PRODUCERS' QUESTIONNAIRE

CERTAIN BRAKE DRUMS AND ROTORS FROM CHINA

Return completed questionnaire to:

UNITED STATES INTERNATIONAL TRADE COMMISSION

Office of Investigations, Room 615 500 E Street, SW, Washington, DC 20436

So as to be received by the Commission by no later than June 23, 2003

The information called for in this questionnaire is for use by the United States International Trade Commission in connection with its market disruption investigation concerning **certain brake drums and rotors** from China (inv. No. TA-421-03) under section 421(b) of the Trade Act of 1974 (the Act). The information requested in the questionnaire is requested under the authority of section 421(b) of the Act. This report is mandatory and failure to reply as directed can result in a subpoena or other order to compel the submission of records or information in your possession (19 U.S.C. § 1333(a)).

Name of t	firm
Address	
City	State Zip code
World W	ide Web address
Has your fi January 1,	irm produced certain brake drums or rotors (as defined in the instruction booklet) at any time since 1998?
	(Sign the certification below and promptly return only this page of the questionnaire to the Commission)
YES	(Read the instruction booklet carefully, complete all parts of the questionnaire, sign the certification, and return the entire questionnaire to the Commission)

CERTIFICATION

The undersigned certifies that the information herein supplied in response to this questionnaire is complete and correct to the best of his/her knowledge and belief and understands that the information submitted is subject to audit and verification by the Commission. The undersigned acknowledges that information submitted in this questionnaire response and throughout this investigation may be used by the Commission, its employees, and contract personnel who are acting in the capacity of Commission employees, for developing or maintaining the records of this investigation or related proceedings for which this information is submitted, or in internal audits and investigations relating to programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3. I understand that all contract personnel will sign non-disclosure agreements. The undersigned understands that the confidential business information that is furnished may be subject to, and may be released under an administrative protective order issued by the Commission pursuant to section 206.47 of the Commission's Rules of Practice and Procedure. In addition, the confidential business information that is submitted may be included in a confidential version of the report that the Commission transmits to the President and the U.S. Trade Representative, should the Commission transmit a confidential version. Your signature on the certification below will also serve as consent for the Commission, and its employees and contract personnel, to use the information you provide in this questionnaire and throughout this investigation in any other import-injury investigations conducted by the Commission on the same or similar merchandise. If you do not consent to such use, please note the certification accordingly.

Name and Title of Authorized Official	Date	
	()	()
Signature of Authorized Official	Phone	Fax

PART I.--GENERAL QUESTIONS

hours

The questions in this questionnaire have been reviewed with market participants to ensure that issues of concern are adequately addressed and that data requests are sufficient, meaningful, and as limited as possible. Public reporting burden for this questionnaire is estimated to average 35 hours per response, including the time for reviewing instructions, searching existing data sources, gathering the data needed, and completing and reviewing the questionnaire. Send comments regarding the accuracy of this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

I-1. Please report below the actual number of hours required and the cost to your firm of preparing the reply to this questionnaire and completing the form.

dollars

· _	whole or in part, by any other firm? esList the following information. <u>Address</u>	<u>Extent of</u> ownership
	ose the petition? Please explain.	

PART I.--GENERAL QUESTIONS--Continued

-5.	importing cer	tain brake drums	d firms, either domestic or foreign, whic or rotors from China into the United Sta as or rotors from China to the United Sta	tes or which are engaged
	No	YesList t	he following information.	
	<u>Firm name</u>		Address	Affiliation
-6.		rm have any relate f certain brake dru	d firms, either domestic or foreign, whic ms or rotors?	h are engaged in the
	No	YesList t	he following information.	
	Firm name		Address	Affiliation

PART II.--TRADE AND RELATED INFORMATION

Further information on this part of the questionnaire can be obtained from Debra Baker (202-205-3180; e-mail: dbaker@usitc.gov). **Supply all data requested on a <u>calendar-year</u> basis.**

II-1. Who should be contacted regarding the requested trade and related information?

Company contact:

Name and title

Phone No.

E-mail address

II-2. Has your firm experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials; or any other change in the character of your operations or organization relating to the production of certain brake drums or rotors since January 1, 1998?

No Yes--Supply details as to the time, nature, and significance of such changes.

II-3.	Does your firm produce other production of certain brake dru	products on the same equipment and machinery used in the times or rotors?
	No YesList	the following information.
	Product	Basis for allocation of capacity data
II-4.	Please describe the constraint(s	s) that set the limit(s) on your production capabilities.
II-5.	Does your firm produce other p to produce certain brake drums	products using the same production and related workers employed s or rotors?
	No YesList	the following information.
	Product	Basis for allocation of employment data
II-6.		Ir firm been involved in a toll agreement (see definition in the the production of certain brake drums or rotors?
	No YesNam	e firm:
II-7.	Does your firm produce certain	n brake drums or rotors in a foreign trade zone (FTZ)?
	No YesIdent	tify FTZ(s):
II-8.	Since January 1, 1998, has you	r firm imported certain brake drums or rotors?
	\square_{No} $\square_{\text{Yes}\underline{COM}}$	<u> MPLETE AND RETURN THE ENCLOSED IMPORTERS'</u> STIONNAIRE

PART II.--<u>TRADE AND RELATED INFORMATION</u>--Continued

II-9. COMPARABILITY OF AFTERMARKET AND OEM BRAKE DRUMS AND ROTORS .--

Please describe the differences and similarities in aftermarket and OEM brake drums and rotors for the following factors: (a) **physical properties**; (b) **manufacturing processes**—where and how they are made; (c) **end uses**; and (d) **channels of distribution**--describe the specific customer requirements and channels of distribution/market situation in which the products are sold. Use additional pages as necessary.

(a) Physical properties:

(b) Manufacturing processes:

(c) End uses:

(d) Channels of distribution:

PART II.--TRADE AND RELATED INFORMATION--Continued

II-10. <u>Aftermarket brake drums</u>.-- Report your firm's production capacity, production, shipments, inventories, and employment related to the production of aftermarket brake <u>drums</u> in your U.S. establishment(s) during the specified periods. (See definitions in the instruction booklet.)

lterr		C	alendar yea	ars		January-March	
Item	1998	1999	2000	2001	2002	2002	2003
AVERAGE PRODUCTION CAPACITY (quantity)							
BEGINNING-OF-PERIOD INVENTORIES (quantity)							
PRODUCTION (quantity)							
U.S. SHIPMENTS:	•		•	•	•	•	
Commercial shipments:							
Quantity of commercial shipments							
Value of commercial shipments							
Internal consumption:			•		•		
Quantity of internal consumption							
Value ¹ of internal consumption							
Transfers to related firms:		•	•			•	
Quantity of transfers to related firms							
Value ¹ of transfers to related firms							
EXPORT SHIPMENTS: ²	-					-	
Quantity of export shipments							
Value of export shipments							
END-OF-PERIOD INVENTORIES ³ (quantity)							
U.S. COMMERCIAL SHIPMENTS TO: Automotive parts distributors (quantity)							
Retail outlets (quantity)							
All other firms ⁴ (quantity)							
U.S. SHIPMENTS TO END USERS (quantity)							
AVERAGE NUMBER OF PRWs							
HOURS WORKED BY PRWs (1,000 hours)							
WAGES PAID TO PRWs (value)							

² Identify your principal export markets:

below:

Yes

³ <u>Reconciliation of data</u>.--Please note that the **quantities** reported above should reconcile as follows: beginning-of-period inventories, plus production, less total shipments, equals end-of-period inventories. Do the data reported reconcile?

No--Please explain:

⁴ Identify the type(s) of firms:

PART II.--TRADE AND RELATED INFORMATION--Continued

II-11. <u>Aftermarket brake rotors</u>.-- Report your firm's production capacity, production, shipments, inventories, and employment related to the production of aftermarket brake <u>rotors</u> in your U.S. establishment(s) during the specified periods. (See definitions in the instruction booklet.)

(400			<i>alue</i> in \$1,00	-		.	
Item			alendar yea	1	1	January-March	
	1998	1999	2000	2001	2002	2002	2003
AVERAGE PRODUCTION CAPACITY (quantity)							
BEGINNING-OF-PERIOD INVENTORIES (quantity)							
PRODUCTION (quantity)							
U.S. SHIPMENTS:							
Commercial shipments:							
Quantity of commercial shipments							
Value of commercial shipments							
Internal consumption:							
Quantity of internal consumption							
Value ¹ of internal consumption							
Transfers to related firms:			•		•	•	
Quantity of transfers to related firms							
Value ¹ of transfers to related firms							
EXPORT SHIPMENTS: ²			•		•	•	
Quantity of export shipments							
Value of export shipments							
END-OF-PERIOD INVENTORIES ³ (quantity)							
U.S. COMMERCIAL SHIPMENTS TO: Automotive parts distributors (quantity)							
Retail outlets (quantity)							
All other firms ⁴ (quantity)							
U.S. SHIPMENTS TO END USERS (quantity)							
AVERAGE NUMBER OF PRWs							
HOURS WORKED BY PRWs (1,000 hours)							
WAGES PAID TO PRWs (value)							1

' Internal consumption and transfers to related firms must be valued at fair market value. In the event that you use a different basis for valuing these transactions, please specify that basis (e.g., cost, cost plus, etc.) and provide value data using that basis for 1998, 1999, 2000, 2001, and 2002 below:

² Identify your principal export markets:

³ <u>Reconciliation of data</u>.--Please note that the **quantities** reported above should reconcile as follows: beginning-of-period inventories, plus production, less total shipments, equals end-of-period inventories. Do the data reported reconcile?

Yes No--Please explain:

⁴ Identify the type(s) of firms:

PART II.--TRADE AND RELATED INFORMATION--Continued

II-12. Other than direct imports, has your firm otherwise purchased aftermarket brake drums or rotors since January 1, 1998? (See definitions in the instruction booklet.)

No

Yes--Report such purchases **separately** for drums and for rotors below, duplicating this page as necessary.¹

____ Certain brake drums

Certain brake rotors

	(Quanti	<i>ity</i> in 1,000 ι	units, <i>value</i> i	n \$1,000)			
Item		(Calendar yea	ars		Januar	y-March
llem	1998	1999	2000	2001	2002	2002	2003
PURCHASES FROM U.S. IMPORT	ERS ² OF PRC	DUCT FRO		-	-	·	<u>.</u>
CHINA:							
Quantity							
Value							1
ALL OTHER COUNTRIES:		_	-	-	-	·	<u>.</u>
Quantity							
Value							1
PURCHASES FROM DOMESTIC P	RODUCERS:	2	-	-			<u>.</u>
Quantity							
Value							
PURCHASES FROM OTHER SOU	RCES: ²	_	-	-	-	·	<u>.</u>
Quantity				1			
Value							
¹ Please indicate your reasons f	for purchasing	this product	. If your reas	ons differ by	source, pleas	se elaborate.	
² Please list the name of the firm identify the source for each listed su		h you purcha	ased this proc	Juct. If your s	suppliers diffe	r by source, ŗ	olease

Producers' Questionnaire - Certain Brake Drums and Rotors

PART III.--FINANCIAL INFORMATION

Address questions on this part of the questionnaire to Charles Yost (202-205-3432; e-mail: cyost@usitc.gov).

III-1. Who should be contacted regarding the requested financial information?

Company	contact
---------	---------

GAAP

Name and title

Phone No.

E-mail address

Other (specify)

III-2. When does your fiscal year end (month and day)?_____

Tax

If your fiscal year changed during the periods for which data are being reported, explain below:

III-3. <u>Accounting basis</u>.--The financial records of your firm are prepared on the basis of:

Cash

III-4. <u>Reports and statements</u>.--Did your firm or your parent prepare any of the statements or documents listed below during the period of the investigation? If so, please submit copies of them along with your completed questionnaire unless they are available on the World Wide Web (including the Securities and Exchange Commission's EDGAR site).

My firm or parent does _____ or does not _____ prepare financial statements (annual reports, 10-K's). Are the above documents available on the World Wide Web? ______

	YES	NO
At the SEC's EDGAR site?		
At some other site? (WWW address)		

My firm or parent does _____ or does not _____ prepare internal profit-and-loss reports on brake drums or rotors operations which indicate the cost of production of brake drums or rotors.

My firm or parent does _____ or does not _____ prepare internal reports indicating the cost of production of brake drums or rotors.

III-5. <u>Other products</u>.--Please list any other products you produced in the facilities in which you produced brake drums or rotors, and provide the share of net sales accounted for by these other products in your most recent fiscal year:

Product(s)

Share of sales

Page 9

Producers' Questionnaire - Certain Brake Drums and Rotors

PART III.--FINANCIAL INFORMATION--Continued

III-6. Operations on aftermarket brake drums.--Report the revenue and related cost information requested below on the aftermarket brake drums operations of your U.S. establishment(s).¹ Note that internal consumption and transfers to related firms must be valued at fair market value and purchases from related firms must be at cost. Provide data for your five most recently completed fiscal years in chronological order from left to right, and for the specified interim periods.

		Fis	cal years er	nded		Januar	y-March
Item						2002	2003
Net sales quantities: ²					·		
Commercial sales							
Internal consumption							
Transfers to related firms							
Total net sales quantities							
Net sales values: ²							
Commercial sales							
Internal consumption							
Transfers to related firms							
Total net sales values							
Cost of goods sold (including internal c	I onsumption	and transfe	rs to related	d firms):			
Raw materials							
Direct labor							
Tolling costs							
Other factory costs							
Total cost of goods sold							
Gross profit or (loss)							
Selling, general, and administrative (SG	&A) expense	es:					
Selling expenses							
General and administrative expenses							
Total SG&A expenses							
Operating income or (loss)							
Other income and expenses:							
Interest expense							
All other expense items							
All other income items							
All other income or expenses, net							
Net income or (loss) before income taxes							
Depreciation/amortization included above	1						1

¹ Include only sales (whether domestic or export) or associated tolling revenue, as appropriate, and costs related to your U.S. manufacturing operations.

² Less discounts, returns, and allowances. The quantities and values should approximate the corresponding shipment quantities and values reported in Part II of this questionnaire.

Producers' Questionnaire - Certain Brake Drums and Rotors

PART III.--FINANCIAL INFORMATION--Continued

III-7. Operations on aftermarket brake rotors.--Report the revenue and related cost information requested below on the aftermarket brake rotors operations of your U.S. establishment(s).¹ Note that internal consumption and transfers to related firms must be valued at fair market value and purchases from related firms must be at cost. Provide data for your five most recently completed fiscal years in chronological order from left to right, and for the specified interim periods.

		Fis	cal years er	nded		Januar	-March	
Item						January-March		
Net sales quantities: ²				· · · · · · · · · · · · · · · · · · ·				
Commercial sales								
Internal consumption								
Transfers to related firms								
Total net sales quantities								
Net sales values: ²								
Commercial sales								
Internal consumption								
Transfers to related firms								
Total net sales values								
Cost of goods sold (including internal c	l onsumption	l and transfe	rs to related	d firms):				
Raw materials		[,				
Direct labor								
Tolling costs								
Other factory costs								
Total cost of goods sold								
Gross profit or (loss)								
Selling, general, and administrative (SG	A) expense	s:						
Selling expenses								
General and administrative expenses								
Total SG&A expenses								
Operating income or (loss)								
Other income and expenses:								
Interest expense								
All other expense items								
All other income items								
All other income or expenses, net								
Net income or (loss) before income taxes								
Depreciation/amortization included above	1	1	1		1		1	

¹ Include only sales (whether domestic or export) or associated tolling revenue, as appropriate, and costs related to your U.S. manufacturing operations.

² Less discounts, returns, and allowances. The quantities and values should approximate the corresponding shipment quantities and values reported in Part II of this questionnaire.

PART III.--<u>FINANCIAL INFORMATION</u>--Continued

III-8. For the cost of goods sold (the sum of raw materials, direct labor, and other factory costs) that your firm reported in III-6 and III-7, report the variable and fixed costs, and selling, general, and administrative expenses in percent for your most recent full fiscal year:

ltem	Percent			
item	Brake drums	Brake rotors		
Cost of goods sold: Variable costs				
Fixed costs				
Total COGS	100.0	100.0		
Selling, general & administrative expenses: Variable costs				
Fixed costs				
Total SG&A	100.0	100.0		

III-9. <u>Capital expenditures, research and development expenditures, and asset values</u>.--Report your firm's capital expenditures and research and development expenditures on brake drums, and the values of the property, plant, and equipment used in the production of brake drums. Provide data for your five most recently completed fiscal years in chronological order from left to right, and for the specified interim periods.

	(Valu	e in \$1,000)		
Item	Fiscal	years ended	January-March	
			 2002	2003
Brake drums:				
Capital expenditures				
Research and development expenditures				
Property, plant, and equipment: Original cost				
Book value				
Brake rotors:	1	I		
Capital expenditures				
Research and development expenditures				
Property, plant, and equipment: Original cost				
Book value				

PART III.--FINANCIAL INFORMATION--Continued

III-10. Since January 1, 1998, has your firm experienced any actual negative effects on its return on investment or its growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of brake drums or rotors from China?

No	YesMy firm has experienced actual negative effects as follows:
	Cancellation or rejection of expansion projects
	Denial or rejection of investment proposal
	Reduction in the size of capital investments
	Rejection of bank loans
	Lowering of credit rating
	Problem related to the issue of stocks or bonds
	Other (specify)
III-11. Does your firm a	nticipate any negative impact of imports of brake drums or rotors from China?
No	YesMy firm anticipates negative effects as follows:

PART IV.--PRICING AND MARKET FACTORS

Further information on this part of the questionnaire can be obtained from Gerry Benedick (202-205-3244 or gbenedick@usitc.gov).

IV-1. Who should be contacted regarding the requested pricing and related information?

Company contact:

Name and title

Phone No.

E-mail address

Section IV-A.-<u>SELLING PRICE DATA</u>

This section requests quarterly sales value and quantity data concerning your firm's U.S. commercial shipments to unrelated U.S. warehouse distributors of certain aftermarket (non-OEM) brake drums and rotors during January 1998-March 2003 (see definitions in the instructions booklet). **Report data only for products manufactured and sold by your firm in the United States.**

COPY THE FOLLOWING PAGE AS NECESSARY. Complete a separate page for each of the brake drum and rotor products listed below that are produced and sold by your firm in the aftermarket to warehouse distributors:

Product 1:	Aftermarket (non-OEM) brake <u>drums</u> , AIMCO part number 8939
Product 2:	Aftermarket (non-OEM) brake <u>drums</u> , AIMCO part number 8940
Product 3:	Aftermarket (non-OEM) brake <u>rotors</u> , AIMCO part number 5115
Product 4:	Aftermarket (non-OEM) brake <u>rotors</u> , AIMCO part number 5329

The total dollar sales values should be reported two ways: (1) on an <u>f.o.b., U.S. point of shipment</u> basis (i.e., should <u>not</u> include U.S.-inland transportation costs) and (2) on a <u>delivered</u> basis (i.e., should include U.S.-inland transportation costs), both to your warehouse-distributor customers. Total dollar values should reflect the <u>FINAL NET</u> amount paid to you (i.e., should be net of all deductions for discounts, rebates, and any U.S. freight to your customers' receiving points that was absorbed by your firm). **NOTE: Your firm's total sales of each product to warehouse distributors should be reported on both value bases, to the extent possible.** For your sales on a delivered price basis, convert to an f.o.b. U.S. point of shipment price basis by deducting the U.S.-inland freight charged to your customer. For your sales on an f.o.b. U.S. point of shipment price basis, convert to a delivered price basis by adding U.S.-inland freight charges that your customer incurred; estimates of these latter freight charges are acceptable.

Please report below the approximate number of different certain aftermarket brake drum and certain aftermarket brake rotor products that your firm produced domestically each year for the U.S. market during 1998-2002.

Year:	Brake drum products	Brake rotor products
1998		
1999		
2000		
2001		
2002		

Section IV-A.-<u>SELLING PRICE DATA</u>--Continued

	(Valu	<i>i</i> e in dollars, <i>quantit</i>	ty in units)	
Period of shipment	F.o.b. value ¹	Quantity	Delivered value ²	Quantity
1998:				
JanMar.				
AprJune				
July-Sept.				
OctDec.				
1999:				
JanMar.				
AprJune				
July-Sept.				
OctDec.				
2000:				
JanMar.				
AprJune				
July-Sept.				
OctDec.				
2001:				
JanMar.				
AprJune				
July-Sept.				
OctDec.				
2002:				
JanMar.				
AprJune				
July-Sept.				
OctDec.				
2003:				

¹ Net values (i.e., gross sales values less all discounts, allowances, rebates, absorbed freight, and the value of returned goods), *f.o.b. your U.S. point of shipment*.

² Net values (i.e., gross sales values less all discounts, allowances, rebates, absorbed freight, and the value of returned goods), *delivered to your U.S. customers' locations*.

Note: Reported quantity figures in the same quarter should be equal for the two reported value bases if your firm was able to convert to both value bases. Otherwise the quantity figures will differ if your firm cannot convert to both value bases.

Unless otherwise instructed, please answer all questions in the rest of part IV based on your firm's total sales of its U.S.-produced certain aftermarket brake drums and rotors to U.S. customers during January 1998-March 2003. If your responses differ by sales to different types of U.S. customers (wholesale distributors, jobbers, etc.), by specific products that you produce, or by brake drums versus brake rotors, please explain in the margin or attach a separate response. Please respond fully to the questions and attach additional pages of discussion as needed; identify attached responses with the question number.

Section IV-B.-PRICING PRACTICES

IV-B-1. Please report below your firm's total U.S. sales quantity (in units) of its U.S.-produced certain aftermarket brake drums and certain aftermarket brake rotors during January 1998-March 2003 that were on a (1) long-term contract basis (multiple deliveries for more than 12 months after the purchase agreement), (2) short-term contract basis (multiple deliveries up to 12 months), and (3) spot sales basis (usually one-time delivery, within 30 days of the purchase agreement).

Type of Sale:	Brake drums	Brake rotors
Long-term contracts		
Short-term contracts		
Spot sales		

IV-B-2. Please discuss the following provisions of your U.S. sales on a typical long-term contract basis that involved your U.S.-produced certain aftermarket brake drums and rotors.

(a) What is the average duration of a contract?

(b) How frequently are contracts renegotiated?
(c) Does the contract fix quantity, price, or both?

(d) Does the contract have a meet or release provision?

(e) What are the standard quantity requirements, if any?

(f) What is the price premium for sub-minimum shipments? percent

2.

Identify below the top two factors, in descending order, discussed/considered between your firm and its U.S. customers in arriving at a price for a typical long-term contract sale. If your firm uses/issues price lists, please enclose a copy of your most recent price list with your submission.

1._____

Section IV-B.-<u>PRICING PRACTICES</u>-Continued

- IV-B-3. Please discuss the following provisions of your U.S. sales on a typical <u>short-term contract basis</u> that involved your U.S.-produced certain aftermarket brake drums and rotors.

 - (f) What is the price premium for sub-minimum shipments? _____ percent

Identify below the top three factors, in descending order, discussed/considered between your firm and its U.S. customers in arriving at a price for a typical <u>short-term contract</u> sale. If your firm uses/issues price lists, please enclose a copy of your most recent price list with your submission.

- IV-B-4. Identify below the top two factors, in descending order, discussed/considered between your firm and its U.S. customers in arriving at a price for a typical <u>spot</u> sale. If your firm uses/issues price lists, please enclose a copy of your most recent price list with your submission.
 - 1._____ 2.____
- IV-B-5. What are your firm's typical sales terms for its U.S.-produced certain aftermarket brake drums and rotors shipped to U.S. customers (e.g., 2/10 net 30 days, net 30 days, etc.)

____?

IV-B-6. a) On what basis does your firm typically quote prices of its U.S.-produced certain aftermarket brake drums and rotors to its U.S. customers: f.o.b. plant/warehouse _____ or delivered _____ ? (Check one)

b) If f.o.b., do your customers typically arrange the freight _____ or does your firm arrange the freight _____? (Check one)

c) If your firm arranges freight on its f.o.b. sales, does it typically prepay the freight _____ or send the products freight collect _____? (Check one)

Section IV-B.-<u>PRICING PRACTICES</u>-Continued

IV-B-6. d) Does your firm ever pay freight to your U.S. customers' locations *without charging for this cost*? Yes _____ No ____? (Check one)

If yes--

Please indicate the sales volume (number of units or value in dollars) or other requirement(s) that must be met for your firm to absorb U.S. shipping charges for delivery to your customers' facilities. Also indicate whether such requirements involve purchases of only certain aftermarket brake drums and rotors or include other products as well (identify any other products).

Please report below the total value (in dollars) of U.S. freight charges that your firm absorbed based on all its U.S. shipments of its domestically produced certain aftermarket brake drums and rotors during January 1998-March 2003.

- IV-B-7. Please describe your firm's discount policy (quantity discounts, annual total volume (quantity or value) based discounts, etc.). Do <u>not</u> include any payment discount covered in question IV-B-5. Also indicate whether such discount bases involve purchases of only certain aftermarket brake drums and rotors or include other products as well (identify any other products).
- IV-B-8. Please discuss below how your firm's selling prices of its certain aftermarket brake drums and rotors may differ by type of customer (e.g., wholesale distributor, jobber, etc.), by type of sale (e.g., long-term contracts, short-term contracts, and spot sales), and by any other considerations.

Other:_____

Section IV-C.--FACTORS AFFECTING PRICING

IV-C-1. a) Approximately what share of the total sales quantity (in units) of your firm's domestic shipments of its U.S.-produced certain aftermarket brake drums and certain aftermarket brake rotors occurred within the distances specified below during January 1998-March 2003? Also, for each distance category, approximately what percent of the total net f.o.b sales value of these products was accounted for by U.S.-inland transportation costs and what was the typical transportation mode (truck-T, rail-R, or air-A)?

		Certain aftermarket brake drums			Certain aftermarke		
		Shipment	Freight		Shipment	brake rot Freight	
		share	<u>share</u>	Mode	share	share	Mode
Within 100 miles of y	our						
plant/warehouse		%	%		%	%	
100 to 500 miles from	n your						
plant/warehouse	J	%	%		%	%	
Over 500 miles from	your						
plant/warehouse		%	%		%	%	
-	TOTAL	100 %			100 %		

b) Do U.S. freight-cost shares reported for the longer distances represent a competitive disadvantage for your firm vis-a-vis other U.S. producers or U.S. importers of certain aftermarket brake drums and rotors? Yes <u>No</u> (Check one) If yes, please discuss the extent of the disadvantage, the geographic area(s) involved, and identify any such firms and the country(ies) of origin of the brake drums and rotors they sell.

c) What is the geographic market area in the United States served by your firm's U.S.-produced certain aftermarket brake drums and rotors? Note any changes in market area since January 1998.

IV-C-2. a) What is the average lead time (in days) between a customer's order and the date of delivery for your firm's U.S. shipments of its U.S.-produced certain aftermarket brake drums and rotors from its U.S. inventory and, if applicable, its U.S. production.

Shipments from inventory_____

Shipments from production_____

Section IV-C.--FACTORS AFFECTING PRICING_Continued

IV-C-2. b) Have average lead times changed since January 1998? Yes _____ No _____ (Check one) If yes, note dates of any changes and explain how and why lead times changed and the significance it had on your ability to compete with the imported Chinese certain aftermarket brake drums and rotors.

IV-C-3. Does your firm sell its U.S.-produced certain aftermarket brake drums and rotors over the internet?

 G_{No} G_{Yes}

If yes-

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Please report the value (in dollars net f.o.b. your U.S. selling location(s)) of your firm's total U.S. sales of its U.S.-produced certain aftermarket brake drum and rotors during January 1998-March 2003 that were accounted for by internet sales. Also explain the impact such sales have had on your U.S. selling prices and quantities during this period.

Section IV-D.-<u>SUPPLY FACTORS</u>

IV-D-1. How has supply within the United States for certain aftermarket brake drums and rotors changed since January 1998? Identify principal factors affecting supply changes and the time periods when any such changes occurred.

IV-D-2. Have there been any significant changes in the product range or marketing of certain aftermarket brake drums and rotors in the United States since January 1998?

No G Yes--Please describe below any such changes, the time periods any such changes occurred, and the impact such changes had on U.S. sales prices and quantities of your U.S.-produced certain aftermarket brake drums and rotors.

Section IV-D.-<u>SUPPLY FACTORS</u>-Continued

IV-D-3. Describe how easily your firm can shift sales of its U.S.-produced certain aftermarket brake drums and rotors between the U.S. market and foreign country markets. In your discussion, please describe any contracts, other sales arrangements, or other constraints (including any foreign-country trade barriers) that would prevent or retard your firm from shifting its certain U.S. produced brake drums and rotors between the U.S. and alternative country markets within a 12-month period.

IV-D-4.	Specify the approximate percentage share of total production costs that is variable and the share that is fixed in your firm's U.S. production of its certain aftermarket brake drums and rotors; also, identify the specific costs that you consider variable and consider fixed.
	Variable costs
	Fixed costs
IV-D-5.	Please estimate below the <u>cost</u> and <u>time</u> required to construct a greenfield plant to produce certain aftermarket brake drums and certain aftermarket brake rotors in the United States. Please indicate the size of the plant (in terms of annual capacity in number of brake drums and rotors) for which you report.
	Brake drums:
	Brake rotors:
IV-D-6.	Please explain below differences between economy-line and premium-line certain aftermarket brake drums and rotors sold in the U.S. market. In your discussion, please indicate when such

products initially appeared in the U.S. market. In your discussion, please indicate when such differences, differences in types of vehicles using each type, and any other distinguishing factors between the economy and premium lines of certain aftermarket brake drums and rotors. Please also indicate by country of origin if the U.S. produced and the imported Chinese products are economy or premium-line products, or both.

Section IV-D.-<u>SUPPLY FACTORS</u>-Continued

IV-D-7. Are there any certain aftermarket brake drum and rotor products that are produced in and imported from China that you do not produce in the United States? Yes _____ No _____ If yes, identify these products and explain why you do not produce such products and identify the use(s) and potential U.S. market in expected annual consumption of the number of such products. Also, identify any certain aftermarket brake drum and rotor products that you produce in the United States that, although not identically the same, nonetheless compete with such imported Chinese products.

Section IV-E.-DEMAND FACTORS

IV-E-1. a) Is the U.S. certain aftermarket brake drum and rotor market subject to business cycles, product cycles, seasonal factors, and/or conditions of competition distinctive to this product industry? If yes, please identify occurrences and the dates of such occurrences since January 1998 and provide estimates of the duration of any such cycles.

b) How has demand for certain aftermarket brake drums and rotors within the United States and, if known, outside the United States changed since January 1998? Identify the principal factors affecting any such changes.

IV-E-2. Please identify the top three U.S. end-use markets for the certain aftermarket brake drums and rotors that you produce in the United States, and describe the certain aftermarket brake drum and rotor products that your firm produces for each of these markets. Also estimate the percentage (or range of percentages) of total costs to produce each such end use product accounted for by the certain aftermarket brake drums and rotors.

Section IV-E.-<u>DEMAND FACTORS</u>--Continued

Substitution in demand refers to products that can, based on market price considerations <u>and</u> consumer/user preferences/technical requirements, reasonably be expected to substitute for each other when the price of one product changes vis-a-vis the price of the other product–some consumers/users may require greater price changes than others before they switch among the alternative products.

Discuss substitution in demand between certain aftermarket brake drums and rotors and alternative (other types of) products (questions IV-E-3 through IV-E-4).

- IV-E-3. What alternative products (such as, but not exclusively, OEM brake drums and rotors) may substitute for certain aftermarket brake drums and rotors in their end uses in the United States, and how frequently does any such substitution occur? For each such alternative product, also discuss the specific end use(s) where substitution occurs.
- IV-E-4. Have there been any changes in the number or types of alternative products that can be substituted for certain aftermarket brake drums and rotors in the United States since January 1998?

 G_{No} $G_{Yes--Please explain.}$

Discuss substitution in demand among various certain aftermarket brake drum and rotor products (questions IV-E-5 through IV-E-6).

IV-E-5. What certain aftermarket brake drum and rotor products substitute for each other in the United States, and how frequently does any such substitution occur? For each such pair of products also discuss the specific end use(s) where such substitution may occur.

IV-E-6. Since January 1998, have there been any changes in certain aftermarket brake drum and rotor products that can substitute for each other in the United States?

JNO G Yes--Please explain.

Section IV-E.-<u>DEMAND FACTORS</u>--Continued

IV-E-7. Are all certain aftermarket brake drum and rotor products produced in the United States, imported from China, and imported from other countries used interchangeably (i.e., can they physically be used in the same applications)? Please indicate below, using "A" to indicate that the products from a specified country-pair are *always* interchangeable, "F" to indicate that the products are *frequently* interchangeable, "S" to indicate that the products are *sometimes* interchangeable, "N" to indicate that the products are *never* interchangeable, and "0" to indicate *no familiarity* with products from a specified country-pair.¹

Country-pair	United States	China	Other			
United States						
China						
¹ For any country-pair producing certain aftermarket brake drum and rotor products which are <i>sometimes or never</i> used interchangeably, please explain below the factors that limit or preclude interchangeable use. Also, identify any "other" countries referred to.						

Section IV-E.-<u>DEMAND FACTORS</u>--Continued

IV-E-8. Are differences other than price (i.e., quality, availability, transportation network, product range, technical support, etc.) between comparable certain aftermarket brake drum and rotor products produced in the United States, imported from China, and imported from other countries a significant factor in your firm's sales of the U.S.-produced products? Please indicate below, using "A" to indicate that such differences are *always* significant, "F" to indicate that such differences are *frequently* significant, "S" to indicate that such differences are *sometimes* significant, "N" to indicate that such differences are *never* significant, and "0" to indicate *no familiarity* with products from a specified country-pair.¹

Country-pair	United States	China	Other			
United States						
China						
¹ For any country-pair for which factors other than price <i>always or frequently</i> are a significant factor in your firm's sales of its U.Sproduced certain aftermarket brake drums and rotors, identify the country-pair, the specific product, and report the advantages or disadvantages imparted by such factors. Also, identify any "other" countries referred to.						
-						
-						

Section IV-F.--CUSTOMER IDENTIFICATION

Please provide the names and addresses of your firm's 10 largest U.S. customers separately for its domestically-produced certain aftermarket brake drums and certain aftermarket brake rotors during January 1998-March 2003. Please also provide the name and telephone number of a contact person and the share of the total value (in dollars net f.o.b. your U.S. selling location(s)) of your firm's total domestic sales of its U.S.-produced certain aftermarket brake drums and certain aftermarket brake rotors that each of these customers accounted for in 2002. Copy this table to respond separately for certain aftermarket brake drums and brake rotors (check one box for each page).

Certain aftermarket brake drums

Certain aftermarket brake rotors

No.	Customer's name	Street address, state, and zip code	Contact person	Area code and telephone number	Share of 2002 sales (%)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Business Proprietary

PART IV.--PRICING AND MARKET FACTORS--Continued

Section IV-G.--COMPETITION FROM IMPORTS--LOST REVENUES

Since January 1, 1998: To avoid losing sales to competitors selling certain aftermarket brake drums and rotors from China, did your firm:

Reduce prices	Yes	No
Roll back announced price increases	Yes	No

If yes, please furnish as much of the following information as possible for each affected transaction. Document such allegations of lost revenues whenever possible (documentation could include copies of invoices, sales reports, or letters from customers). **Please note that the Commission may contact the firms named to verify the allegations reported**.

Customer name, contact person, phone and fax numbers Specific product(s) involved Date of your initial price quotation Quantity involved Your initial *rejected* price quotation (total delivered value) Your *accepted* price quotation (total delivered value) The country of origin of the competing imported product The competing price quotation of the imported product (total delivered value)

Customer name, contact person, phone and fax numbers	Brake drums or rotors	Date of quote	Quantity (<i>units</i>)	Initial rejected U.S. price (total value <i>dollars</i>)	Accepted U.S. price (total value <i>dollars</i>)	Competing import price (total value <i>dollars</i>)

Section IV-H.--COMPETITION FROM IMPORTS--LOST SALES

Since January 1, 1998: Did your firm lose sales of certain aftermarket brake drums and rotors to imports of these products from China?



If yes, please furnish as much of the following information as possible for each affected transaction. Document such allegations of lost sales whenever possible (documentation could include copies of invoices, sales reports, or letters from customers). Please note that the Commission may contact the firms named to verify the allegations reported.

Customer name, contact person, phone and fax numbers Specific product(s) involved Date of your price quotation Quantity involved Your rejected price quotation (total delivered value) The country of origin of the competing imported product The accepted price quotation of the imported product (total delivered value)

Customer name, contact person, phone and fax numbers	Brake drums or rotors	Date of quote	Quantity (<i>Units</i>)	Rejected U.S. price (total value <i>dollars</i>)	Country of origin	Accepted import price (total value dollars)

PART V.--COMPETITIVE EFFORTS AND ADJUSTMENTS IF RELIEF WERE TO BE GRANTED

Further information on this part of the questionnaire can be obtained from Debra Baker (202-205-3180; e-mail: dbaker@usitc.gov).

V-1. Who should be contacted regarding the information requested in part V?

Company contact:

Name and title

Phone No.

E-mail address

V-2. Since January 1, 1998, has your firm undertaken any efforts to compete more effectively in the U.S. market for brake drums or rotors? Such efforts might include any of the following: investments, cost reductions with existing equipment, diversifications/expansions, new products or new applications for existing products, organizational changes, changes in production practices, marketing changes in U.S. and foreign markets, and/or other efforts.

No Yes--Describe, as indicated below:

(1) the type(s) of effort(s) that have been made by your firm and/or its workers since January 1, 1998 to compete more effectively, (2) the period (month(s) and year(s)) in which the effort was made, (3) the <u>total</u> expenditure involved (in thousands of dollars), and (4) the effectiveness of your efforts, including any competitive advantage acquired (i.e., increased production, cost reduction, quality improvement, increased market share or sales, etc.). Attach additional pages if necessary. If you feel that any of these efforts have been made primarily to compete with sales of brake drums or rotors from China, please indicate this with an asterisk and give the reasons to support your beliefs.

EFFORTS TO COMPETE	PERIOD	EXPENSE (\$1,000)	EFFECTIVENESS OF EFFORTS/COMPETITIVE ADVANTAGE ACQUIRED

PART V.--<u>COMPETITIVE EFFORTS AND ADJUSTMENTS IF RELIEF WERE TO BE</u> <u>GRANTED</u>-Continued.

- V-3. In the event that the Commission should find market disruption to the U.S. industry producing brake drums or rotors, what form of import relief would your firm support? Please rank the following in order of preference from 1 (highest support) to 5 (least support):
 - ∼ Quota level (specify): _____
 - ➤ Increased tariff rate (specify): ______
 - ∼ Tariff rate quota level (specify):
 - Orderly marketing arrangements
 - ∼ Other (describe):

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- ~ No restrictions (please check, if applicable)
- V-4. If you were to receive import relief as a result of this investigation, would your firm and/or its workers make adjustments in your brake drums or rotors operations (<u>in addition</u> to those that you have described in V-2) that will permit you to compete more effectively with imports of brake drums or rotors from China after such relief expires?

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No Yes--Describe these additional adjustment actions below. To the best of your ability, quantify the expected improvement in your firm's competitiveness vis-a-vis imports from China.

EFFORTS TO COMPETE	PERIOD	EXPENSE (\$1,000)	COMPETITIVE ADVANTAGE TO BE ACQUIRED