of a complete internal-combustion, industrial forklift truck." 52 Fed. Reg. 18588 (May 18, 1987).

6/ Petitioners assert that exports from Japan to the United States of IC forklift trucks in the 2,000 to 15,000 pound capacity range occur in one of two ways: (i) direct exportation by Japanese producers; and (ii) exportation through "unauthorized" channels of distribution by Japanese distributors, so-called "gray market" sales. Petition at 14; Postconference Brief of Petitioners at 19 and 21. Petitioners ask that the Commission include any gray market sales in its determinations on both the volume of imports from Japan and the impact, if any, on prices of the gray market imports. Transcript of the Conference ("Tr.") at 22.

We note that gray market imports, whether of used, practically new or new trucks, enter the United States under the same TSUS item number. Therefore, the data collected by the Commission in its investigation include any gray market as well as other imports. See Report of the Commission ("Report") at A-11, n.1.

We determine that gray market imports should be included in the definition of the like product in this investigation and therefore in the Commission's calculation of both the volume and price effects of imports from Japan of IC forklift trucks. Any such sales of new or practically new trucks have the same potential for causing injury to the U.S. industry as sales of non-gray market goods. (The TSUS number under which the forklift trucks that are the subject of this investigation are imported does not distinguish between used (whether genuinely used or practically new) and new trucks. Therefore, the data collected by the Commission in its investigation include any gray market as well as other imports.)

7/ Report at A-2.

trucks) are used to reduce operator fatigue in relatively demanding, heavy-duty or high-volume applications involving a significant amount of stacking or relatively long travel distances. 8/

In considering the like product question in a title VII investigation, the Commission examines the characteristics and uses of the articles under investigation, including the following factors: physical appearance, end uses, customer perceptions of the articles, common manufacturing facilities and production employees and channels of distribution. 9/

In this preliminary investigation, we considered two principal questions relating to the definition of the like product: whether IC forklift trucks with a weight-lift capacity of greater than 15,000 pounds should be included within the definition of the like product; 10/ and whether trucks powered by other than an internal-combustion engine--in particular, electric trucks--should be included in the definition of the like product.

8/ Id. Neither petitioners nor respondents have argued that riderless or operator-walking vehicles should be included in the definition of the like product for purposes of this investigation. The Commission did not include riderless trucks (including remote-controlled trucks and automated trucks, operator-walking or "walkie" trucks and rough terrain vehicles) within the definition of the like product for purposes of this determination. See Tr. at 16, 17 and 90.

9/ See, e.g., Certain Television Receivers from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-134 and 135 (Final), USITC Pub. 1514 at 3-6 (1984); Industrial Phosphoric Acid from Belgium and Israel, Invs. Nos. 731-TA-365 and 366 (Preliminary), USITC Pub. 1931 at 4-6 (1986).

10/ Petitioners assert and respondents do not contest that trucks with a weight-lift capacity of less than 2,000 pounds have not been manufactured in the United States in at least 20 years. Tr. at 19; Postconference Statement of Certain Respondents at 4. Therefore, IC forklift trucks with a weight-lift capacity of less than 2,000 pounds are not included in the definition of the like product. See Petition at 9-10. We note that the respondents did not propose that the set of trucks with a weight-lift capacity of between 2,000 and 15,000 pounds be broken down into two or more subsets of two or more separate and distinct like products. Postconference Statement of Certain Respondents at 4, n.5. Nor have respondents provided any information that would support the adoption of such separate and distinct like products. Id.

With respect to the first question, we determine not to include IC forklift trucks with a weight-lift capacity of greater than 15,000 pounds. In reaching our decision, we considered the respondents' request that the Commission look carefully at "border line overlap areas" of between 14,000 and 16,000 pounds of lift capacity. 11/ However, the end uses and applications of trucks with a lift capacity of between 2,000 and 15,000 pounds appear distinct from the end uses and applications of trucks with a greater weight-lift capacity. 12/ Trucks in the 2,000 to 15,000 pound range, for example, are used in a wide variety of outdoor and indoor-outdoor applications whereas trucks with a lift capacity of greater than 15,000 pounds are used primarily for outdoor applications--in particular, at construction sites--and for the transportation of extremely heavy loads. 13/

Furthermore, we note that the two sizes of trucks are produced by different manufacturing processes. In particular, petitioners state and respondents do not contest that trucks with a lift capacity of between 2,000 and 15,000 pounds are manufactured on an assembly line and are composed of component parts sourced from the light automobile and light truck product

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11/ Tr. at 168. We note, however, that respondents have not requested that the Commission select a specific alternative figure. Id. at 159 and 167-68. Nor have respondents submitted any evidence to support the adoption by the Commission of an alternative figure, although respondents were specifically requested to do so by Commission staff at the Staff Conference. Id.

12/ Petition at 9; Tr. at 19. Moreover, petitioners assert, the 2,000 to 15,000 pound capacity trucks are treated by the industry generally as separate and distinct from trucks with a greater weight-lift capacity. Petition at 9. Indeed, during the period of the investigation, production of trucks with a lift capacity of between 2,000 and 15,000 pounds accounted for more than 90 percent of total production in the United States of all IC forklift trucks. Report at A-3 and A-6. Imports of trucks in the 2,000 to 15,000 range accounted for more than 99 percent of the imports reported in the investigation. Id. at A-4.

13/ Petition at 9-10.

lines of suppliers. [14/] In contrast, trucks with a weight-lift capacity of greater than 15,000 pounds are "bay-built" (a process in which a team of workers assembles the product in a circular area rather than on a production line) and are composed of components sourced from the heavy truck and off-the-highway vehicle product lines. [15/]

In regard to the second like product question, we determine that electric forklift trucks not be included in the definition of the like product. [16/] The physical characteristics of electric forklifts are distinct from those of IC forklifts. The frame for the electric truck, when completed, weighs approximately 1,200 pounds and must accommodate a battery weighing 2,000 to 4,000 pounds. [17/] The battery serves as "a significant part of the

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14/ To illustrate the difference between the two sizes of trucks, petitioners note that the smaller size trucks are equipped with single-reduction drive axles whereas the heavier trucks are equipped with double-reduction drive axles. See Petition at 9; Tr. at 19.

15/ Id. Moreover, in view of the relatively small number of units produced with a weight-lift capacity of greater than 15,000 pounds, altering the upper bound of the definition of the like product by a few thousand pounds does not change in any significant respect the trend revealed by data collected in the preliminary investigation. See Report at A-4 and A-12, compare Table 1 with Table 2 and Table 9 with Table 10. Nonetheless, the Commission in any final investigation in this case intends to consider further the most appropriate weight at which to draw the upper bound of the like product definition. The Commission is interested in considering in particular any data that sheds additional light on the characteristics and uses of trucks with a weight-lift capacity of between 15,000 and 19,999 pounds (inclusive).

16/ Respondents do not contest petitioners' proposed exclusion of electric trucks from the definition of the like product. Postconference Statement of Certain Respondents at 4. Respondents do draw attention to the fact that petitioners acknowledged during the Staff Conference that "there are some situations of overlap" in the use of IC and electric trucks, Tr. at 50, Postconference Statement of Certain Respondents at 4, n.5, and that it is common for an end user to have a fleet of forklift trucks that includes both electric- and IC-powered trucks, although the different kinds of trucks are usually put to different uses. Tr. at 89; Postconference Statement of Certain Respondents at 4, n.5. Respondents ask only that the Commission undertake its traditional close scrutiny of all possible like product definitions before adopting the most appropriate one. Postconference Statement of Certain Respondents at 4, n.5.

17/ Report at A-3.

counterweight system" in an electric forklift. 18/ On an IC truck, by contrast, the frame weighs approximately 900 pounds and must accommodate an engine and transmission weighing approximately 1,600 pounds. 19/ A full counterweight separate from the engine must be used. 20/ 21/

In addition, electric forklift trucks have end-user applications distinct and separate from those of IC forklift trucks. 22/ Electric forklift trucks are used primarily in warehouses and in other totally enclosed areas where it would be impractical to use IC-powered vehicles because of the fumes and possible fire hazards; IC forklift trucks on the other hand are used most frequently in outdoor or indoor-outdoor applications. 23/ In addition, electric trucks are used in low-volume and lighter-weight applications in contrast to IC trucks which are used in heavy-duty, high-volume applications

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18/ Id. at A-2.
19/ Id. at A-3.
20/ Id. at A-2-A-3.
21/ The Commission notes that IC and electric trucks are assembled on separate assembly lines. Report at A-3. See also Tr. at 17. Production workers assigned to an electric truck assembly line, for example, require different skills and undergo different training from that received by production workers assigned to an IC line. Tr. at 49; Report at A-3. In addition, the engineering and design concepts for electric trucks are developed separately from those used for IC trucks. Tr. at 49.
22/ Petition at 8-10 and 26; Tr. at 16-20 and 49-50; Petitioners' Postconference Brief at 2 and Appendix A. In the Summary of Trade and Tariff Information published in 1983, the Commission described the difference between IC and electric forklift trucks in the following way:

> Internal combustion-engined trucks, which utilize gasoline, diesel fuel, or propane, are normally used in outdoor operations. Electrically-powered lift trucks are generally not suited for outdoor operations because of their lower horsepower capacity, and thus are usually used indoors. These industrial trucks are used in general material handling capacities, in stacking and retrieval, and for lighter duty applications in such places as small warehouses.

Summary of Trade and Tariff Information: Forklift Trucks and Similar Industrial Vehicles and Parts Thereof, TSUS Item No. 692.40, USITC Pub. 841 at 1 (June 1983).
23/ Petition at 8; Tr. at 18; Report at A-2.

involving extended work cycles, longer distances, a large number of ramps and greater lifting capacity. 24/ Electric trucks are limited in the volume and kind of use to which they can be put in large part because of the necessity of recharging the battery during a particular workday and because a battery-charged truck is unable to carry as many loads per hour as an IC-powered forklift truck. 25/

In this investigation, the evidence gathered by the Commission and submitted by the parties suggests that in the two key respects described above--physical characteristics and applications and end uses, as well as in production processes--there are more than "minor differences in physical characteristics and uses" between electric and IC forklift trucks. 26/ Therefore, for the purposes of this preliminary determination, we have determined not to include electric forklift trucks in the definition of the like product. 27/

Based upon the above analysis, we determine for purposes of this preliminary investigation, that there is a single like product--industrial, operator-riding internal combustion engine forklift trucks with a weight-lift capacity of between 2,000 and 15,000 pounds (inclusive)--that is "like" the

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24/ Id.

25/ Tr. at 18-19. Petitioners note also that the Occupational Safety and Health Administration ("OSHA") has established separate regulations governing the use of IC and electric forklifts. Tr. 49-50; see also Report at A-2.

26/ See S. Rep. No. 249, 96th Cong., 1st Sess. n.4, at 90-91 (1979); see also Certain Television Receivers from the Republic of Korea and Taiwan, supra n.9, at 5-6.

27/ The Commission's decision to exclude electric-powered forklift trucks from the definition of the like product is based on information available to the Commission at this time regarding the characteristics and uses of electric forklift trucks. The Commission may reconsider its decision for the purposes of any final determination based on any additional information it receives relating to the characteristics and uses of electric forklift trucks.

imported product. We also conclude that there is one domestic industry consisting of the U.S. producers of this like product.

There are currently seven U.S. producers of operator-riding internal combustion, industrial forklift trucks with a weight-lift capacity of between 2,000 and 15,000 pounds. 28/ In addition, two other U.S. companies produced the trucks during or immediately prior to the period of the investigation. 29/

Related parties

Under the statute, the Commission may in appropriate circumstances exclude from the domestic industry any U.S. producers that are also "related to the exporter or importers, or are themselves importers of the allegedly . . . dumped merchandise." 30/

In this investigation, three of the seven U.S. companies currently producing IC forklift trucks with a weight-lift capacity of between 2,000 to 15,000 pounds--A.C. Materials Handling Corp. ("ACMH"), Taylor Machine Works ("Taylor") and Yale Materials Handling Corp. ("Yale")--also either import such

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28/ Report at A-8-A-11. Those companies are: Hyster Co. (petitioner); Clark Equipment Co.; Caterpillar Industrial, Inc.; AC Materials Handling Corp.; Taylor Machine Works, Inc.; Yale Materials Handling Corp.; and White Lift Truck Co.

29/ Report at A-11. Those companies are: Pettibone Corp. and Baker Materials Handling Corp.

30/ See 19 U.S.C. § 1677(4)(B). Section 1677(4)(B) provides in relevant part:

> When some producers are related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise, the term 'industry' may be applied in appropriate circumstances by excluding such producers from those included in that industry.

See also S. Rep. No. 249, supra n.4, at 83.

trucks from Japan or are related to Japanese exporters or importers of the trucks. 31/

The Commission must determine whether "appropriate circumstances" exist to exclude from the domestic industry any of the three related producers. The Commission has found that the central question is whether the related party is primarily in the position of a domestic producer or an importer. 32/ In reaching this determination, the Commission considered, among other factors, the amount of the U.S. producer's domestic output relative to the amount imported by the U.S. producer and the relationship between the products produced in the United States and those produced abroad. 33/

We note at the outset that exclusion from the domestic industry of any of the related parties in this investigation would not change in any significant respect the data relating to the condition of the domestic industry. 34/ Furthermore, in the case of two of the three related parties--ACMH and

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31/ Report at A-8-A-11. Three other U.S. producers--Caterpillar, Clark and Hyster--import the product from countries other than Japan and are, therefore, not relevant to the related parties discussion. See 19 U.S.C. § 1677(4)(B).

32/ See Butt-Weld Pipe Fittings from Brazil and Taiwan, Invs. Nos. 731-TA-308 and 310 (Final), USITC Pub. 1918 at 9-10 and n.27 (1986). See also Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 at 10-13 (1986). In previous investigations, the Commission has focused upon the following factors among others in determining whether "appropriate circumstances" exist to exclude a related party: (1) the percentage of domestic production attributable to the related producers; (2) whether related producers chose to import the product under investigation in order to benefit from the unfair trade practice or in order simply to be able to compete in the domestic market; and (3) the competitive position of the related domestic producer vis-a-vis other domestic producers. Id. at 11.

33/ See Rock Salt from Canada, supra n.32, at 10-13.

34/ Report at A-12. The Commission has on occasion not made a finding on a related parties question where exclusion of one or more parties would not have affected its injury determination. See, e.g., Truck Trailor Axle-and-Brake Assemblies and Parts Thereof From Hungary, Inv. No. 731-TA-38 (Preliminary), USITC Pub. 1135 (1981); Iron Bars from Brazil, Inv. No. 701-TA-208 (Preliminary), USITC Pub. 1472 (1983); Portland Hydraulic Cement from Australia and Japan, Invs. Nos. 731-TA-108 and 109 (Preliminary), USITC Pub. 1310 (1982).

Taylor--we determine that, based on both the volume of each of the company's domestically produced trucks relative to the volume of each company's importation of trucks and on whether the imports complement domestic production in a manner that shields the U.S. producer from the effects of the imports from Japan, circumstances are not appropriate to exclude the U.S. producer from the domestic industry. 35/

In the case of Yale, the third related party, we note that for the period of the investigation Yale sold a substantially greater volume of imports than of domestically produced trucks. However, we find an insufficient basis in this record to find that it is appropriate to exclude Yale's domestic production for purposes of this preliminary investigation. 36/ Therefore, we conclude with respect also to Yale that the circumstances are not appropriate to exclude it from the domestic industry. 37/

Condition of the domestic industry

In determining the condition of the domestic industry, the Commission considers, among other factors: consumption; U.S. production; capacity; capacity utilization; domestic shipments; inventories; employment; and profitability. 38/

The period of the Commission's investigation covers the years 1984 to 1986 as well as the first quarter of 1987. The data collected and analyzed in

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35/ See Candles from the People's Republic of China, Inv. No. 731-TA-282 (Final), USITC Pub. 1888 at 11 (1986).
36/ Id.
37/ The question of whether to exclude ACMH, Taylor and Yale as related parties will be reconsidered in any final determination in this case based on additional information received by the Commission during any final investigation.
38/ 19 U.S.C. § 1677(7)(C)(iii).

the investigation show that most of the principal economic indicators deteriorated over the period of the investigation.

U.S. apparent consumption of IC forklift trucks rose from 53,669 units in 1984 to 56,929 units in 1985, then declined to 55,058 units in 1986. 39/ Consumption for the period January to March 1987 fell to 11,332 units compared with 13,980 units for the corresponding period in 1986. 40/

Despite the overall increase in U.S. apparent consumption, domestic production of IC forklift trucks decreased during the entire period under investigation: from 21,046 units in 1984, to 17,089 units in 1985 and to 15,412 units in 1986. Production for the period January to March 1987 was 2,900 units compared to 3,575 units for the corresponding period in 1986. 41/

Capacity to produce IC forklift trucks also fell sharply from 1984 to 1986, and declined further in interim 1987. Capacity peaked at 40,431 units in 1984, falling to 27,131 units in 1985, to 21,400 units in 1986, and to 5,491 units in January-March 1987 compared to 5,550 units for the corresponding period in 1986. 42/ The decrease in capacity is attributable in part to several plant closings. 43/

Reflecting the sharp decline in domestic capacity, capacity utilization--the ratio of production to capacity--rose from 52.1 percent in 1984, to 63.0 percent in 1985 and to 72.0 percent in 1986. However, capacity

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39/ Report at A-6. It is notable that U.S. apparent consumption of IC forklift trucks rose 85 percent from 1983 to 1984. Tr. at 38.

40/ Id. We note that while U.S. apparent consumption measured in terms of value rose continually from 1984 to 1986, the overall increase for the period was less than 1.6 percent as compared to a 2.8 percent overall increase for the period as measured in unit consumption. See Report at A-6.

41/ Id. at A-13.

42/ Id.

43/ Id. at A-12; Tr. at 38.

utilization fell from 64.4 percent for interim 1986, to 53.0 percent for interim 1987. 44/

U.S. domestic shipments measured in unit quantity and total dollar value fell during the period covered by the investigation: from 20,284 units valued at $343.0 million in 1984, to 17,469 units valued at $298.4 million in 1985, to 14,668 units valued at $238.1 million in 1986, and to 2,635 units valued at $46.5 million in January-March 1987 compared with 3,406 units valued at $55.5 million for the corresponding period in 1986. 45/ U.S. producers' yearend inventories of IC forklift trucks were 1,667 units or 8.0 percent of domestic shipments in 1984, falling to 605 units or 3.4 percent of domestic shipments in 1985, then remaining relatively constant at 595 units or 3.9 percent of domestic shipments in 1986. 46/ Inventories for January-March 1987 were 660 units (6.0 percent of domestic shipments) as compared with 377 units (2.7 percent of domestic shipments) for the corresponding period of 1986. 47/

Employment trends in the domestic industry reflected the industry's deteriorating economic condition. The average number of workers engaged in the production of IC forklift trucks decreased from 2,199 in 1984 to 1,271 in 1985 and to 1,130 in 1986. The number of production and related workers employed in interim 1987 was 963 compared to 1,128 during interim 1986. 48/ Hours worked and total compensation paid followed the same trend as employment, dropping sharply from 1984 to 1985, with the decline slowing in 1986. 49/ Labor productivity (measured as output per worker hour) increased

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44/ Report at A-13.
45/ Id. at A-6 and A-14.
46/ Id. at A-15.
47/ Id.
48/ Id. at A-16-A-17.
49/ Id. at A-16.

40 percent from 1984 to 1986. [50/] Unit labor costs, reflecting the sharp increase in productivity, declined by 29.4 percent from 1984 to 1985, and declined by another 4.1 percent in 1986, increasing slightly in interim 1987 over interim 1986. [51/]

Net sales of IC forklift trucks declined steadily from $393.4 million in 1984, to $285.6 million in 1985, to $253.4 million in 1986, and to $37.0 million for interim 1987 as compared with $54.8 million for interim 1986. The decline in net sales was reflected in the industry's lack of profitability during the entire period covered by the investigation. Operating losses decreased from $61.4 million in 1984 to $32.7 million in 1985 [52/] (possibly reflecting the closing by Caterpillar of its Mentor, Ohio facility in February 1985), then increased to $40.9 million in 1986. Interim data suggest that operating losses are continuing to grow, having risen from $11.1 million for the period January to March 1986 to $11.6 million for the same period in 1987. [53/] In addition, operating losses as a percentage of net sales grew over the period of the investigation: starting at 15.6 percent in 1984, improving to 11.4 percent in 1985, then deteriorating to 16.2 percent in 1986 and to 31.4 percent in interim 1987 from 20.3 percent in interim 1986. [54/] All but one of the firms reporting financial data showed losses in accounting years 1984, 1985, and 1986, as well as in interim periods ending March 31, 1986 and March 31, 1987. [55/]

50/ Id.
51/ Id.
52/ Id. at A-21.
53/ Id.
54/ Id.
55/ Id.

On the basis of the sharp decline in capacity, production, shipments, employment and net sales as well as in profitability (the decline in which occurred despite a significant increase in productivity) in the U.S. forklift industry disclosed by the record in this preliminary investigation, we determine that there is a reasonable indication that the domestic IC forklift trucks industry is currently experiencing material injury.

Reasonable indication of material injury by reason of allegedly LTFV imports from Japan [56/]

In determining whether the domestic industry is materially injured "by reason of" LTFV imports from Japan, the Commission considers, among other factors, the volume of imports, the effect of imports on prices in the United States for the like product and the impact of such imports on the relevant domestic industry. [57/]

The volume of imports from Japan of IC forklift trucks was clearly significant throughout the period of the investigation. [58/] In 1984, the level of such imports was 24,936 units, rising to 28,977 units in 1985 and declining to 26,663 units in 1986. [59/] Measured as a share of U.S. apparent consumption, such imports accounted for 46.5 percent in 1984, rising to 50.9 percent in 1985 and falling to 48.5 percent in 1986. [60/] Interim data for the period January to March 1987 indicate that Japanese imports stood at 5,182 units (45.7 percent of U.S apparent consumption) as compared with 7,320 units

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56/ Chairman Liebeler does not join in this section of this opinion. See "Additional Views of Chairman Liebeler," infra.
57/ 19 U.S.C. § 1677(7)(B).
58/ See 19 U.S.C. § 1677(7)(C)(i).
59/ Report at A-6, Table 1.
60/ Id.

(52.4 percent of U.S. apparent consumption) for the corresponding period in 1986. 61/

In addition to significant levels of import volume and market penetration, the record reveals an industry faced with consistent underselling of imported forklift trucks from Japan. 62/ For example, in 26 of 27 available price comparisons based on three sizes of forklift trucks, the Japanese product undersold the U.S. product by margins ranging from one percent to 35 percent. 63/ Further, where a trend was discernible in individual company price data, the prices generally decreased throughout 1985, then rose during 1986 and into the first quarter of 1987. 64/ Overall, for

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61/ Id.

62/ Vice Chairman Brunsdale has not relied on underselling or lost sales as factors to determine causation at this stage of this investigation. In this case, the alleged margins of dumping range from 1.1 to 56.8 percent, with most of the alleged margins of dumping at 16 percent or greater. See Antidumping Petition Filed on Behalf of Hyster, et al., Certain Internal-Combustion Industrial Forklift Trucks from Japan at 19 (petitioners note in their petition that 23 of 34 direct market transactions by the Japanese were at margins of dumping greater than 16 percent). To determine causation at the preliminary phase of this investigation, the Vice Chairman believes that it is useful to assume that this dumping margin directly translated into a price advantage for the Japanese imports in similar amounts. The facts presently suggest that if this price advantage were removed, domestic products might well have replaced a significant portion of the sales of allegedly dumped Japanese imports. In such a case, U.S. sales revenue would have been dramatically higher. Based upon the facts presently gathered in this investigation it appears that at the outside, U.S. sales revenue would have increased 131.2 percent in 1985, 159.3 percent in 1986, and 150.3 percent in the first quarter of 1987. If the petitioners are to be believed, the presence of unfairly priced imports in the market depressed U.S. forklift revenues by up to these amounts. These percentages are material, and on this basis Vice Chairman Brunsdale concludes that there is a reasonable indication that the U.S. forklift industry has been materially injured by allegedly dumped imports.

63/ Report at A-32 and Tables 17-19. In the 27th comparison, the Japanese product sold at a price one percent above the U.S. product. Id. In a clear majority of the price comparisons, the Japanese import undersold the U.S. product by at least 16 percent.

64/ Id. at A-33.

the period of the investigation, U.S. producer prices remained relatively level. 65/

Finally, for the period of the investigation, the Commission was able to confirm lost sales valued collectively at $1.1 million. 66/ A variety of reasons--including lower price, greater reliability and availability of local service--were given by purchasers for purchasing a Japanese truck rather than a U.S. truck. 67/ In addition, the Commission was able to confirm two instances of lost revenues alleged by the petitioner. 68/ In both instances, the purchaser reported that a U.S. producer had reduced its price in competition with forklift trucks imported from Japan. 69/

Together, the significant number of confirmed instances of price undercutting of the U.S. product by the Japanese imports, the continuing and increasing operating losses, and the fact that domestic producer prices for the period of the investigation remained relatively level suggest that price depression or price suppression is occurring.

We conclude that the significant volume of IC forklift trucks from Japan and the high import penetration throughout the period of the investigation, together with the pattern of underselling of these imports which has contributed to price depression or suppression, constitutes a reasonable indication of material injury to the domestic industry by reason of imports of IC forklift trucks from Japan that are being sold allegedly at LTFV.

65/ Id. The weighted average price for the three series of Japanese-produced forklift trucks increased over the period 1985 to 1987 by between one percent and nine percent. Id. During this same period, the Japanese yen appreciated 32.9 percent in real terms (50.8 percent in nominal terms) against the U.S. dollar. Id. at A-36.
66/ Id.
67/ Id.
68/ Id.
69/ Id.

VIEWS OF CHAIRMAN LIEBELER

Certain Internal-Combustion Industrial
Forklift trucks
from Japan
Inv. No. 731-TA-377 (Preliminary)

June 8, 1987

I determine that there is a reasonable indication than an industry in the United States is materially injured by reason of imports of certain internal-combustion industrial forklift trucks from Japan which are allegedly being sold at less than fair value.[1]

I concur with the majority in their definitions of the like product and the domestic industry, and their discussions of the condition of the industry and related parties. Because my views on causation differ from those of the majority, I offer these additional views.

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[1] There is an established domestic industry producing internal-combustion industrial forklift trucks. Therefore material retardation was not an issue in this investigations and will not be discussed further.

Material Injury by Reason of Imports

In order for a domestic industry to prevail in a preliminary investigation, the Commission must determine that there is a reasonable indication that the dumped or subsidized imports cause or threaten to cause material injury to the domestic industry producing the like product. The Commission must determine whether the domestic industry producing the like product is materially injured or is threatened with material injury, and whether any injury or threat thereof is by reason of the dumped or subsidized imports. Only if the Commission finds a reasonable indication of both injury and causation, will it make an affirmative determination in the investigation.

Before analyzing the data, however, the first question is whether the statute is clear or whether one must resort to the legislative history in order to interpret the relevant sections of the this import relief law. In general, the accepted rule of statutory construction is that a statute, clear and unambiguous on its face, need not and cannot be interpreted using secondary sources. Only statutes that are of doubtful

meaning are subject to such statutory interpretation.[2]

The statutory language used for both parts of the analysis is ambiguous. "Material injury" is defined as "harm which is not inconsequential, immaterial, or unimportant."[3] As for the causation test, "by reason of" lends itself to no easy interpretation, and has been the subject of much debate by past and present commissioners. Clearly, well-informed persons may differ as to the interpretation of the causation and material injury sections of title VII. Therefore, the legislative history becomes helpful in interpreting title VII.

The ambiguity arises in part because it is clear that the presence in the United States of additional foreign supply will always make the domestic industry worse off. Any time a foreign producer exports products to the United States, the increase in supply, ceteris paribus, must result in a lower price of the product than would

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[2] C. Sands, Sutherland Statutory Construction § 45.02 (4th ed., 1985.).

[3] 19 U.S.C. § 1977(7)(A)(1980).

otherwise prevail. If a downward effect on price, accompanied by a Department of Commerce dumping or subsidy finding and a Commission finding that financial indicators were down were all that were required for an affirmative determination, there would be no need to inquire further into causation.

But the legislative history shows that the mere presence of LTFV imports is not sufficient to establish causation. In the legislative history to the Trade Agreements Acts of 1979, Congress stated:

> [T]he ITC will consider information which indicates that harm is caused by factors other than the less-than-fair-value imports.[4]

The Finance Committee emphasized the need for an exhaustive causation analysis, stating, "the Commission must satisfy itself that, in light of all the information presented, there is a sufficient causal link between the less-than-fair-value imports and the requisite injury."[5]

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[4] Report on the Trade Agreements Act of 1979, S. Rep. No. 249, 96th Cong. 1st Sess. 75 (1979).

[5] Id.

The Senate Finance Committee acknowledged that the causation analysis would not be easy: "The determination of the ITC with respect to causation, is under current law, and will be, under section 735, complex and difficult, and is a matter for the judgment of the ITC."[6] Since the domestic industry is no doubt worse off by the presence of any imports (whether LTFV or fairly traded) and Congress has directed that this is not enough upon which to base an affirmative determination, the Commission must delve further to find what condition Congress has attempted to remedy.

In the legislative history to the 1974 Act, the Senate Finance Committee stated:

> This Act is not a 'protectionist' statute designed to bar or restrict U.S. imports; rather, it is a statute designed to free U.S. imports from unfair price discrimination practices. * * * The Antidumping Act is designed to discourage and prevent foreign suppliers from using unfair price discrimination practices to the detriment of a United States industry.[7]

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[6] Id.

[7] Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

Thus, the focus of the analysis must be on what constitutes unfair price discrimination and what harm results therefrom:

> [T]he Antidumping Act does not proscribe transactions which involve selling an imported product at a price which is not lower than that needed to make the product competitive in the U.S. market, even though the price of the imported product is lower than its home market price.[8]

This "complex and difficult" judgment by the Commission is aided greatly by the use of economic and financial analysis. One of the most important assumptions of traditional microeconomic theory is that firms attempt to maximize profits.[9] Congress was obviously familiar with the economist's tools: "[I]mporters as prudent businessmen dealing fairly would be interested in maximizing profits by selling at prices as high as the U.S. market would bear."[10]

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8 Id.

9 See, e.g., P. Samuelson & W. Nordhaus, Economics 42-45 (12th ed. 1985); W. Nicholson, Intermediate Microeconomics and Its Application 7 (3d ed. 1983).

10 Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

An assertion of unfair price discrimination should be accompanied by a factual record that can support such a conclusion. In accord with economic theory and the legislative history, foreign firms should be presumed to behave rationally. Therefore, if the factual setting in which the unfair imports occur does not support any gain to be had by unfair price discrimination, it is reasonable to conclude that any injury or threat of injury to the domestic industry is not "by reason of" such imports.

In many cases unfair price discrimination by a competitor would be irrational. In general, it is not rational to charge a price below that necessary to sell one's product. In certain circumstances, a firm may try to capture a sufficient market share to be able to raise its price in the future. To move from a position where the firm has no market power to a position where the firm has such power, the firm may lower its price below that which is necessary to meet competition. It is this condition which Congress must have meant when it charged us "to discourage and prevent foreign suppliers from using unfair price discrimination practices to the detriment of

a United States industry."[11]

In Certain Red Raspberries from Canada, I set forth a framework for examining what factual setting would merit an affirmative finding under the law interpreted in light of the cited legislative history.[12]

> The stronger the evidence of the following . . . the more likely that an affirmative determination will be made: (1) large and increasing market share, (2) high dumping margins, (3) homogeneous products, (4) declining prices and (5) barriers to entry to other foreign producers (low elasticity of supply of other imports).[13]

The statute requires the Commission to examine the volume of imports, the effect of imports on prices, and the general impact of imports on domestic producers.[14] The legislative history provides some guidance for applying these criteria. The factors incorporate both the

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11 Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

12 Inv. No. 731-TA-196 (Final), USITC Pub. 1680, at 11-19 (1985) (Additional Views of Vice Chairman Liebeler).

13 Id. at 16.

14 19 U.S.C. § 1677(7)(B)-(C) (1980 & cum. supp. 1985).

statutory criteria and the guidance provided by the legislative history. Each of these factors is evaluated in turn.

Causation analysis

Examining import penetration is important because unfair price discrimination has as its goal, and cannot take place in the absence of, market power. The market penetration of imports of the imports under investigation increased from 46.5 percent in 1984 to 50.9 percent in 1985 and fell to 48.5 percent in 1986. Import penetration for January through March 1987 decreased to 45.7 percent compared to 52.4 percent in the corresponding period of 1986.[15] Import penetration has decreased since 1985, but it is large and consistent with an affirmative determination.

The second factor is a high margin of dumping or subsidy. The higher the margin, ceteris paribus, the more

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[15] Report at A-6 Table 1. The penetration figures
(Footnote continued on next page)

likely it is that the product is being sold below the competitive price[16] and the more likely it is that the domestic producers will be adversely affected. In a preliminary investigation, the Commerce Department has not yet had time to calculate any margins. I therefore typically rely on the margins alleged by petitioner. In this case, petitioners allege margins ranging from 1.1 percent to 56.8 percent. These margins are based upon U.S. sales, offers or bids in comparison to home market prices of five major Japanese manufacturers.[17] These margins range from low to moderately high and are not inconsistent with an affirmative determination.

The third factor is the homogeneity of the products. The more homogeneous the products, the greater will be the effect of any allegedly unfair practice on domestic producers. Evidence presented in the staff report

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(Footnote continued from previous page)
presented here are measured on a quantity basis. I note that the trend in import penetration is the same when measured on a value basis.

16 See text accompanying note 8, supra.

17 Report A-4.

indicates that purchasers find the quality of the domestic and imported products to be similar.[18] Furthermore, the terms of sale and customer services offered are similar for the domestic and imported products.[19] For the purposes of this preliminary investigation, I find that the domestic and imported products products are homogeneous. This factor is consistent with an affirmative determination.

As to the fourth factor, evidence of declining domestic prices, ceteris paribus, might indicate that domestic producers were lowering their prices to maintain market share. Prices for the domestic product have exhibited no distinct trend during the period of investigation.[20] All of the available weighted-average

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18 Report at A-31.

19 Report at A-31.

20 Report at A-33 Table 17, A-34 Table 18, and A-35 Table 19. The Commission obtained pricing information for four categories of internal combustion forklift trucks which are subject to investigation. These four categories are: (1) internal combustion forklift trucks, cushion tires, 3,000 pound basic lift capacity, LPG system, triple stage (triplex) 187" mast M.F.H., 42" pallet forks; (2) internal

(Footnote continued on next page)

price series fluctuated over the period of investigation. Most of the price fluctuations were attributable to changes in volume, and because prices for each sale are usually negotiated with greater sales volumes leading to lower prices.

The fifth factor is foreign supply elasticity (barriers to entry). If there is low foreign elasticity of supply (or barriers to entry) it is more likely that a producer can gain market power. Imports from countries other than Japan accounted for a significant portion of apparent consumption from 1984 to March 1987.[21] Such imports accounted for 25 percent of apparent U.S. consumption in 1986, and 31 percent in the first quarter of 1987.[22] I conclude that barriers to entry are low.

(Footnote continued from previous page)
combustion forklift trucks, pneumatic tires, 5,000 pound basic lift capacity, gasoline engine, standard 130" mast M.F.H., 42" pallet forks; (3) internal combustion forklift trucks, 8,000 pound basic capacity, diesel engine, standard 147" mast M.F.H., 48" pallet forks; and (4) forklift trucks with 13,500 pound lift capacity. The domestic prices for these trucks are reported on A-33 Table 17, A-34 Table 18, A-35 Table 19, and A-35, respectively.

21 Report at A-28 Table 14.

22 Report at A-6 Table 1, and A-28 Table 14.

These factors must be considered in each case to reach a sound determination. Barriers to entry are low. Domestic prices exhibited no distinct trend over the period of investigation. However, market share, although it has been decreasing since 1985 is still large. Moreover, the products are homogeneous and the alleged margins are low to moderately high. These factors favor an affirmative determination.

Conclusion

Therefore, I determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain internal-combustion forklift trucks from Japan which are allegedly being sold at less than fair value.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On April 22, 1987, an antidumping petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel for Hyster Co. of Portland, OR, a U.S. producer of internal combustion engine fork-lift trucks; the Independent Lift Truck Builders Union; the International Association of Machinists & Aerospace Workers; the International Union, Allied Industrial Workers of America (AFL-CIO); and the United Shop & Service Employees. The petition alleges that an industry in the United States is materially injured and is threatened with material injury by reason of imports from Japan of internal combustion engine fork-lift trucks 1/ (IC fork-lift trucks), provided for in item 692.40 of the Tariff Schedules of the United States (TSUS), which are being, or are likely to be, sold in the United States at less than fair value (LTFV). Accordingly, effective April 22, 1987, the Commission instituted investigation No. 731-TA-377 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)). The purpose of the Commission's investigation is to determine whether or not there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Japan of IC fork-lift trucks. The statute directs the Commission to make its determination within 45 days of the receipt of a petition, or in this case by June 8, 1987.

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of April 30, 1987 (52 F.R. 12781). 2/ The conference was held in Washington, DC, on May 14, 1987. 3/ The Commission's vote in this investigation was held on Wednesday, June 3, 1987.

1/ For purposes of this investigation, "internal combustion engine fork-lift trucks" include both assembled, not assembled, and less than complete, finished and not finished, operator-riding fork-lift trucks powered by gasoline, propane, or diesel fuel internal combustion engines of off-the-highway types used in factories, warehouses, or transportation terminals for short-distance transport, towing, or handling of articles. "Less than complete" fork-lift trucks are defined as imports which include a frame by itself or a frame assembled with one or more component parts. The Department of Commerce has stated that the frame by itself is the identifying feature and principal component part of the product and is solely dedicated for the manufacture of a complete internal combustion, industrial fork-lift truck.

2/ Copies of the Commission's and Commerce's notices are presented in app. A.

3/ A list of witnesses who appeared at the public conference is presented in app. B.

The Product 1/

Description and uses

Fork-lift trucks and similar industrial vehicles are self-propelled work trucks with platforms that can be raised and lowered for insertion under a load to be lifted or transported. Elevation of platforms is provided by a hydraulic system. These trucks are typically powered by gasoline, diesel, propane, or electric engines. Fork-lift trucks are used in general material-handling capacities, in stacking and retrieval, and for lighter duty applications in such places as small warehouses. For all practical purposes, the type of power source depends on the service for which the truck is intended. Internal combustion engine trucks, which utilize gasoline, diesel fuel, or propane, are normally used in outdoor and/or indoor operations where ventilation is not a problem. Additionally, IC fork-lift trucks are used when unlimited length of time in operation is important or when ramps or other heavy-duty applications come into play. Electrically powered lift trucks are generally not suited for outdoor operations because of their lower material handling efficiency, but are usually used indoors where internal combustion engines would not be used because of the emission of exhaust fumes. Electric lift trucks are powered by batteries, which also serve as a significant part of the counterweight system for the unit. According to industry sources and purchasers, the end use for which a truck is intended is a major consideration in whether an IC or electric fork-lift truck is selected. Among the reported considerations are the fact that the batteries in electric trucks must periodically be recharged, thus taking the unit out of service or necessitating the need for additional batteries and a certain amount of "down time" while the batteries are being changed. Hence, if heavy-duty usage is desired (i.e., 3 shifts a day, 6 to 7 days a week, long hauls in warehouses and storage areas, or numerous ramps), the IC fork-lift truck would be the more likely choice. Additionally, if electric trucks are used, OSHA rules require a separate area for charging and changing the batteries, as well as a washing station in case of accidents with acid contained in the batteries.

Operator-riding (rider) lift trucks are used to reduce operator fatigue in demanding, heavy-duty or high-volume applications involving a significant amount of stacking or relatively long travel distances. Basic types of rider trucks include counterbalanced, narrow aisle, sideloader, orderpicker, and turret. The counterbalanced rider truck is the most widely used model for general industrial duty. Narrow aisle trucks are used to reduce necessary aisle space. These vehicles operate in areas 5 to 10 feet wide. Sideloaders are four-wheeled vehicles used for transporting and stacking long, bulky, difficult-to-handle items. As the name implies, a sideloader truck loads and carries from the side. Orderpicking trucks are used for assembling small quantities of items for use in plant operations or for shipping orders. This truck is basically a narrow-aisle truck with an operator's platform on the forks. The operator rides up with the forks, regulating speed and elevation

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1/ Internal combustion engine fork-lift trucks have not been the subject of any other statutory investigation by the Commission. In June 1986, the Commission completed investigation No. TA-201-60 on steel fork arms. As a result of the investigation, the Commission unanimously determined that imports of steel fork arms were not causing serious injury, or threat thereof, to the domestic steel fork arm industry.

with onboard controls. Turret trucks have high-lift capacity and some type of rotating fork that permits stacking at right angles to the forward direction of the truck. According to industry sources, lift capacity of fork-lift trucks ranges from 2,000 to 120,000 pounds. Firms responding to producer questionnaires in this investigation reported that more than 90 percent of their production was of trucks with lift capacities from 2,000 to 15,000 pounds.

Manufacturing process

There are two basic fabrication processes involved in the production of fork-lift trucks before assembly. A fork-lift truck frame is produced from sheet steel that is cut to the desired shape, washed, dried, and cleaned further by passing it through a machine which cleans it of any residual slag from the cut. The piece of cut steel is then treated with a rustproofing solution and dried. The sheet steel is generally three-eighths of an inch in thickness, though at some points on the finished frame this thickness is either augmented or diminished. Individual pieces are then formed to shape by bending. These pieces are then welded to each other to form the frame. Finished frames are again cleaned by passing them through a machine to remove any excess welding bead. A primer coat of paint is then sprayed on.

The production process for the upright, or mast, of a fork-lift truck is similar to that of the body. Channel steel, as opposed to sheet steel, is cut to length, washed, dried, and passed through a cleaning machine. Pieces, which have been cut from sheet steel, are welded to this length, two channels are welded with cross-pieces, and the whole assembly is washed, dried, and cleaned. It is then treated with a rustproofing solution, and a primer coat of paint is sprayed on by hand. The finished piece represents the outer rails of the upright. Inner rails are produced by cutting channel steel to length, cleaning, and painting in a separate line. The inner and outer rails are then mated, with the number of inner rails determined by the desired extension range of the upright. There can be four kinds of uprights: standard, free-lift (where the forks can be raised to the height of the upright without extending the upright), three stage, and four stage. Sprockets and chain are added, as are hydraulic cylinders. These components are added to provide lifting capacity for the uprights. The finished upright is taken from the production line and stored until it is needed on the truck assembly line.

Although certain aspects of the production process for internal combustion engine and electrically powered fork-lift trucks are somewhat similar, they are not produced on the same assembly line by either U.S. or Japanese producers. Similarly, the production workers require different training for the particular production lines. The pieces cut for each are unique to each, as those required for an internal combustion truck differ from those required for an electric truck due to the operational necessities of each. The electric truck's frame, when completed, weighs approximately 1,200 pounds and must accommodate a battery weighing between 2,000 and 4,000 pounds. In contrast, the frame for the internal combustion engine truck weighs approximately 900 pounds and supports an engine/transmission weight of approximately 1,600 pounds and large counterweight, the weight of which depends on the lift capacity of the truck.

When the frame is completed, it is taken to a separate production line, where the truck's engine/transmission combination is mated to the frame. Drive and steering axles are then fitted. The hydraulic system (hoses, pump, reservoir, controls) are added, as are the engine and steering controls. When all of the truck's motive and control systems have been installed, the upright is added, along with the counterweight. Figure 1 illustrates an assembled IC fork-lift truck and the major components and nomenclature associated with the product.

The truck is then tested by running the engine and operating the hydraulic controls. This simple test is to check for fluid leaks. Next, the truck is tested for lift capacity and for the range of upright tilt. When the testing is completed with no fault detected, the truck is taken to an area for customer-specified options, such as side loader or extended reach capabilities. When all customer-specified options have been installed, the final paint is sprayed.

U.S. tariff treatment

Imports of internal combustion engine fork-lift trucks are classified in item 692.40 of the TSUS. Effective January 1, 1987, such imports (other than from enumerated Communist countries) enter the United States free of duty. During the period covered by this investigation, imports of these fork-lift trucks from most-favored-nation sources were subject to the following ad valorem rate of duty: 1984--1.7 percent; 1985--1.1 percent; 1986--0.6 percent.

Nature and Extent of the Alleged LTFV Sales

The petitioners allege that imports of internal combustion engine fork-lift trucks from Japan have been sold at LTFV margins ranging from 1.1 to 56.8 percent. These alleged margins are based upon U.S. sales, offers, or bids compared to home market prices of five major Japanese manufacturers.

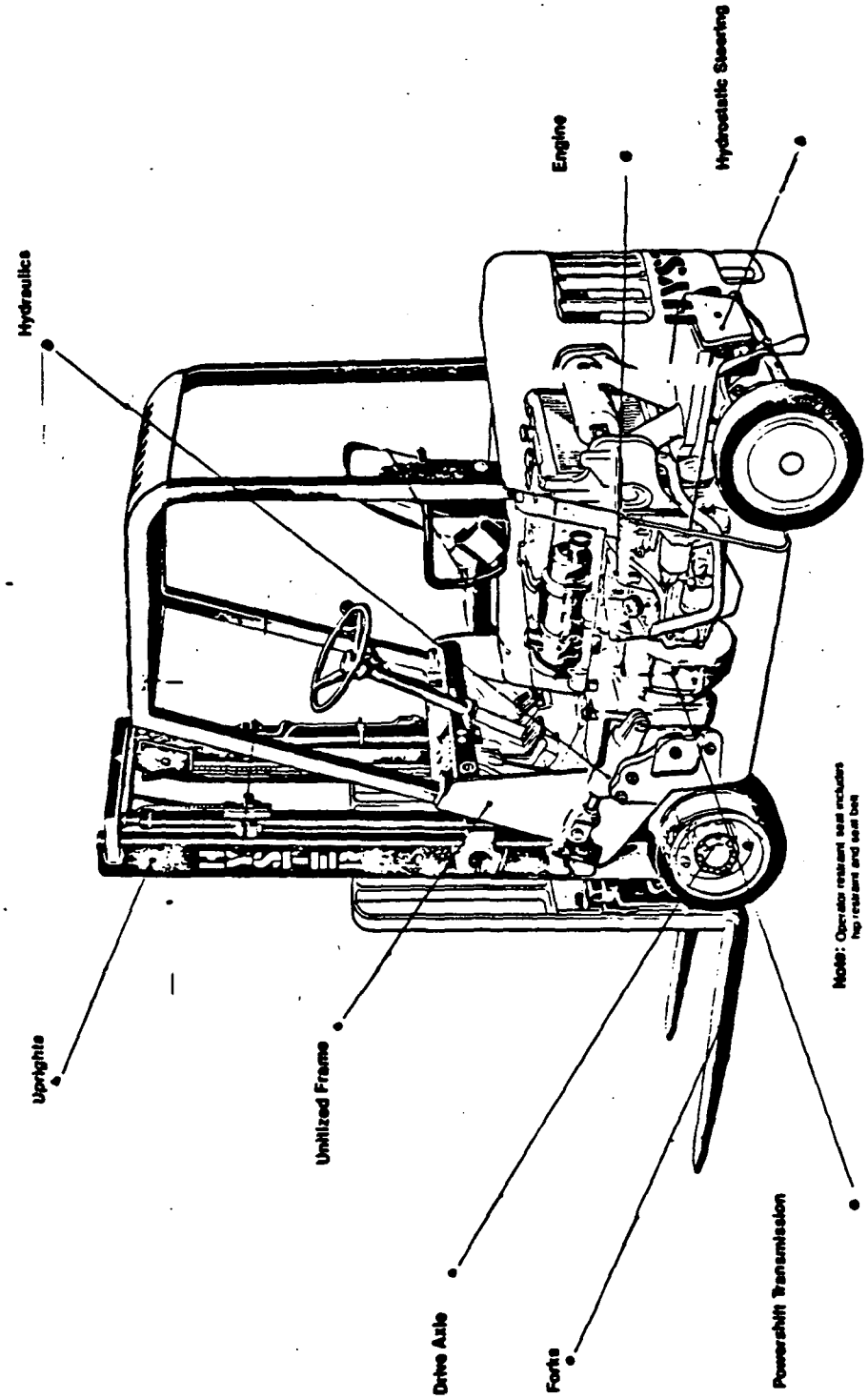
The Domestic Market

In this investigation, the Commission collected data in its questionnaires on two product catagories: (1) IC fork-lift trucks with 2,000 to 15,000-pound lift capacity, and; (2) other IC fork-lift trucks, defined as having a lift capacity either below 2,000 pounds or above 15,000 pounds. During the period of investigation, U.S. production in the 2,000 to 15,000-pound category accounted for more than 90 percent of total IC fork-lift truck production. Similarly, imports in the same category, as reported by those responding to Commission questionnaires, accounted for more than 99 percent of the imports reported.

U.S. consumption

U.S. consumption of IC fork-lift trucks with lift capacities from 2,000 to 15,000 pounds (table 1) remained essentially level from 1984 through 1986, rising by 6.1 percent from 1984 to 1985 and then dropping by 3.3 percent in

Figure 1.--Internal Combustion Engine Fork-lift Truck



Source: Hyster Co.

Table 1
IC fork-lift trucks: U.S. shipments, imports, and apparent consumption, 2,000-15,000 pound lift capacity, 1984-86, January-March 1986 and January-March 1987

Period	Shipments			Imports from Japan	Imports	Apparent consumption	Ratio (percent) of- Imports to consumption	Ratio (percent) of- Japanese imports to consumption
	Domestic	Export	Total					
	Quantity (units)							
1984.....	20,284	748	21,032	24,936	33,385	53,669	62.2	46.5
1985.....	17,469	677	18,146	28,977	39,460	56,929	69.4	50.9
1986.....	14,668	716	15,384	26,663	40,390	55,058	73.4	48.5
Jan.-Mar—								
1986.....	3,406	138	3,544	7,320	10,574	13,980	75.7	52.4
1987.....	2,635	137	2,772	5,182	8,697	11,332	76.7	45.7
	Value (1,000 dollars) 1/							
1984.....	343,029	12,703	355,732	202,417	298,343	641,372	46.6	31.6
1985.....	298,421	11,643	310,064	234,101	350,117	648,538	54.0	36.1
1986.....	238,093	12,926	251,019	250,097	413,093	651,186	63.5	38.4
Jan.-Mar—								
1986.....	55,472	2,489	57,961	62,781	99,010	154,482	64.1	40.7
1987.....	46,521	2,495	49,016	53,132	92,838	139,359	66.7	38.2

1/ CIF value plus calculated duties.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce.

Table 2
IC fork-lift trucks: U.S. shipments, imports, and apparent consumption, 2,000-15,000 pound lift capacity and other 1/ lift capacities, 1984-86, January-March 1986 and January-March 1987

Period	Shipments			Imports from Japan	Imports	Apparent consumption	Ratio (percent) of- Imports to consumption	Ratio (percent) of- Japanese imports to consumption
	Domestic	Export	Total					
	Quantity (units)							
1984.....	21,681	830	22,511	24,936	33,385	55,066	60.7	45.3
1985.....	18,761	754	19,515	28,977	39,460	58,221	67.8	49.8
1986.....	16,050	801	16,851	26,663	40,390	56,440	71.6	47.3
Jan.-Mar—								
1986.....	3,703	158	3,861	7,320	10,574	14,275	74.1	51.3
1987.....	2,948	156	3,104	5,182	8,697	11,645	74.7	44.5
	Value (1,000 dollars) 2/							
1984.....	427,220	17,863	445,083	202,417	298,343	725,563	41.2	27.9
1985.....	377,029	15,680	392,709	234,101	350,117	727,146	48.2	32.2
1986.....	315,111	17,391	332,502	250,097	413,093	728,204	56.8	34.4
Jan.-Mar—								
1986.....	72,555	3,329	75,884	62,781	99,010	171,565	57.7	36.6
1987.....	65,579	3,408	68,987	53,132	92,838	158,417	58.6	33.6

1/ Below 2,000 pounds and above 15,000 pounds.
2/ CIF value plus calculated duties.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce.

1986. January-March 1987 consumption was off by 18.9 percent compared with that in the corresponding period of 1986. Table 2 reflects consumption for IC fork-lift trucks of all lift capacities.

Fork-lift truck consumption had been at low levels during the 1981-82 recession, before beginning to show some improvement in 1983. According to industry sources, the material-handling sector lagged the general economy, especially the automotive sector, in its recovery. By 1984, levels of consumption had begun to reflect the effects of economic recovery.

U.S. producers

Currently, there are seven U.S. producers known to produce IC fork-lift trucks, with three (Hyster Co., Caterpillar Industrial Co., and Clark Equipment Co.) accounting for *** percent of 1986 U.S. production in the 2,000 to 15,000-pound lift category. ***. Table 3 summarizes U.S. producers and their shares of U.S. production during the period of investigation. Since 1983, a number of domestic producers have either ceased or downsized their domestic operations. Some have gotten out of the business, but most have begun sourcing offshore or have announced plans to do so in the near future. Six of the domestic producers responding to the Commission's questionnaires import IC fork-lift trucks. Only White Lift Truck & Parts Mfg. Co., accounting for *** percent of U.S. production in 1986, does not import. Three producers (AC Materials Handling Corp., Taylor Machine Works, and Yale Materials Handling Corp.) now import from Japan. A discussion of U.S. producers follows.

The petitioning firm, Hyster Co. (Hyster), accounted for slightly over *** percent of U.S. production of IC fork-lift trucks in the 2,000 to 15,000-pound lift category in 1986. Hyster currently produces frames and assembles IC fork-lift trucks at its Danville, IL, and Berea, KY, facilities from component parts, some of which are manufactured by Hyster Co. in its Sulligent, AL, plant. Hyster closed its Portland, OR, plant in January 1984 and consolidated production in its Danville, Berea, Sulligent, and Crawfordsville, IN, plants. Hyster subsequently closed its Crawfordsville plant in May 1986. Hyster also has IC fork-lift truck production facilities in Northern Ireland, Scotland, Australia, Brazil, and the Netherlands. ***. Hyster indicated its 1985 and 1986 decisions to shift the sourcing of a number of series of IC fork-lift trucks from its U.S. facilities to its plant in Scotland were "because of competition from imported Japanese forklifts." ***.

Clark Equipment Co. (Clark) accounted for *** percent of U.S. production in 1986. Currently, Clark manufactures both IC and electric-powered fork-lift trucks having a lift capacity of from 2,000 to 10,000 pounds at Georgetown, KY. In February 1986, the company announced that it would close both this facility and its plant at Battle Creek, MI, over a 2 year period and is in the process of carrying out those closures. Clark manufactures IC fork-lift trucks having a lift capacity of over 10,000 pounds at Asheville, NC, in a joint venture with AB Volvo of Sweden in which both companies merged their construction operations. In August 1986, Clark formalized its agreement with Samsung Heavy Industries (SHI), a member of the Samsung Group of Korea. SHI will manufacture Clark-designed IC fork-lift trucks having a lift capacity of

Table 3
IC fork-lift trucks: U.S. producers' share of 1984 and 1986 U.S. production, and source of imports, 2,000-15,000 pound lift capacity

Firm	Share of U.S. production 1984	1986	Source of imports
	percent		
Allis-Chalmers Corp.....	***	1/	-
AC Materials Handling Corp...	2/	***	Japan
Baker Material Handling Corp.....	3/	3/	Germany
Caterpillar Industrial Inc. 4/.....	***	***	United Kingdom and Korea
Clark Equipment Co. 5/.....	***	***	Korea
Hyster Co.....	***	***	United Kingdom
Pettibone Corp.....	6/	-	-
Taylor Machine Works.....	***	***	Japan
White Lift Truck and Parts Mfg. Co.....	7/	***	-
Yale Materials Handling Corp.....	***	***	Japan

1/ Allis-Chalmers sold its Industrial Truck Division to AC Materials Handling Corp. in 1986.
2/ AC Materials Handling Corp. purchased Allis-Chalmers' Industrial Truck Division in 1986.
3/ Baker Material Handling Corp. ceased U.S. production in 1983 and imports from West Germany through its parent firm, Linde AG.
4/ Caterpillar Industrial Inc. has announced plans to close its one remaining U.S. production facility at Dallas, OR, in late 1987 or early 1988.
5/ Clark Equipment Co. has announced plans to close its remaining U.S. production facilities at Battle Creek, MI, and Georgetown, KY, by the end of 1987.
6/ Pettibone Corp. ceased production in early 1985 and filed a petition for bankruptcy in January 1986. ***.
7/ White Lift Truck & Parts Mfg. Co. purchased its operation through a bankruptcy sale in 1985. Previously, the operation had been the White Lift Truck Division of White Farm Equipment Co. ***.

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

from 2,000 to 10,000 pounds. According to press accounts, Samsung will supply Clark with 100,000 lift trucks, or 10,000 units per year, beginnning in late 1986. Clark will pay Samsung $1 billion and market the trucks worldwide under the Clark brandname. ***.

Caterpillar Industrial Co. (Caterpillar) accounted for *** percent of U.S. IC fork-lift production during 1986, down from about *** percent of production in 1984. Caterpillar currently manufactures IC fork-lift trucks at Dallas, OR. However, the company announced it would cease production there, its last remaining U.S. production facility for IC fork-lift trucks, in late 1987 or early 1988. In December 1984, Caterpillar ceased production of IC fork-lift trucks at its Mentor, OH, facility and closed it in February 1985. IC fork-lift truck production was then sourced from its facilities at Dallas, OR; Leicester, United Kingdom (production began in 1971); and Inchon, Republic of Korea (Korea). The sourcing from Korea began in mid-1984 under a 10-year contract with Daewoo Heavy Industries, Ltd. to provide mid range forklift trucks. Under the agreement, the trucks are designed by Caterpillar to meet Caterpillar product standards and are sold worldwide under the Caterpillar trademark. Additionally, in 1984, Caterpiller signed a contract with Kaldnesmek. Veskted A/S, Tonsberg and Vestfold, Norway, to manufacture large, above 15,000-pound lift capacity, IC fork-lift trucks.

Taylor Machine Works, Inc., (Taylor) manufactures IC fork-lift trucks with a lift capacity from 10,000 to 100,000 pounds at its plant in Louisville, MS. In 1986, Taylor accounted for *** percent of U.S. production of IC fork-lift trucks in the 2,000 to 15,000-pound lift category. For production of IC fork-lift trucks with lift capacity above 15,000 pounds, Taylor's 1986 production amounted to *** percent of total U.S. output. In 1984, Taylor closed two plants because of ***. Taylor is an importer of IC fork-lift trucks from Japan in the 2,000 to 15,000-pound lift capacity range.

Yale-Materials Handling Corp. (Yale) currently produces *** of IC fork-lift trucks at its Greenville, NC, facility, and in 1986 its U.S. production amounted to *** percent of overall U.S. output. For the same time, however, Yale *** . ***. Yale imports under a 50/50 joint venture between themselves and Sumitomo Heavy Industries. In 1983, Yale ceased production of IC fork-lift trucks at its Philadelphia, PA, plant and transferred production or sourcing of trucks formerly produced at that facility to Sumitomo. In 1985, Yale's Salem, VA parts plant was closed down and some equipment was tranferred to Greenville. ***.

AC Materials Handling Corp. (ACMH) purchased Allis-Chalmers Corporation's Industrial Truck Division in August 1986 and currently has *** U.S. production at its plant in Columbus, OH. ACMH made its purchase from Allis-Chalmers during the latter's consolidation of its overall operations. ***. In 1987, ACMH announced it had signed an agreement for contract manufacturing with Komatsu Forklift Co., Ltd. to manufacture 3,000 to 15,000-pound lift capacity IC fork-lift trucks in Japan for ACMH.

In 1986, White Lift Truck & Parts Mfg. Co. (White), began production of IC fork-lift trucks at its plant in Osseo, MN. White purchased its operation through a bankruptcy sale process in 1985. Previously, the operation had been the White Lift Truck division of White Farm Equipment Co. In 1986, White's share of overall U.S. production of IC fork-lift trucks was *** percent.

Also during the period of investigation, Pettibone Corp. of Chicago, IL, produced *** of IC fork-lift trucks. Pettibone Corp. ceased production of fork-lift trucks in March 1985 and in January 1986 filed a petition for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. Pettibone cited a lack of return on invested assets for its decision to try to sell its fork-lift trucks operations under the bankruptcy proceedings.

Baker Material Handling Corp. of Summerville, SC, ceased production of IC fork-lift trucks in the United States in April 1983. Since that time, Baker has imported its trucks from its parent, Linde AG, a West German producer of IC fork-lift trucks.

U.S. importers

In 1986, the major portion of imports of IC fork-lift trucks from Japan were accounted for by the U.S. affiliates of the major Japanese producers. Komatsu Forklift (U.S.A.), Inc., Mitsubishi Heavy Industries, Ltd. (through its subsidiary, Machinery Distribution, Inc.), Nissan Industrial Equipment Co., Toyo Umpanki Forklift Trucks (through TCM America (MBK), Inc. and C. Itoh Industrial Machinery, Inc.), Toyota Industrial Equipment, and Yale Materials Handling Corp. (Sumitomo-Yale Co., Ltd.) were responsible for more than 80 percent of imports from Japan in 1986. This was the case throughout the period of investigation.

In addition to the major producers, some dealers in the United States import directly from Japan. Petitioners allege that many of these imports, which are not to "authorized" dealers, are of the so-called "gray market" variety, and the trucks are sold as new, nearly new, low-hour, demonstrator quality, or reconditioned trucks. Dealers such as ***, indicated that a portion of their imports fell into these catagories. Additionally, some dealers import "used or reconditioned" trucks. These trucks are allegedly 5 to 10 years old. Imports in this latter category enter under the same TSUS item as new and gray market trucks. Imports in the "used or reconditioned" category among those responding to the Commission's questionnaires averaged between *** percent of total imports reported from Japan. ***. 1/

Channels of distribution

There are two methods of distribution for fork-lift trucks produced in the United States. Trucks are either sold directly to end users by the manufacturer, after it has successfully bid on delivery of a specified truck, or through an independent dealer network, which either orders trucks for inventory or to a customer's specification. Direct sales to end users usually take place when a large, national or multinational customer is involved; dealer sales account for territorial sales to smaller accounts.

1/ ***.

Similarly, authorized distribution of imported fork-lift trucks is made in two ways, either with the foreign company selling directly to domestic accounts or with sales being generated entirely by independent sales agents.

Unauthorized sales of fork-lift trucks would be without factory warranty or guarantee of any kind other than that of the reseller. In addition, the petitioner asserts that a U.S. dealer could buy a foreign truck, operate it for a few hours, and then sell it as a used vehicle, although it had only been operated for only a few hours. 1/

Dealers handle either a mixture of fork-lift truck brands or are dedicated to selling only one brand name of truck. Generally speaking, dealers that sell U.S.-produced fork-lift trucks handle only one specific brand of fork lift truck, but imported fork-lift truck dealers usually handle more than one brand at the same dealership.

Consideration of Material Injury

The information presented in this section of the report was obtained from responses to questionnaires of the Commission in connection wih the current investigation. Of the U.S. producers that have produced IC fork-lift trucks during the period of investigation, three (AC Materials Handling Corp., Taylor, and Yale) have imported trucks from Japan. If data concerning these producers, which accounted for *** percent of aggregate U.S. production and *** percent of imports from Japan during 1984-86, were excluded from information presented in this section, the overall trends would remain the same. The trends discussed in this section will generally center on the 2,000 to 15,000-pound lift capacity group, which accounted for over 90 percent of production and 99 percent of imports.

U.S. production, capacity, and capacity utilization

Data on U.S. producers' productive capacity are presented in table 4. U.S. capacity to produce IC fork-lift trucks with a lift capacity of 2,000 to 15,000-pounds declined by 32.9 percent from 1984 to 1985, ***. Capacity declined by another 21.1 percent in 1986.

U.S. production of IC fork-lift trucks with a lift capacity of 2,000 to 15,000-pounds dropped by 18.8 percent in 1985 from such production in 1984, ***. Production in 1986 was off 9.8 percent from that in 1985. As productive capacity declined more sharply than production from 1984 through 1986, capacity utilization increased from 52.1 percent in 1984 to 72.0 percent in 1986.

As noted earlier, *** of the U.S. producers reported production in the other lift capacity category. Of this production, approximately 20 percent runs from above 15,000 pounds to 19,000 pounds in lift capacity, with the large majority being for lift capacities of 20,000 pounds and above.

1/ Transcript of conference, pp. 75-76.

Table 4
IC fork-lift trucks: U.S. producers' production, capacity, and capacity utilization, by lift capacities, 1984-86, January-March 1986, and January-March 1987

Item	1984	1985	1986	January-March-- 1986	1987
2,000 to 15,000 pounds:					
Capacity.....units..	40,431	27,131	21,400	5,550	5,491
Production.....do....	21,046	17,089	15,412	3,575	2,900
Capacity utilization percent..	52.1	63.0	72.0	64.4	53.0
Other: 1/					
Capacity.....units..	8,720	8,000	7,900	1,980	1,980
Production.....do....	1,433	1,318	1,473	312	346
Capacity utilization percent..	16.4	16.5	18.6	15.8	17.5
Total:					
Capacity.....units..	49,151	35,131	29,300	7,530	7,471
Production.....do....	22,479	18,407	16,885	3,887	3,246
Capacity utilization percent..	45.7	52.3	57.6	51.7	43.4

1/ Below 2,000-pound lift capacity and above 15,000-pound lift capacity.

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

U.S. producers' shipments

U.S. producers' domestic shipments (table 5) in the 2,000 to 15,000-pound lift catagory fell by 13.9 percent from 1984 to 1985 and dipped further in 1986 by another 16.0 percent. ***. More than 90 percent of the shipments by U.S. producers during the period of investigation were in the 2,000 to 15,000-pound lift catagory.

Exports accounted for 4 percent of total shipments during the period of investigation. The primary export markets are Latin America and Canada.

Table 5
IC fork-lift trucks: U.S. producers' shipments, by lift capacities, 1984-86, January-March 1986, and January-March 1987

Item	1984	1985	1986	January-March-- 1986	1987
Domestic shipments:					
2,000 to 15,000 pounds:					
Quantity.....units..	20,284	17,469	14,668	3,406	2,635
Value....1,000.dollars..	343,029	298,421	238,093	55,472	46,521
Unit value....per unit..	$16,911	$17,083	$16,233	$16,287	$17,655
Other: 1/					
Quantity.....units..	1,397	1,292	1,382	297	313
Value....1,000.dollars..	84,191	78,608	77,018	17,083	19,058
Unit value....per unit..	$60,266	$60,842	$55,729	$57,519	$60,888
Total:					
Quantity.....units..	21,681	18,761	16,050	3,703	2,948
Value....1,000.dollars..	427,220	377,029	315,111	72,555	65,579
Unit value....per unit..	$19,705	$20,096	$19,633	$19,594	$22,245
Export shipments:					
2,000 to 15,000 pounds:					
Quantity.....units..	748	677	716	138	137
Value....1,000.dollars..	12,703	11,643	12,926	2,489	2,495
Unit value....per unit..	$16,983	$17,198	$18,053	$18,036	$18,212
Other: 1/					
Quantity.....units..	82	77	85	20	19
Value....1,000.dollars..	5,160	4,037	4,465	840	913
Unit value....per unit..	$62,927	$52,429	$52,529	$42,000	$48,053
Total:					
Quantity.....units..	830	754	801	158	156
Value....1,000.dollars..	17,863	15,680	17,391	3,329	3,408
Unit value....per unit..	$21,522	$20,796	$21,712	$21,070	$21,846
Intracompany transfers units..	***	***	***	***	***
Total shipments.....do....	***	***	***	***	***

1/ Below 2,000-pound lift capacity and above 15,000-pound lift capacity.

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

U.S. producers' inventories

Data on U.S. producers' yearend inventories of IC fork-lift trucks are presented in table 6. Inventories for the 2,000 to 15,000-pound lift capacity trucks dropped from 8.0 percent of shipments in 1984 to 3.4 percent in 1985 and then rose to 3.9 percent in 1986. Inventory levels in January-March 1987 stood at 6.0 percent of shipments compared with 2.6 percent for the same period of 1986.

Table 6
IC fork-lift trucks: U.S. producers' end-of-period inventories, by lift capacities, 1983-86, January-March 1986, and January-March 1987

Item	1983	1984	1985	1986	January-March-- 1986	1987
Quantity:						
2,000 to 15,000 pounds units..	1,663	1,667	605	595	377	660
Other 1/.....do....	253	204	151	156	130	168
Total.....do....	1,916	1,871	756	751	503	828
Ratio to total shipments:						
2,000 to 15,000 pounds percent..	2/	8.0	3.4	3.9 3/	2.7 3/	6.0
Other 1/.....do....	2/	13.8	11.1	10.7 3/	10.3 3/	12.7
Total.....do....	2/	8.3	3.9	4.5 3/	3.3 3/	6.7

1/ Below 2,000-pound lift capacity and above 15,000-pound lift capacity.
2/ Not available.
3/ Based on annualized shipments.

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

Employment and wages

The average number of workers engaged in the production of IC fork-lift trucks with 2,000 to 15,000 pound lift capacities dropped from 2,199 in 1984 to 1,271 in 1985, or by 42.2 percent (table 7). ***. The number of workers dropped by 11.1 percent in 1986. From 1984 through 1986, the three major U.S. producers, Caterpillar, Clark, and Hyster, ***.

The production and related workers in this industry are represented by a number of unions. Hyster's workers are represented by the United Shop & Service Employees in Portland, OR, and the Independent Lift Truck Builders in Danville, IL. The workers at Hyster's Berea, KY, and Sulligent, AL, facilities are nonunion. Caterpillar's workers are represented by the United Auto Workers and the International Association of Machinists & Aerospace

Workers, and Clark's Battle Creek, MI, workers are represented by the Allied Industrial Workers. Clark's Georgetown, KY, plant is nonunion. All of the aforementioned unions, except the United Auto Workers, are petitioners in this investigation.

Hours worked by production and related workers and wages and total compensation paid to such employees showed the same trend as numbers employed, dropping sharply from 1984 to 1985 with the decline slowing in 1986. The average hourly wage during the period of investigation ranged from a low of $12.13 to a high of $12.73.

Labor productivity, as measured by output per worker hour, rose by 40 percent from 0.5 units per 1,000 worker hours in 1984 to 0.7 units per 1,000 worker hours in 1986. Unit labor costs dropped 29.4 percent from 1984 to 1985 and declined by another 4.1 percent in 1986.

Table 7
IC fork-lift trucks: Average number of production and related workers, hours worked by such workers, wages paid, and total compensation, by lift capacities, 1984-86, January-March 1986, and January-March 1987

Item	1984	1985	1986	January-March-- 1986	1987
Production and related workers:					
2,000 to 15,000 pounds number..	2,199	1,271	1,130	1,128	963
Other 1/.....do....	546	526	463	394	488
Total.....do....	2,745	1,797	1,593	1,522	1,451
Hours worked by production and related workers:					
2,000 to 15,000 pounds 1,000 hours..	4,455	2,709	2,424	659	492
Other 1/.....do....	1,041	1,013	915	179	220
Total.....do....	5,495	3,722	3,339	838	712
Wages paid to production and related workers:					
2,000 to 15,000 pounds 1,000 dollars..	56,009	32,870	30,859	8,123	6,232
Other 1/ do....	11,276	11,617	11,053	2,080	2,651
Total.....do....	67,285	44,487	41,912	10,203	8,883
Total compensation paid to production and related workers:					
2,000 to 15,000 pounds 1,000 dollars..	74,860	42,511	39,623	10,526	7,874
Other 1/ do....	19,279	19,248	18,785	4,114	4,929
Total.....do....	94,139	61,759	58,408	14,640	12,803

See footnote at end of table.

Table 7
IC fork-lift trucks: Average number of production and related workers, hours worked by such workers, wages paid, and total compensation, by lift capacities, 1984-86, January-March 1986, and January-March 1987--Continued

Item	1984	1985	1986	January-March-- 1986	1987
Hourly wages paid to production and related workers:					
2,000 to 15,000 pounds per hour..	$ 12.57	$ 12.13	$ 12.73	$ 12.32	$ 12.66
Other 1/ do....	$ 10.83	$ 11.46	$ 12.07	$ 11.62	$ 12.05
Average.....do....	$ 12.24	$ 11.95	$ 12.55	$ 12.17	$ 12.47
Labor productivity for production and related workers:					
2,000 to 15,000 pounds units per 1,000 hours..	0.5	0.6	0.7	0.5	0.6
Other 1/ do....	.2	.2	.2	.2	.2
Average.....do....	.4	.5	.5	.5	.5
Unit labor costs:					
2,000 to 15,000 pounds per unit..	$ 3,899	$ 2,753	$ 2,642	$ 3,188	$ 2,917
Other 1/.....do....	$13,453	$14,603	$12,572	$13,185	$14,245
Average.....do....	$ 4,563	$ 3,686	$ 3,548	$ 4,081	$ 4,227

1/ Below 2,000-pound lift capacity and above 15,000-pound lift capacity.

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

Financial experience of U.S. producers

*** U.S. producers 1/ of IC fork-lift trucks, 2,000 to 15,000-pound lift capacity, furnished usable income-and-loss data concerning both their overall establishment operations and their operations producing the subject fork-lift trucks. ***.

Overall establishment operations.--The income-and-loss experience of U.S. producers on their establishments within which fork-lift trucks are produced is presented in table 8 for 1984-86 and interim periods ended March 31, 1986, and March 31, 1987. The industry has undergone significant restructuring during the period 1984-86. ***. Total U.S. producers' reported establishment sales decreased by $121.6 million, from $981.2 million in 1984 to $859.5 million in 1985, and then declined by $34.3 million, or 4.0 percent, to $825.2 million in 1986. After the major restructuring in 1985, gross profit margins improved while operating income margins remained unfavorable through 1987.

Internal combustion engine fork-lift trucks.--The income-and-loss experience of the U.S. producers on their operations producing IC fork-lift trucks is shown in table 9 for 1984-86 and interim periods ended March 31, 1986, and March 31, 1987. Corresponding data for fork-lift trucks with a lift capacity of 2,000 to 15,000 pounds are shown in table 10. Net sales for trucks with a lift capacity of 2,000 to 15,000 pounds as a share of total internal combustion engine fork-lift trucks net sales were 83.6 percent, 77.3 percent, 78.7 percent, 81.9 percent, and 71.5 percent for 1984, 1985, 1986, and interim periods ended March 31, 1986, and March 31, 1987, respectively. ***.

The financial data for domestic operations on the subject products show the impact of the restructuring of the industry in 1985. ***. The U.S. producers reported net sales of $393.4 million, $285.6 million, and $253.4 million for IC fork-lift trucks with a lift capacity of 2,000 to 15,000 pounds in the years 1984, 1985, and 1986, respectively. Net sales decreased by $17.8 million, from $54.8 million in the interim period ended March 31, 1986, to $37.0 million for the interim period ended March 31, 1987, or by 32.5 percent. After the 1985 restructuring, gross profit margins did improve with respect to the 1984 rate both for total fork-lift trucks (table 9) and for trucks with 2,000 to 15,000 pounds lift capacity (table 10). However, the respective operating income margins remained at a greater loss rate after the 1985 restructuring than that experienced for both categories of fork-lift trucks in 1984, and profitability deteriorated again in interim 1987.

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

Table 8
IC fork-lift trucks: Income-and-loss experience of U.S. producers on overall operations of establishments in which such trucks are produced, accounting years 1984-86 and interim periods ended Mar. 31, 1986, and Mar. 31, 1987

Item	1984	1985	1986	Interim period ended Mar. 31-- 1986	1987
Net sales.....1,000 dollars..	981,172	859,524	825,227	188,532	157,571
Cost of goods sold.....do....	895,698	710,843	727,767	165,587	142,197
Gross profit or (loss).do....	85,474	148,681	97,460	22,945	15,374
General, selling, and administrative expenses.....do....	131,479	185,572	142,052	32,818	30,192
Operating income or (loss).....do....	(46,005)	(36,891)	(44,592)	(9,873)	(14,818)
Interest expense.....do....	23,746	8,482	9,817	1,956	2,948
Other income or (expense), net.....do....	9,236	2/(35,850)	3/(6,599)	826	492
Net income or (loss) before income taxes..do....	(60,515)	(81,223)	(61,008)	(11,003)	(17,274)
Depreciation and amortization.....do....	20,520	15,599	13,534	3,571	3,757
Ratio to net sales of--					
Cost of goods sold percent..	91.3	82.7	88.2	87.8	90.2
Gross profit or (loss).....do....	8.7	17.3	11.8	12.2	9.8
General, selling, and administrative expenses.....percent..	13.4	21.6	17.2	17.4	19.2
Operating income or (loss).....do....	(4.7)	(4.3)	(5.4)	(5.2)	(9.4)
Net income or (loss) before income taxes.....do....	(6.2)	(9.4)	(7.4)	(5.8)	(11.0)
Number of companies reporting operating losses.....	***	***	***	***	***
Number of companies reporting	***	***	***	***	***

1/ ***.
2/ ***.
3/ ***.

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

Table 9
IC fork-lift trucks: Income-and-loss experience of U.S. producers on their operations producing such trucks, accounting years 1984-86 and interim periods ended Mar. 31, 1986, and Mar. 31, 1987

Item	1984	1/ 1985	1986	Interim period ended Mar. 31-- 1986	1987
Net sales.....1,000 dollars..	470,717	369,240	322,033	66,919	51,825
Cost of goods sold.....do....	493,007	354,296	314,700	66,586	52,509
Gross profit or (loss).do....	(22,290)	14,944	7,333	333	(684)
General, selling, and administrative expenses.....do....	44,067	56,665	55,686	12,930	12,466
Operating income or (loss).....do....	(66,357)	(41,721)	(48,353)	(12,597)	(13,150)
Depreciation and amortization.....do....	12,617	8,843	8,517	1,651	1,605
Ratio to net sales of--					
Cost of goods sold percent..	104.7	96.0	97.7	99.5	101.3
Gross profit or (loss).....do....	(4.7)	4.0	2.3	0.5	(1.3)
General, selling, and administrative expenses.....percent..	9.4	15.3	17.3	19.3	24.1
Operating income or (loss).....do....	(14.1)	(11.3)	(15.0)	(18.8)	(25.4)
Number of companies reporting operating losses.....	***	***	***	***	***
Number of companies reporting	***	***	***	***	***

1/ ***.

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

Table 10
IC fork-lift trucks with a lift capacity from 2,000 to 15,000 pounds: Income-and-loss experience of U.S. producers on their operations producing such trucks, accounting years 1984-86 and interim periods ended Mar. 31, 1986, and Mar. 31, 1987

Item	1984	1/ 1985	1986	Interim period ended Mar. 31-- 1986	1987
Net sales.....1,000 dollars..	393,367	285,580	253,424	54,838	37,040
Cost of goods sold.....do....	419,023	276,348	249,899	55,399	38,678
Gross profit or (loss).do....	(25,656)	9,232	3,525	(561)	(1,638)
General, selling, and administrative expenses.....do....	35,762	41,903	44,457	10,557	10,003
Operating income or (loss).....do....	(61,418)	(32,671)	(40,932)	(11,118)	(11,641)
Depreciation and amortization.....do....	11,195	7,343	7,211	1,425	1,385
Ratio to net sales of--					
Cost of goods sold percent..	106.5	96.8	98.6	101.0	104.4
Gross profit or (loss).....do....	(6.5)	3.2	1.4	(1.0)	(4.4)
General, selling, and administrative expenses.....percent..	9.1	14.7	17.5	19.3	27.0
Operating income or (loss).....do....	(15.6)	(11.4)	(16.2)	(20.3)	(31.4)
Number of companies reporting operating losses.....	***	***	***	***	***
Number of companies reporting	***	***	***	***	***

1/ ***.

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

Value of property, plant, and equipment.--U.S. producers' investments in production facilities employed in the production of internal combustion engine fork-lift trucks, 2,000 to 15,000-pound and "other" lift capacities, and all establishment products are shown in the following tabulation (in thousands of dollars):

	Value of property, plant, and equipment	
	Original value	Book value
IC fork-lift trucks, 2,000 to 15,000 pounds:		
1984	124,261	56,060
1985	119,182	45,493
1986	108,362	41,547
Interim period ended Mar. 31--		
1986	119,143	42,765
1987	108,760	42,213
Other IC fork-lift trucks:		
1984	33,462	14,153
1985	34,120	5,835
1986	34,785	4,263
Interim period ended Mar. 31--		
1986	33,612	4,127
1987	37,500	4,906
All products:		
1984	346,316	132,543
1985	252,193	109,909
1986	245,838	82,176
Interim period ended Mar. 31--		
1986	252,588	84,609
1987	227,572	83,272

Capital expenditures and research and development expenses.--U.S. producers' capital expenditures for buildings, machinery, and equipment used in the production of internal combustion engine fork-lift trucks, 2,000 to 15,000 pound and "other" lift capacities, and all establishment products are shown in the following tabulation (in thousands of dollars):

	Capital expenditures
IC fork-lift trucks, 2,000 to 15,000 pounds:	
1984	3,699
1985	3,721
1986	1,656
Interim period ended Mar. 31--	
1986	82
1987	136
Other IC fork-lift trucks:	
1984	1,070
1985	540
1986	598
Interim period ended Mar. 31--	
1986	20
1987	15
All products:	
1984	9,479
1985	7,269
1986	9,569
Interim period ended Mar. 31--	
1986	653
1987	256

Research and development expenses for internal combustion engine fork-lift trucks, 2,000 to 15,000 pounds and "other" lift capacities, are shown in the following tabulation (in thousands of dollars):

	Research and development expenses
IC fork-lift trucks, 2,000 to 15,000 pounds:	
1984	12,563
1985	5,778
1986	6,444
Interim period ended Mar. 31--	
1986	1,576
1987	1,719
Other IC fork-lift trucks:	
1984	2,357
1985	3,779
1986	4,182
Interim period ended Mar. 31--	
1986	1,057
1987	779

Capital and investment.--U.S. producers were asked to describe any actual or potential negative effects of imports of the subject products from Japan on the firm's growth, investment, and ability to raise capital. Their replies are as follows:

* * * * * * *

Consideration of Threat of Material Injury

In its examination of the question of threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase in the alleged LTFV imports, the rate of increase in U.S. market penetration by such imports, the quantity of such imports held in inventory in the United States, and the capacity of producers in the subject country to generate exports, including the availability of export markets other than the United States.

U.S. consumption of IC fork-lift trucks, as well as trends in imports and U.S. market penetration, were discussed in the section of this report concerning the U.S. market (tables 1 and 2). Information regarding importers' inventories and the capacity of Japan to generate exports follows.

Importers' inventories

Inventories held by importers of IC fork-lift trucks from Japan are shown in table 11. During the period under investigation, inventories of imports of Japanese IC fork-lift trucks with a 2,000 to 15,000-pound lift capacity fluctuated from 20.8 percent of annual importers' shipments to 27.6 percent, with January-March 1987 inventories standing at 25.5 percent of shipments.

The IC fork-lift truck industry in Japan

The information in this section of the report was obtained from Department of State cables, counsel to Japanese producers and importers of IC fork-lift trucks, and publicly available sources.

The major producers of IC fork-lift trucks in Japan are, through their affiliates in the United States, the major importers of the product into the United States. Six of the producers were responsible for more than 80 percent of imports from Japan in 1986. This was the case throughout the period of investigation. These producers are: Komatsu Forklift Co., Ltd., Mitsubishi Heavy Industries, Ltd., Nissan Motor Co., Ltd., Sumitomo Heavy Industries Ltd., Toyo-Umpanki Forklift Trucks, and Toyota Motor Corp. (Toyota Automatic Loom Works). The operations of Komatsu, Mitsubishi, Nissan, and Toyota are related to larger, more diverse manufacturing operations, with the latter three having facilities dedicated to the production of automobiles and small trucks. Toyo-Umpanki's principal product is fork-lift trucks, and Sumitomo Heavy Industries, Ltd., produces trucks through a joint venture with Yale Materials Handling Corp.

Japanese production, domestic shipments, and exports, for 1984 through 1986 are shown in table 12. The data in this table are derived from statistics from the Ministry of International Trade Development and Industry (MITI), the Japanese Industrial Vehicles Association, and the Customs Bureau, Ministry of Finance (Japan). Japanese production of IC fork-lift trucks increased by nearly 9 percent from 1984 to 1985 then declined by almost the same amount in 1986. Japanese exports to the United States increased 4.5 percent from 1984 to 1985 and declined 3.5 percent in 1986. Exports to the United States as a share of their total exports stood at 49.6 percent in 1986,

Table 11
IC fork-lift trucks: U.S. importers' end-of-period inventories and shipments of product imported from Japan, by lift capacities, 1984-86, January-March 1986, and January-March 1987

Item	1984	1985	1986	January-March-- 1986	1987
Inventories of imports from Japan:					
2,000-15,000 pounds					
units..	5,241	4,760	5,271	5,147	5,553
Other 1/.....do....	75	60	47	52	46
Total.....do....	5,316	4,820	5,318	5,199	5,599
Shipments of imports from Japan:					
2,000-15,000 pounds					
units..	18,966	22,912	22,632	4,963	5,447
Other 1/.....do....	89	160	96	24	30
Total.....do....	19,055	23,072	22,728	4,987	5,477
Inventories as a share of shipments:					
2,000-15,000 pounds					
percent..	27.6	20.8	23.3	2/ 25.9	2/ 25.5
Other 1/.....do....	84.3	37.5	49.0	2/ 54.2	2/ 38.3
Total.....do....	27.9	20.9	23.4	2/ 26.1	2/ 25.6

1/ Below 2,000 pounds lift capacity and above 15,000 pounds lift capacity.
2/ Based on annualized shipments.

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

up from 43.9 percent in 1985. As part of a voluntary restraint arrangement affecting all fork-lift trucks, exports of Japanese-produced IC fork-lift trucks to the European Community are limited. The limit for 1987 is 14,000 trucks.

As reported by four of the six major producers, their capacity to produce IC fork-lift trucks, averaged about *** units from 1984 to 1986 (table 13). Their capacity utilization ranged from just above 94 percent to nearly 97 percent during the period of investigation. Production by the four producers and their share of exports to the United States exhibited the same trends as those discussed for the Japanese industry as a whole.

Table 12
IC fork-lift trucks: Japanese production, domestic shipments (Japan), exports, and exports to the United States, 1984-86

Period	Production	Domestic shipments (Japan)	Total exports	Exports to the U.S.	Export share to U.S.
	Units				Percent
1984....	86,970	37,158	57,237	26,500	46.2
1985....	94,720	40,401	63,007	27,708	43.9
1986....	86,223	38,873	53,808	26,738	49.6

Source: State Department cablegram, derived from statistics from the Ministry of International Trade Development and Industry (MITI), the Japanese Industrial Vehicles Association, and the Customs Bureau, Ministry of Finance (Japan).

Table 13
IC fork-lift trucks: Production capacity of 4 Japanese producers, production, capacity utilization, exports, and exports to the United States, 1984-86, January-March 1986, and January-March 1987

Period	Capacity	Production	Capacity utilization	Total exports	Exports to U.S.	Export share to U.S.
	Units		Percent	Units		Percent
1984....	***	***	94.4	***	***	42.2
1985....	***	***	96.8	***	***	38.9
1986....	***	***	94.0	***	***	44.4
Jan-Mar--						
1986..	***	***	96.0	***	***	45.4
1987..	***	***	96.3	***	***	44.2

Source: ***.

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

U.S. imports

U.S. imports of IC fork-lift trucks increased from 33,385 units in 1984 to 40,390 units in 1986, or by nearly 21 percent (table 14). Imports for January-March 1987 were down nearly 18 percent from the same period of 1986. Japan is the largest supplier of IC fork-lift trucks, accounting for 71 percent of total imports from 1984 to 1986. The United Kingdom was the second largest supplier, with slightly over 11 percent of the total.

Imports from Japan rose from nearly 25,000 units in 1984 to almost 29,000 units in 1985. Imports in 1986 then declined nearly 8 percent to 26,663 units, and January-March 1987 imports from Japan were off by 29 percent from the first quarter of 1986. As a share of U.S. consumption of IC fork-lift trucks, with a 2,000 to 15,000-pound lift capacity, imports from Japan accounted for 46.5 percent in 1984, 50.9 percent in 1985, and 48.4 percent in 1986 (table 1). Imports from Japan as a share of consumption dropped from 52.4 percent in January-March 1986 to 45.7 percent in January-March 1987.

Table 14
IC fork-lift trucks: U.S. imports for consumption, by principal sources, 1984-86, January-March 1986, and January-March 1987

Source	1984	1985	1986	January-March 1986	January-March 1987
			Quantity		
Japan	24,936	28,977	26,663	7,320	5,182
United Kingdom	4,860	3,406	4,716	696	1,891
Korea	32	2,250	4,689	1,323	1,123
Ireland	374	1,330	1,410	353	50
West Germany	626	1,320	1,039	401	72
Canada	1,146	769	645	186	188
France	757	727	335	101	65
All other	654	681	893	194	126
Total	33,385	39,460	40,390	10,574	8,697
			Value (1,000 dollars) 1/		
Japan	202,417	234,101	250,097	62,781	53,132
United Kingdom	51,352	38,162	56,369	9,393	21,811
Korea	299	16,622	37,607	10,962	9,951
Ireland	3,652	12,924	14,442	3,495	617
West Germany	6,864	14,388	13,390	4,639	1,330
Canada	19,542	13,755	11,634	2,805	3,115
France	4,722	6,322	8,689	2,577	930
All other	9,495	12,842	20,865	2,358	1,954
Total	298,343	350,117	413,093	99,010	92,838
			Unit value		
Japan	$ 8,117	$ 8,079	$ 9,380	$ 8,577	$10,253
United Kingdom	10,566	11,498	11,953	13,495	11,534
Korea	9,349	7,388	8,020	8,286	8,861
Ireland	9,764	9,717	10,243	9,900	12,345
West Germany	10,966	10,900	12,888	11,570	18,466
Canada	17,052	17,887	18,037	15,083	16,567
France	6,238	8,696	25,938	25,512	14,307
All other	14,519	18,858	23,365	12,154	15,507
Total	8,936	8,873	10,228	9,364	10,675

1/ C.i.f. value plus calculated duties.

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

Imports by domestic producers

Three domestic producers (Yale, Taylor, and ACMH) imported IC fork-lift trucks from Japan for all or a portion of the period under investigation with Yale accounting for the vast majority of the imports. During the period of investigation, these producers accounted for *** percent of U.S. production. Imports by all U.S. producers who imported during the period of investigation are shown in tables 15 and 16.

For IC fork-lift trucks with a 2,000 to 15,000 pound lift capacity, ***.

Imports by the three largest U.S. producers (Hyster, Caterpillar, and Clark) came from countries other than Japan. As a share of U.S. consumption, their imports *** from *** percent in 1984 to *** percent in 1986. For January-March 1987, their imports accounted for *** percent of apparent consumption.

Table 15
IC fork-lift trucks with a 2,000 to 15,000-pound lift capacity: U.S. imports by domestic producers responding to the Commission's questionnaires, by company and sources, 1984-86, January-March 1986, and January-March 1987

Item	1984	1985	1986	January-March 1986	January-March 1987
Imports from Japan:					
ACMH.....units..	***	***	***	***	***
Taylor.....do....	***	***	***	***	***
Yale.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***
Imports from all other countries:					
Caterpillar.....units..	***	***	***	***	***
Clark.....do....	***	***	***	***	***
Hyster.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***
As a share of consumption:					
Imports from Japan:					
ACMH.....percent..	***	***	***	***	***
Taylor.....do....	***	***	***	***	***
Yale.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***
Imports from all other countries:					
Caterpillar...percent..	***	***	***	***	***
Clark.....do....	***	***	***	***	***
Hyster.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***

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

Table 16
IC fork-lift trucks with 2,000 to 15,000-pound lift capacity and other lift capacities: U.S. imports by domestic producers responding to the Commission's questionnaires, by company and sources, 1984-86, January-March 1986, and January-March 1987

Item	1984	1985	1986	January-March 1986	January-March 1987
Imports from Japan:					
ACMH.....units..	***	***	***	***	***
Taylor.....do....	***	***	***	***	***
Yale.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***
Imports from all other countries:					
Caterpillar.....units..	***	***	***	***	***
Clark.....do....	***	***	***	***	***
Hyster.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***
As a share of consumption:					
Imports from Japan:					
ACMH.....percent..	***	***	***	***	***
Taylor.....do....	***	***	***	***	***
Yale.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***
Imports from all other countries:					
Caterpillar...percent..	***	***	***	***	***
Clark.....do....	***	***	***	***	***
Hyster.....do....	***	***	***	***	***
Total.....do....	***	***	***	***	***

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

Prices

Terms of sale and customer services.--U.S. producers sell their IC fork-lift trucks f.o.b. factory, but importers sell Japanese IC fork-lift trucks on an f.o.b. warehouse basis. The dealer to whom the truck is sold typically pays the inland freight costs from the U.S. warehouse or factory. Both U.S. producers and importers have offered some form of freight absorption. U.S. producers absorb some of the freight to distant dealers; some importers offer container-load shipments, containing four to six trucks, direct to the dealer from Japan. Importers and producers offered fairly uniform standard credit terms, with extended credit for dealer stock orders.

Dealers typically order fork-lift trucks from the producer or importer after negotiating a sale with the end user. Although producers and importers circulate suggested retail price lists with standard dealer discounts, the actual dealer discount off the suggested list price is often negotiated. The dealer will typically negotiate a discount with its supplier concurrent with the attempt to sell its fork-lift trucks to the end user in competition with dealers other brands. In some cases, when the dealer is selling from its own stock and cannot meet the competition's price, the supplier may offer the dealer a rebate to facilitate the sale.

Importers and producers all offer their dealers allowances for cooperative local advertising, typically 50 percent of the advertising cost up to 1 percent of the value of a dealer's annual purchases of fork-lift trucks. Importers and producers also offer technical assistance such as service training, trouble-shooting, and on-site customer visits. Similarly, importers and producers offer standard warranties that cover the entire truck for the lesser of six months or 1,000 use hours, and sell extended warranties.

Qualitative factors.--The importance of qualitative factors was addressed in the Commission's questionnaire. Responses were conflicting between importers and producers but were largely consistent within each of the two groups. Asked whether differences in quality were a significant factor in the firm's sales of IC fork-lift trucks relative to imports of Japanese fork-lifts, three of the four U.S. producers that responded to the question answered "no." ***.

In contrast, all seven of the importers of Japanese fork-lift trucks that responded to this question answered "yes" and claimed to have a product of superior design and construction in comparison with the U.S. product. Each of these importers described the advantageous aspects of their fork-lift trucks. These aspects included numerous design features such as superior hydraulics, ignition, cooling, and transmissions; ergonomic features such as larger, more comfortable cabs and simpler lift controls, and better overall workmanship yielding lower operating costs and greater reliability.

Price data.--The Commission requested U.S. producers and importers to provide quarterly net price data on their largest single sale to a dealer in each quarter for the period January 1985-March 1987. Prices per truck were requested for the following four IC fork-lift trucks:

1. Fork-lift truck, 3,000-pound basic lift capacity, cushion tires, LPG system, triple stage (triplex) 187-inch mast Maximum Fork Height (M.F.H.), 42-inch pallet forks;

2. Fork-lift truck, 5,000-pound basic lift capacity, pneumatic tires, gasoline engine, standard 130-inch mast M.F.H., 42-inch pallet forks;

3. Fork-lift truck, 8,000-pound basic lift capacity, pneumatic tires, diesel engine, standard 147-inch mast M.F.H., 48-inch pallet forks; and

4. Fork-lift truck, 13,500-pound basic lift capacity, cushion tires, LPG system, triple stage (triplex) 187-inch mast M.F.H., 48-inch pallet forks.

These fork-lift truck descriptions include the five key components of the truck: lift capacity, tires, engine, mast, and forks. There are numerous additional options purchasers may order on the fork-lift truck, such as headlights or back-up alarms. While importers and producers were requested to report price data on sales of trucks that most closely matched the four descriptions above, some trucks included standard equipment that is optional on other trucks. Consequently, the products for which prices were reported differ slightly, but are basically the same product.

The 3,000-pound and 5,000-pound lift capacity trucks fall within the range of lift capacities where most sales are made, i.e., those under 6,000 pounds. Sales volume rapidly decreases for trucks over the 6,000-pound lift capacity. The 8,000-pound and 13,500-pound capacity trucks are sold in significantly lower volumes than the first two trucks.

Four U.S. producers accounting for *** percent of U.S. production in 1986 provided price data. Eleven importers of the IC fork-lift trucks, accounting for more than 80 percent of 1986 imports from Japan, reported price data for the first three fork-lift trucks. No importer prices were reported for the 13,500-pound lift capacity fork-lift truck. Only price data for new trucks are included in the weighted-average prices. 1/

Price trends.--All of the available weighted-average price series fluctuated over the period for which data were requested, January 1985-March 1987. Most of the fluctuation is attributable to changes in weighting caused by fluctuations in volume among producers and because prices for each sale are usually negotiated, with greater sales volume leading to lower prices. In some of the individual company price data trends were discernible. These prices generally decreased from the beginning to the end of 1985. Prices in these individual firm series then tended to increase from late 1985 or early 1986 through the first quarter of 1987, with no clear pattern of either increasing or decreasing prices over the period January 1985-March 1987.

Two of the four weighted-average price series for U.S.-produced fork-lift trucks increased by 18 and 7 percent, the latter being the truck with a lift capacity of 13,500 pounds. The other two producer price series decreased by 25 and 3 percent (tables 17 through 19 and the tabulation on page A-35). The weighted average of prices reported by importers of Japanese fork-lift trucks increased for all three available series, by 9 percent, 1 percent, and 8 percent.

1/ ***.

Price comparisons.--Twenty-six of the 27 available price comparisons show the imported Japanese fork-lift trucks selling at lower prices in the U.S. market than the comparable U.S. product (tables 17, 18, and 19). Prices reported by importers were from 35 to 1 percent lower than prices reported by U.S. producers. The remaining comparison shows the imported product selling at prices 1 percent above the U.S. product. Reflecting the fluctuations in the U.S. and importer price series, relative prices followed no discernible trend.

Table 17
IC fork-lift trucks: Prices for U.S. and Japanese 3,000-pound lift capacity fork-lift trucks, 1/ and margins, per unit, by which imports undersold the U.S. product, by quarters, January 1985-March 1987

Period	Price		Margin of underselling	
	Domestic	Japanese	Amount	Percent
1985:				
January-March.....	***	***	***	17.7
April-June.....	***	***	***	23.0
July-September.....	***	***	***	27.9
October-December....	***	***	***	15.9
1986:				
January-March.....	***	***	***	23.5
April-June.....	***	***	***	26.1
July-September.....	***	***	***	18.3
October-December....	***	***	***	9.1
1987:				
January-March.....	***	***	***	24.0

1/ The more precise description is as follows: Internal combustion fork-lift trucks, cushion tires, 3,000-pound basic lift capacity, LPG system, triple-stage (triplex) 187" mast M.F.H., 42" pallet forks.

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

Table 18
IC fork-lift trucks: Prices for U.S. and Japanese 5,000-pound lift capacity fork-lift trucks, 1/ and margins, per unit, by which imports undersold the U.S. product, by quarters, January 1985-March 1987

Period	Price		Margin of underselling	
	Domestic	Japanese	Amount	Percent
1985:				
January-March.....	***	***	***	7.1
April-June.....	***	***	***	16.0
July-September.....	***	***	***	16.7
October-December....	***	***	***	18.8
1986:				
January-March.....	***	***	***	18.2
April-June.....	***	***	***	23.0
July-September.....	***	***	***	10.9
October-December....	***	***	***	8.9
1987:				
January-March.....	***	***	***	3.4

1/ The more precise description is as follows: Internal combustion fork-lift trucks, pneumatic tires, 5,000-pound basic lift capacity, gasoline engine, standard 130" mast M.F.H., 42" pallet forks.

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

Table 19
IC fork-lift trucks: Prices for U.S. and Japanese 8,000-pound lift capacity fork-lift trucks, 1/ and margins, per unit, by which imports undersold or (oversold) the U.S. product, by quarters, January 1985-March 1987

Period	Price		Margin of underselling or (overselling)	
	Domestic	Japanese	Amount	Percent
1985:				
January-March.....	***	***	***	35.1
April-June.....	***	***	***	31.4
July-September.....	***	***	***	28.7
October-December....	***	***	***	34.2
1986:				
January-March.....	***	***	***	0.7
April-June.....	***	***	***	2.7
July-September.....	***	***	***	5.3
October-December....	***	***	***	(1.1)
1987:				
January-March.....	***	***	***	6.4

1/ The more precise description is as follows: Internal combustion fork-lift trucks, 8,000-pound basic lift capacity, diesel engine, standard 147" mast M.F.H., 48" pallet forks.

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

The following tabulation shows the domestic prices reported for the 13,500-pound lift capacity fork-lift truck. No importer prices for this truck were reported.

Period	Domestic price
1985:	
January-March.....	$27,898
April-June.....	29,571
July-September.....	28,816
October-December....	34,792
1986:	
January-March.....	37,880
April-June.....	29,574
July-September.....	44,563
October-December....	32,129
1987:	
January-March.....	29,978

Lost sales

The Commission received 23 lost sales allegations involving 23 firms ***, alleging lost sales to imports of IC fork-lift trucks from Japan. The total allegations involved *** units totaling $1.8 million for the period January 1986 to January 1987.

The Commission staff was able to contact five of the firms involved in sales of *** IC fork-lift trucks amounting to $1.1 million. Four of the five firms reported purchasing a total of *** Japanese trucks. The four firms reported reliability and easier maintenance as major reasons for purchasing the Japanese fork-lifts.

* * * * * * *

Lost revenues

The Commission received 35 lost revenue allegations, ***. The allegations amounted to $75,951 in lost revenue on sales of *** trucks because of price competition from imported Japanese IC fork-lift trucks. The allegations covered the period April 1984-February 1986. The staff contacted eight purchasers, three of which responded to the staff's inquiries.

* * * * * * *

Exchange rates

Quarterly data reported by the International Monetary Fund indicate that during January 1984-March 1987 the quarterly nominal value of the Japanese yen advanced sharply, by 50.8 percent, against the U.S. dollar (table 20). 1/ After adjustment for differences in relative inflation rates over the 13-quarter period for which data were collected, the real value of Japan's currency 2/ appreciated only 32.9 percent relative to the dollar--significantly less than the apparent appreciation of 50.8 percent represented by the nominal Japanese exchange rate.

1/ International Financial Statistics, May 1987.

2/ Data on the real Japanese exchange rate for January-March 1987, the last quarter of the interval under investigation, is derived from the Japanese Producer Price Index covering January-February only.

Table 20
Nominal-exchange-rate equivalents of the Japanese yen in U.S. dollars, real-exchange-rate equivalents, and producer price indexes in the United States and Japan, 1/ by quarters, January 1984-March 1987

Period	U.S. Producer Price Index	Japanese Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 2/
	-January-March 1984=100-		---US dollars per yen--	
1984:				
January-March.....	100.0	100.0	100.0	100.0
April-June.....	100.7	99.9	100.6	99.8
July-September.....	100.4	100.7	94.9	95.1
October-December....	100.2	100.4	93.9	94.1
1985:				
January-March.....	100.0	100.8	89.7	90.4
April-June.....	100.1	100.1	92.1	92.1
July-September.....	99.4	99.0	96.8	96.4
October-December....	100.0	96.7	111.6	107.9
1986:				
January-March.....	98.5	94.4	123.0	117.8
April-June.....	96.6	90.4	135.8	127.1
July-September.....	96.2	87.9	148.3	135.6
October-December....	96.5	86.6	144.1	129.2
1987:				
January-March.....	97.7	3/ 86.2	150.8	3/ 132.9

1/ Producer price indicators--intended to measure final product prices--are based on average quarterly indexes presented in line 63 of the International Financial Statistics.
2/ The indexed real exchange rate represents the nominal exchange rate adjusted for the relative economic movement of each currency as measured here by the Producer Price Index in the United States and Japan. Producer prices in the United States decreased 2.3 percent during the period January 1984 through March 1987 compared with a 13.8-percent decrease in Japanese prices during the period under investigation.
3/ Data for the final quarter presented above is derived from the Japanese Producer Price Index covering January-February only.

Source: International Monetary Fund, International Financial Statistics, May 1987.

APPENDIX A

FEDERAL REGISTER NOTICES OF THE U.S. INTERNATIONAL TRADE COMMISSION AND THE U.S. DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-377 (Preliminary)]

Internal Combustion Engine Fork-Lift Trucks From Japan

AGENCY: United States International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigation No. 731-TA-377 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Japan of internal combustion engine fork-lift trucks,[1] provided for in item 692.40 of the Tariff Schedules of the United States, that are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by June 8, 1987.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

EFFECTIVE DATE: April 22, 1987.

FOR FURTHER INFORMATION CONTACT: Jim McClure (202-523-1793), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-523-0161.

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted in response to a petition filed on April 22, 1987, by Hyster Company of Portland, OR, a U.S. producer of internal combustion engine fork-lift trucks, the Independent Lift Truck Builders Union, the International Association of Machinists and Aerospace Workers, the International Union, Allied Industrial Workers of America (AFL-CIO), and the United Shop and Service Employees.

Participation in the Investigation

Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary of the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service List

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to the 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.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m. on May 14, 1987, at the U.S. International Trade Commission Building, 701 E. Street NW., Washington, DC. Parties wishing to participate in the conference should contact Jim McClure (202-523-1793) not later than May 12, 1987, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within

[1] For purposes of this investigation, "internal combustion engine fork-lift trucks" include both assembled and not assembled, finished and not finished operator-riding fork-lift trucks powered by gasoline, propane, or diesel fuel internal combustion engines of off-the-highway types used in factories, warehouses, or transportation terminals for short-distance transport, towing, or handling of articles. In addition to these fork-lift trucks, the scope of the investigation is meant to include certain less than complete trucks where such trucks each comprise at least the frame, engine, transmission and drive axle.

which to make an oral presentation at the conference.

Written Submissions

Any person may submit to the Commission on or before May 18, 1987, a written statement of information pertinent to the subject of the investigation, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the 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 must 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).

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, Title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: April 24, 1987.

Kenneth R. Mason,

Secretary.

[FR Doc. 87-9706 Filed 4-29-87; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-377 (Preliminary)]

Internal Combustion Engine Fork-Lift Trucks From Japan

AGENCY: United States International Trade Commission.

ACTION: Change in the scope of the preliminary investigation No. 731-TA-377 (Preliminary).

SUMMARY: The Commission hereby giv notice of changes in the scope of its investigation to determine whether the is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Japan of internal

combustion engine fork-lift trucks, with lifting capacity of 2,000 to 15,000 pounds [1] provided for in item 692.40 of the Tariff Schedules of the United States, that are alleged to be sold in the United States as less than fair value.

EFFECTIVE DATE: May 13, 1987.

FOR FURTHER INFORMATION CONTACT: Jim McClure (202-523-1793), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

Background

The purpose of this change in the scope of the Commission's investigation is to conform the scope of this investigation with that initiated by the Department of Commerce on May 12, 1987.

Authority: This notice is published pursuant to § 207.12 of the Commission's rules of practice and procedure (19 CFR 207.12).

Issued: May 14, 1987.

By order of the Commision.

Kenneth R. Mason,

Secretary.

[FR Doc. 87-11536 Filed 5-19-87; 8:45 am]

BILLING CODE 7020-02-M

[1] For purposes of this investigation, "internal combustion engine fork-lift trucks" include both assembled, not assembled, and less than complete, finished and not finished, operator-riding fork-lift trucks powered by gasoline, propane, or diesel fuel internal combustion engines of off-the-highway types used in factories, warehouses, or transportation terminals for short-distance transport, towing, or handling of articles. "Less than complete" fork-lift trucks, are defined as imports which include a frame by itself or a frame assembled with one or more component parts. The Department of Commerce has stated that the frame by itself is the indentifying feature and principal component part of the product, and is solely dedicated for the manufacture of a complete internal combustion, industrial fork-lift truck.

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Notices

Federal Register
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[A-588-703]

Initiation of Antidumping Duty Investigation; Certain Internal-Combustion, Industrial Forklift Trucks From Japan

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating an antidumping duty investigation to determine whether imports of certain internal-combustion, industrial forklift trucks (forklift trucks) from Japan are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine

whether imports of this product materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before June 8, 1987. If that determination is affirmative, we will make a preliminary determination on or before September 29, 1987.

EFFECTIVE DATE: May 18, 1987.

FOR FURTHER INFORMATION CONTACT: Gary Taverman or Kathleen Doering, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-0161 or 377-8498.

SUPPLEMENTARY INFORMATION:

The Petition

On April 22, 1987, we received a petition filed in proper form by the Hyster Company, the Independent Lift Truck Builders Union, the International Association of Machinists and Aerospace Workers, the International Union, Allied Industrial Workers of America (AFL-CIO), and the United Shop and Service Employees, on behalf of the U.S. industry producing forklift trucks. On May 7, 1987, an amendment to the petition was filed to include as petitioners a group of workers employed by the Hyster Co. in its Berea, Kentucky and Sulligent, Alabama facilities, and to enlarge the scope of the petition to cover certain less than complete forklift trucks. In compliance with the filing requirements of 19 CFR 353.36, petitioners allege that imports of forklift trucks from Japan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a U.S. industry.

Petitioners' estimate of United States price is based on actual sales, price quotes, price bids, price lists and advertisements. Prices provided were generally to the end-user from the dealer, with deductions made for dealer mark-up, estimated foreign inland freight, ocean freight, marine insurance, dock and customs fee, duties, and U.S. inland freight. Petitioners' estimate of foreign market value is based on retail list prices and average actual prices on sales to end-users in Japan, with deductions made for foreign inland freight. In addition, petitioners made adjustments and deductions, where appropriate, for options, credit expenses, product liability costs, reclearing fees, warranty expenses, and indirect selling expenses.

Based on a comparison of United States prices and foreign market value, petitioners allege dumping margins ranging from 1.1 percent to 56.8 percent.

Petitioners have requested that we specifically look at certain resales which involve new trucks that may or may not have been operated for a few hours and which then may be sold by Japanese resellers or trading companies at a discount to the United States. We will look at resales and other distribution practices as part of this investigation.

After analysis of petitioners' allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioners supporting the allegations.

We examined the petition on forklift trucks from Japan and found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether imports of forklift trucks from Japan are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by September 29, 1987.

Scope of Investigation

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. The U.S. Congress is considering legislation to convert the United States to this Harmonized System (HS) by January 1, 1988. In view of this, we will be providing both the appropriate *Tariff Schedules of the United States Annotated* (TSUSA) item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the TSUSA, and HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting petitioners to include the appropriate HS item number(s) as well as the TSUSA item number(s) in all new petitions filed with the Department. A reference copy of the proposed HS schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230. Additionally, all Customs offices have reference copies and petitioners may contact the Import Specialist at their local Customs office to consult the schedule.

The products covered by this investigation are certain internal-combustion, industrial forklift trucks, with lifting capacity of 2,000 to 15,000 lbs, currently provided for under TSUSA items 692.4025, 692.4030 and 692.4070, and currently classifiable under HS item numbers 84272000-0, 84279000-0 and 84312000-0. The products covered by this investigation are further described as follows: Assembled, not assembled, and less than complete, finished and not finished operator-riding forklift trucks powered by gasoline, propane, or diesel fuel internal-combustion engines of off-the-highway types used in factories, warehouses, or transportation terminals for short-distance transport, towing, or handling of articles "less than complete" forklift trucks are defined as imports which include a frame by itself or a frame assembled with one or more component parts. We understand that the frame by itself is the identifying feature and principal component part of the product, and is solely dedicated for the manufacture of a complete internal-combustion, industrial forklift truck.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in our files, provided it confirms in writing that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by June 8, 1987, whether there is a reasonable indication that imports of forklift trucks from Japan materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

May 12, 1987.

[FR Doc. 87-11308 Filed 5-15-87; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION"S CONFERENCE

Calendar of Public Conference

Investigation No. 731-TA-377 (Preliminary)

INTERNAL COMBUSTION ENGINE FORK-LIFT TRUCKS FROM JAPAN

Those listed below appeared at the United States International Trade Commission's conference in connection with the subject investigation on Thursday, May 14, 1987, in the Hearing Room of the USITC Building, 701 E Street, N.W., Washington, DC.

In support of the imposition of antidumping duties

Collier, Shannon, Rill and Scott--Counsel
Washington, DC
on behalf of

Hyster Co., the Independent Lift Truck Builders Union, the International Association of Machinists and Aerospace Workers, the International Union, Allied Industrial Workers of America (AFL-CIO), the United Shop and Service Employees

Daniel A. Neuhauser, Director, Business Planning and Market Research, Hyster Co.

Patrick McPhee, General Manager of Dealer Sales, Hyster Co.

Dr. Patrick Magrath, Managing Director, Georgetown Economic Services

Michael Hudak, Georgetown Economic Services

Paul C. Rosenthal)
Mary T. Staley) --OF COUNSEL

In opposition to the imposition of antidumping duties

Busby, Rehm and Leonard--Counsel
Washington, DC
on behalf of

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

John G. Reilly, Vice-President, ICF Incorporated

P. Lance Graef, Vice-President, ICF Incorporated

Will E. Leonard--OF COUNSEL

In opposition to the imposition of antidumping duties

Arnold and Porter--Counsel
Washington, DC
on behalf of

Nissan Motor Co., Ltd. and Nissan Industrial Equipment Co.

Patrick F. J. Macrory--OF COUNSEL

Graham and James--Counsel
Washington, DC
on behalf of

Komatsu Forklift Co., Ltd. and Komatsu Forklift, U.S.A., Ltd.

Michael A. Hertzberg)
Lawrence R. Walders) --OF COUNSEL

Siegel, Mandell, and Davidson--Counsel
New York, NY
on behalf of

C. Itoh Industrial Machinery, Inc.

Judith M. Barzilay--OF COUNSEL

Barnes, Richardson and Colburn--Counsel
Washington, DC
on behalf of

TCM America (MBK) Inc. and Mitsui and Co., U.S.A., Inc.

Matthew T. McGrath--OF COUNSEL