

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Internal Combustion Industrial Forklift Trucks From Japan,

Inv. No. 731-TA-377 (Second Review)

On June 6, 2005, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).¹

After issuing the notice of institution, the Commission received a single response filed by domestic producer, NAACO Materials Handling Group, Inc. (“NAACO”). The Commission determined that NAACO’s response was individually adequate. Based upon NAACO’s representation that it accounted for a substantial percentage of U.S. production of the domestic like product, the Commission determined that NAACO’s response constituted an adequate domestic interested party group response.²

The Commission did not receive a response from any respondent interested party. Consequently, the Commission determined that the respondent interested party group response was inadequate.

The Commission further determined that circumstances warranted conducting a full review, including possible changes in the domestic industry’s production levels since the first review and the involvement of U.S. subsidiaries or joint ventures of Japanese producers in the production of the domestic like product.

Therefore, the Commission did not exercise its discretion to conduct an expedited review, but instead determined to conduct a full review. A record of the Commission’s votes is available from the Office of the Secretary and the Commission’s web site (<http://www.usitc.gov>).

¹ Chairman Koplán voted to conduct an expedited review, based on the inadequate respondent interested party group responses. Chairman Koplán joins only the second and third paragraphs of this statement.

² Vice Chairman Okun determined that the domestic interested party group response was inadequate. In the first five-year review, Vice Chairman Okun defined the domestic industry to include more firms than the Commission majority because she determined that appropriate circumstances did not exist to exclude any firm producing the domestic like product from the domestic industry as a related party. See USITC Pub. 3287 at 23-24. Based on NAACO’s share of U.S. production of the domestic like product during the first review, Vice Chairman Okun determined that NAACO’s response in this second review did not constitute an adequate domestic industry party group response. Vice Chairman Okun joins this statement in its entirety except for the last sentence in the second paragraph.