

UNITED STATES INTERNATIONAL TRADE COMMISSION

**LOCK-IN AMPLIFIERS AND PARTS THEREOF
FROM THE UNITED KINGDOM**

**Determination of No Injury or Likelihood Thereof
in Investigation No. AA1921-146 Under the
Antidumping Act, 1921, as Amended**



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UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

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United States International Trade Commission
Washington, D.C.

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[AA1921-146]

LOCK-IN AMPLIFIERS AND PARTS THEREOF FROM THE UNITED KINGDOM

Determination of No Injury or Likelihood Thereof
or Prevention of Establishment

On April 2, 1975, the United States International Trade Commission received advice from the Department of the Treasury that lock-in amplifiers and parts thereof from the United Kingdom are being, or are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on April 9, 1975, the Commission instituted investigation No. AA1921-146 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such lock-in amplifiers and parts thereof into the United States.

Notice of the institution of the investigation and of the public hearing to be held in connection therewith was published in the Federal Register of April 15, 1975 (40 F.R. 16886). The hearing was held on May 20, 1975.

In arriving at its determination, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission has unanimously determined that an industry in the United States is not being injured or is not

likely to be injured, or is not prevented from being established, by reason of the importation of lock-in amplifiers and parts thereof from the United Kingdom that are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons for Negative Determination of Commissioners
Leonard, Minchew, Bedell, and Ablondi 1/

The Antidumping Act, 1921, as amended, requires that the United States International Trade Commission find two conditions satisfied before an affirmative determination can be made.

First, there must be injury, or likelihood of injury, to an industry in the United States, or an industry in the United States must be prevented from being established. Second, such injury or likelihood of injury or prevention of establishment must be "by reason of" the importation into the United States of the class or kind of foreign merchandise the Department of the Treasury determined is being, or is likely to be, sold at less than fair value (LTFV).

For the reasons set forth below, we unanimously determine that an industry in the United States is not being or is not likely to be injured, or is not prevented from being established, 2/ by reason of imports of lock-in amplifiers and parts thereof from the United Kingdom sold at LTFV.

The product

Lock-in amplifiers (commonly called lock-ins) are electronic instruments which normally contain an AC voltmeter. They are used to amplify and then accurately measure weak signals which may otherwise be obscured by noise. Such instruments have a wide range of applications in physics and chemistry, e.g., surface analysis of metals, laser research, optical measurements, spectroscopy, etc. Primary markets for such lock-ins are university,

1/ Commissioners Moore and Parker concur in the result.

2/ Prevention of the establishment of an industry is not an issue in the instant case and will not be discussed further.

government, and industry research laboratories. Lock-ins are currently produced in the United States by several firms. Princeton Applied Research Corp. (PARC) has a substantial percentage of the market.

Commonly, producers purchase basic components (e.g., switches, wire, transistors, integrated circuits, etc.) for assembly into the finished product. The Department of the Treasury found that similar component parts of lock-ins were imported in kit form by an importer, Ortec, Inc., at LTFV.

An industry ^{1/}

The Antidumping Act states that there must be injury to, or likelihood of injury to, or the prevention of the establishment of, "an industry" in the United States in order for relief to be forthcoming. The use of the indefinite article "an," rather than the definite article "the," allows the Commission to examine the impact of the LTFV sales on more than one industry, if it deems such course of action is appropriate. If any industry is injured by LTFV imports, the statute is satisfied. Out of practical considerations and in its sound discretion, the Commission has usually looked at the industry in the United States that would most likely be impacted by LTFV imports to assess injury. If no injury were found to such an industry, and no evidence of injury to another possible industry has been obtained, the Commission has usually concluded that there was no injury to an industry. The industry most likely to be impacted has usually been defined in terms of the domestic facilities devoted to the production of the article most comparable to the LTFV article. In the instant case, it is more difficult than usual to define the industry

^{1/} Commissioner Ablondi does not concur with the definition of industry hereinafter set forth.

most likely to be affected by LTFV imports because the importer assembles in the United States complete units from kits of parts imported at LTFV.

The Commission is presented with various possible industry definitions in this investigation, including, at least, the following:

- (1) The industry consists of all the U.S. facilities producing lock-in amplifiers (including the Ortec, Inc., facility in Oak Ridge, Tenn.).
- (2) The industry consists of all U.S. facilities producing lock-in amplifiers from components not sold at LTFV as found by the Treasury Department.
- (3) The industry consists of the U.S. manufacturers of component parts of the class or kind that the Treasury Department found to be sold at LTFV.
- (4) Any combination of the foregoing.

From the evidence obtained during the course of the Commission's investigation, we find that, regardless of the definition of industry used, an industry is not being injured or is not likely to be injured by reason of imports found by the Department of the Treasury to be sold at LTFV.

No injury

The only current importer of lock-in amplifiers and parts thereof (Ortec, Inc.) began importing a small number of completely assembled units in 1972 and continued such importation during 1973. However, during this two-year period, none of these completely assembled lock-ins imported by Ortec was sold for U.S. consumption; rather, they were reexported to the United Kingdom. In 1974, during the period of the Treasury investigation, Ortec began importing kits (i.e., component parts) of lock-ins

which were subsequently assembled in its Oak Ridge, Tennessee, facility. ^{1/} Although the Treasury Department found that 100 percent of the articles imported by Ortec were sold at LTFV, the total number of lock-in units assembled from such imported kits and sold has been of little consequence. Indeed, the ratio of LTFV sales to U.S. consumption of all lock-in amplifiers was also small in 1974.

The Commission examined the contention of injury from the perspective of sales lost to imports by those U.S. producers of lock-ins who are not assembling such units from parts found by Treasury to be imported at LTFV. Total U.S. shipments of such lock-ins were at their peak, in terms of value, and near their peak, in terms of quantity, in 1974. Between the years 1970-74, there was a continuous upward trend in the value of shipments, and net operating profits were healthy throughout this period, including 1974, the year in which the U.S. market received the greatest penetration of LTFV imports. Increased competition between domestic producers not purchasing LTFV kits for lock-ins has characterized the market, which has declined in part as the result of a slowing down of Federal expenditures for funding research in science and technology by universities, and such decline has been amplified in part by reason of the economic recession of 1974-75.

Moreover, there is no evidence of price depression or suppression by reason of the LTFV imports. Although there was evidence presented by PARC indicating price depression, such depression occurred subsequent to the period of the Treasury investigation, which covered the period

^{1/} The kits imported by Ortec consisted of a number of electronic components, such as transistors, switches, relays, and integrated circuits, and, and when combined with some U.S.-purchased or U.S.-produced components, constituted a complete lock-in unit.

January 1, 1973-August 31, 1974. We cannot conclude that such depressed prices resulted from the minimal sales of the LTFV imports entered during the period of the Treasury investigation but sold thereafter. It is further noted that during the course of the Commission's investigation, the price on the domestic lock-in amplifier most comparable to that sold at LTFV was increased by the major U.S. producer.

Also, we are unable to conclude that the decline in employment in the facilities producing lock-ins is by reason of the LTFV imports. The Commission's data collected during the course of the investigation reveal that the decline in employment occurred during a period of technological advance permitting productivity to double. Therefore, we conclude that such decline was not attributable to LTFV imports.

No likelihood of injury

Many of the same reasons for concluding that there is no injury to an industry in the United States are applicable to the question of likelihood of injury. There is no indication that the negligible number of LTFV imports will sharply increase in the foreseeable future. Ortec, Inc., ceased importing the LTFV kits subsequent to the Treasury determination, and the inventories of unassembled kits on hand are small. Prices of both the LTFV unit and the most comparable domestic unit have been increased; the former by 23 percent, effective January 1975. Moreover, Ortec, Inc., provided the Commission written assurances that it would not continue importing and selling lock-ins or parts thereof at LTFV.

Conclusion

In light of the aforementioned reasons, which fail to indicate that an industry in the United States, however defined, is being or is likely to be injured by reason of the importation of lock-in amplifiers and parts thereof from the United Kingdom at less than fair value, we have made a negative determination.