UNPROCESSED FLOAT GLASS FROM BELGIUM AND ITALY

Determinations of the Commission in Investigations Nos. 104-TAA-11 and 104-TAA-12 Under Section 104(b) of the Trade Agreements Act of 1979, Together With the Information Obtained in the Investigations

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CONTENTS

Tables

CONTENTS

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 104-TAA-11 and 104-TAA-12

UNPROCESSED FLOAT GLASS FROM BELGIUM AND ITALY

Determination

Based on the record 1/ developed in investigations Nos. 104-TAA-11 and 104-TAA-12, the Commission unanimously determines, pursuant to section 104(b) of the Trade Agreements Act of 1979, that an industry in the United States would not be materially injured, or threatened with material injury, nor would the establishment of an industry in the United States be materially retarded, by reason of imports of unprocessed float glass from Belgium and Italy, provided for in items 543.21 through 543.69 of the Tariff Schedules of the United States, currently covered by outstanding countervailing duty orders, if the orders were to be revoked.

Background

On November 30, 1980, and February 19, 1981, the U.S. International Trade Commission received requests from the Delegation of the Commission of the European Communities for investigations under section 104(b) of the Trade Agreements Act of 1979 with respect to unprocessed float glass imported from Italy and Belgium, respectively.

Accordingly, effective October 8, 1982, the Commission instituted investigations Nos. 104-TAA-11 and 104-TAA-12 under section 104(b) to determine whether an industry in the United States would be materially injured or threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of unprocessed float glass from Belgium and Italy, currently covered by countervailing duty orders, if the orders were to be revoked.

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (47 F.R. 6190, Feb. 10, 1982).

Notice of the institution of the Commission's investigations and of a hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. 20436, and by publishing the notice in the Federal Register on October 20, 1982 (47 F.R. 46775). The hearing was held on December 16, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

INTRODUCTION

On the basis of the record developed in investigations Nos. 104-TAA-11 and 104-TAA-12, we unanimously determine that an industry in the United States would not be materially injured or threatened with material injury by reason of imports of unprocessed float glass from Belgium and Italy covered by the outstanding countervailing duty orders if these orders were to be revoked. 1/ 2/

The focus of a section 104 investigation is our judgment as to the likely effects of the revocation of the subject countervailing duty order(s). In conducting this analysis, we assess the condition of the domestic industry and the U.S. market; we examine recent changes in the product mix of the exports and other changes in the foreign exporting industries; and, we determine whether the domestic industry would be materially injured or threatened with material injury if the order(s) were to be revoked.

DISCUSSION

The domestic industry

Section 104 of the Trade Agreements Act expressly incorporates the definitions contained in section 771 of the Tariff Act of 1930. 3/

1/ There is established production of like products in the United States. The issue of material retardation was not present in these investigations.

2/ The countervailing duty orders in these investigatons cover unprocessed float glass which is defined as float glass in rectangles, not containing wire, whether or not colored, that has not been laminated, tempered, bent, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, painted, coated, ornamented, or decorated. 46 Federal Register 10905, February 5, 1981 (Belgium), and 47 Federal Register 5027, February 3, 1982 (Italy)

3/ Section 104(e) of the Trade Agreements Act of 1979, 19 U.S.C. 1671 note.

In general, section 771 of the Tariff Act defines the domestic industry as consisting of all domestic producers of a like product or those producers whose total output of the like product constitutes a major proportion of domestic production of that product. 4/ A like product, in turn, is defined as a product which is like, or in the absence of like, most similar in characteristics and uses with, the imported product which is the subject of the investigations. 5/

Unprocessed float glass is a type of flat glass produced by floating molten glass over a bed of molten tin. 6/ The normal thickness of float glass is 6 millimeters. 7/ Other thicknesses are produced by adjusting the speed of the flow of molten glass from the furnace. 8/ Unprocessed float glass may be produced in either clear or colored form. 9/ Any desired color may be produced by altering the coloring agents in the batch of raw materials. 10/

4/ Section 771(4)(A) of the Tariff Act (the Act) of 1930, 19 U.S.C. 1677(4)(A).

5/ Section 771(10) of the Tariff Act, 19 U.S.C. 1677(10).

6/ Report at A-3. Approximately 99 percent of all the flat glass produced in the United States is float glass. Id.

7/ Id., at A-4.

8/ Id.

9/ Id. Colored float glass is unprocessed glass in which light transmittance is retarded by coloring agents within the glass rather than by treatments of the surface of the glass. Colored float glass may vary from opaque glass to glass with a transmittance of approximately 80 percent of normal incident light. Report, at A-3, note 2. Colored float glass sells at a premium over clear float glass. See, infra, note 38 and text.

10/ Id., at A-4 and A-5. All float lines, therefore, have the capability of producing colored glass inasmuch as only the addition of coloring agents to the existing batch of raw materials is required. Id. at A-5. The process of switching a float glass line from the production of clear float glass to that of colored glass takes between one and two weeks. Id. Similarly, the reverse process of changing from colored glass to clear glass takes approximately two weeks. Id.

Over 90 percent of the float glass imported from Belgium and Italy from 1979 through January-September 1982 was colored float glass. 11/ In contrast, clear float glass is the predominant type produced in the United States. 12/ Both clear and colored float glass are primarily consumed by the construction and automotive markets. 13/

While there are differences in the end uses of clear and colored float glass based on consumer preferences, the general characteristics and uses of both are, nevertheless, very nearly identical. We have therefore determined that unprocessed float glass is the appropriate like product for this investigation and that the domestic industry consists of domestic producers of unprocessed float glass. 14/ These domestic producers are: AFG Industries, Inc., Ford Motor Co., Guardian Industries Corp., Hordis Brothers, Inc., Libbey-Owens Ford Co., and PPG Industries, Inc.

Condition of the domestic industry

As countervailing duty orders are presently outstanding, we do not attribute the problems the industry is currently experiencing to subsidized imports of float glass from Belgium or Italy. 15/ For example, the U.S.

11/ Calculated from official statistics of the Department of Commerce, Report at A-14 and A-15.

12/ *Id.* at A-4.

13/ *Id.*, at A-6.

14/ Interested parties appearing in opposition to the revocation of the outstanding countervailing duty orders urged the Commission to adopt this definition of the domestic industry.

15/ Counsel for AFG Industries, Inc., and PPG Industries, Inc., interested parties appearing in opposition to the revocation of the outstanding countervailing duty orders, acknowledged the appropriateness of this approach. Transcript of public hearing, at 12-13.

demand for float glass is largely dependent on the housing and automotive sectors of the economy. Both sectors have been depressed. 16/ Moreover, upturns in the housing and automotive sectors may not translate into contemporaneous increases in float glass consumption. Glass is among the last of the products installed in buildings. 17/ Structural changes in these sectors are also affecting the demand for float glass. For example, the average amount of glass used in an automobile has decreased from 93 pounds in 1978 to 74 pounds in 1982 and is projected to decline to 67 pounds by 1985. 18/ Nevertheless, the recent experience of the U.S. producers assists us in determining whether or not the revocation of the subject orders would result in material injury or the threat of material injury to the U.S. industry by reason of imports from Belgium and Italy.

Current indicators show that the condition of the U.S. industry was worsening during the period 1979 through the first nine months of 1982. Domestic production of unprocessed float glass in square feet decreased 4 percent from 1979 through 1981, and continued to decline through the January-September 1982 period, falling 13 percent from the comparable period in 1981. 19/ In spite of the decline in production, U.S. producers continued to increase their domestic capacity. Measured in terms of square feet, capacity increased by 21 percent between 1979 and 1981, and rose another 6 percent from January-September of 1981 to the comparable period in 1982. 20/

16/ Report, at A-33.
17/ Id., at A-36.
18/ Id., at A-33.
19/ Report, at A-15 and A-16.
20/ Id. at A-16.

AFG announced the beginning of construction of a new float furnace facility to be in full production by the end of 1983. 21/ Capacity utilization, measured in terms of square feet, has dropped from 82 percent in 1979 to 67 percent and 65 percent in 1980 and 1981, respectively. The figure was only 56 percent for the first nine months of 1982 compared to 68 percent in January-September 1981. 22/ Employment of production and related workers declined 9 percent between 1979 and 1981, and further declined by 15 percent in the first nine months of 1982 from the comparable period in 1981. 23/

During the period 1979 through 1981, the trends in domestic open market shipments by the domestic producers were mixed. Although the quantity shipped decreased from 1979 to 1981, the value of shipments increased during the period. Both the quantity and the value of shipments to the open market decreased during the first nine months of 1982. 24/ In the aggregate, the total net sales of the reporting firms increased 18 percent from 1979 to 1981. However, the net sales declined by 8 percent in the first nine months of 1982 compared to the corresponding period in 1981. 25/ Operating income and the cash flow generated by float glass operations fell sharply during the first nine months of 1982. 26/

21/ *Id.*

22/ *Id.* Measured in terms of tonnage, capacity utilization dropped from nearly 98 percent in 1979 to 79 percent and 78 percent in 1980 and 1981, respectively. The figures for January-September 1981 and 1982 are 79 percent and 62 percent, respectively.

23/ *Id.*, at A-22.

24/ Table 6, Report, at A-20.

25/ Report, at A-26. Only four domestic firms were able to supply usable profit and loss data for their operations on unprocessed float glass. These four firms accounted for most of the value of total 1981 domestic shipments. Report, at A-25.

26/ *Id.*, at A-26.

Approximately sixty percent of the domestic production of float glass is shipped to the open market. 27/ Of these open market shipments, only about 7 percent consist of colored float glass. 28/ Open market consumption has been focused on because it is in this sector that the domestic producers would be affected most directly by import competition. However, we have nonetheless included both the exports and captive production in analyzing the indicia of injury such as capacity utilization, employment, and revenues.

Likely effects of the revocation of the outstanding countervailing duty orders

As previously indicated, the nature of the Commission's determination in a section 104 investigation is prospective. The Commission must determine what could reasonably be expected to happen in the event that the countervailing duty order(s) were to be revoked, particularly with respect to the likely effects on import volume and prices.

The Belgian order

In the three years prior to the Treasury Department's initial countervailing duty determination, imports from Belgium were at insignificant levels relative to the U.S. market, and were declining. Between 1976 and 1981, the year a countervailing duty was issued, imports were significantly above their historical levels only in 1978. On February 5, 1981, the Department of Commerce required a cash deposit of estimated duties in the

27/ Transcript, at 19.

28/ Id. at 37. Four of the domestic producers operate one float tank each for the continuous production of colored float glass. Transcript at 38. The colors most commonly manufactured in the United States are bronze, gray, and green. Report, at A-4.

amount of 2 percent of the f.o.b. value of shipments of float glass from Belgium. 29/ On July 27, 1982, the Department found the subsidy rates on Belgian float glass to be de minimis and instructed the Customs Service not to assess countervailing duties on any shipments entered on or after July 18, 1980, through February 19, 1981, the most recent period reviewed. At no time has the countervailing duty rate been established at over 2 percent. 30/ In 1981 and January-September 1982, imports have remained at insignificant levels. 31/

With the exception of 1981, imports of colored float glass from Belgium accounted for nearly all of the total imports from Belgium during the period under investigation. In 1981, colored float glass amounted to approximately 39 percent of these imports. 32/

During the course of its investigation, the Commission endeavored to compare prices of comparable domestic and Belgian float glass. 33/ Inasmuch as float glass is a physically homogenous product, quality differences are minimal and competition focuses on price and customer service. 34/ Prices of float glass are usually negotiated and may vary significantly depending upon market conditions and quantities sold. 35/ The one purchaser of float glass

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29/ 46 Federal Register 10905, reprinted in Report, at A-51.
30/ Id.
31/ Table 2, Report at A-14. We note that we made our determination on a case by case basis. Even assuming that cumulation would otherwise be appropriate in the context of this section 104 investigation, we would not cumulate the impact of imports from Belgium or Italy with that of imports from other countries since we do not find that either the imports from Belgium or the imports from Italy would be a contributing cause of material injury if the countervailing duty order were revoked.
32/ Report, at A-36.
33/ Id., at A-13.
34/ Id. at A-9.
35/ Id., at A-36.

from Belgium found in the Commission's survey of purchasers reported that the domestic and Belgian 10 millimeter clear float glass were currently selling at the same price. 36/ No purchasers of colored float glass from Belgium were found in the Commission's survey. Although the demand for colored float glass may increase in the future, we do not think that revocation of this countervailing duty order would stimulate imports of colored float glass from Belgium. Nevertheless, we anticipate future imports from Belgium to be predominantly colored glass 37/ because it sells at a premium over the clear float glass 38/ and the cost of ocean freight normally makes clear glass exports uncompetitive with U.S. prices. 39/

Removal of the present zero rate of duty could provide a slight financial advantage to the importer, Euroglass, as Belgian float glass producers would be relieved of the expense of complying with the Department of Commerce's

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36/ Id., at A-37.

37/ The domestic producers concede that the domestic market for colored float glass is the strongest part of the market. Transcript, at 30. The October 1982 AFG Industries "Corporate Profile" stated that:

> In January 1982, AFG introduced its new energy-absorbing colored glass product. At the time of introduction, management hoped to capture 7% to 10% market share for this specialty product. Customer acceptance of the product has been so widespread that AFG, the first producer of bronze single strength glass for residential windows, has already exceeded its projection during the first six months of 1982.
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> * * *
>
> . . . AFG projects the market for colored glass to grow at a rate of 4% to 5% a year over the next 10 years for a 62% increase by decade's end.
>
> * * *
>
> AFG's Management reports that its gray and bronze energy absorbing colored glass has witnessed even more demand than anticipated.

Posthearing brief for Fabbriea Pisana SPA and Societa Italiana. Vetro SPA, at 2.

38/ Report, at A-33.

39/ Id.

review investigations. Our view of the record, however, leads us to conclude that the receipt of such a benefit would not alter the behavior of either Euroglass or the Belgian producers, Glaverbel, S.A., or Glaceries de Saint Roch, S.A., such that the domestic industry would be materially injured by reason of imports from Belgium covered by the order.

The Italian Order

Prior to the imposition of the countervailing duty order in 1976, imports from Italy were at an insignificant level relative to the U.S. market, and were declining. Between 1976 and 1980, these imports were negligible. In 1981 and January-September 1982, imports rose but remained insignificant. 40/

On January 7, 1976, the Department of the Treasury determined that float glass produced by Societa Italiana Vetro, S.p.A. (SIV), and Fabbrica Pisana,S.p.A., benefitted from subsidies within the meaning of the countervailing duty law. 41/ The most recent preliminary subsidy amounts for the purpose of a cash deposit of estimated countervailing duties are 0.88 percent of the f.o.b. invoice price on all shipments by Fabbrica Pisana, and 4.97 percent of the f.o.b. price on all shipments by SIV. 42/

Fabbrica Pisana has not exported clear float glass to the United States since 1979. 43/ Ocean freight accounts for at least 20 percent of the C.I.F. price of all float glass, normally making clear float glass exports from Italy uncompetititive with U.S. prices. 44/ Only colored float glass can be

40/ The authority for the administration of U.S. countervailing duty statutes was transferred from the Department of the Treasury to the Department of Commerce in January 1980 by Reorganization Plan No. 3 of 1979. 44 Federal Register 69,273 (September 25, 1979).
41/ Report at A-15. See supra note 32A.
42/ Report, at A-58.
43/ Transcript, at 41.
44/ Id.

profitably imported from Italy. 45/ Although it manufactures green float glass, SIV has not exported any float glass to the United States in recent years. Its green float glass is used in European automobile production. Between 1979 and 1981 all the colored float glass imported from Italy was amber, "a specialty glass with such a low level of demand in the United States . . . as not to be an economically viable product" for any domestic producer. 46/ Inasmuch as amber glass is used in mirrors and table tops and does not go into housing or automobiles, 47/ it will not be competitive with domestic colored float glass in the event of cyclical upturns in these segments of the economy which would increase U.S. demand for colored float glass. During 1982, imports of Italian float glass consisted of about 50 percent amber glass and about 50 percent bronze glass. 48/ Imported bronze glass competes with domestically produced bronze glass.

During the course of the Commission's investigation, the Commission attempted to make pricing comparisons between imported and domestically produced float glass for those thicknesses of unprocessed float glass that were most sensitive to import competition. The domestic producers suggested prices to distributors on 6 millimeter and 5 millimeter thick float glass and prices to end-user customers for 6 millimeter glass (mirror manufacturers), 5 millimeter (temperers), and 2.5 millimeter (sash and door manufacturers). 49/ However, the only domestic purchaser of Italian float glass found in the

45/ Id.
46/ Posthearing Brief of PPG Industries, Inc., and of AFG Industries, Inc., at 7.
47/ Transcript, at 47.
48/ Id., at 44
49/ Id. at A-36.

survey stated that it bought only the imported amber colored glass, a product not available from domestic producers. 50/ None of the purchasers surveyed reported having bought any bronze float glass from Italy. During 1983, Euroglass does not intend to source its bronze imports from Italy. 51/ Although Euroglass concedes the possibility that the U.S. demand for bronze glass may increase, it will source its imports from France, West Germany, or Spain. 52/ This decision does not appear to be related to any potential liability for countervailing duties. 53/ The glass melting tank in Caserta, Italy, is scheduled to be closed down during 1983 for cold-repair. 54/

Removal of the cash deposit of 0.88 percent on all shipments would provide a slight financial advantage to the importer, Euroglass. Our view of the record, however, leads us to conclude that receipt of such a benefit would not alter the behavior of either Euroglass or of Fabricca Pisana, the exporter, such that the domestic industry would be materially injured by reason of imports from Italy covered by the order.

Conclusion

Since we do not anticipate significant changes in import prices or volume as a result of revocation of these orders, it follows that such revocation

50/ Id., at A-50 and A-51.
51/ Transcript, at 45-48.
52/ Id., at 45.
53/ Between February and December of 1982, the cash deposit rate on the bronze imports was over 15 percent and this was the only year during the period of the investigation that Euroglass imported the Italian bronze glass.
54/ Transcript, at 48. Cold-repair consists of replacing the refactory bricks in the melting tank. Report, at A-5.

will not result in an adverse impact on the domestic producers caused by the subject imports. Thus, we conclude that the domestic industry would not be materially injured or threatened with material injury by the subject imports as a result of the revocation of these countervailing duty orders.

Introduction

Pursuant to section 104(b)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 (note)) the Delegation of the Commission of the European Communities filed requests on November 30, 1980, and on February 19, 1981, with the U.S. International Trade Commission for investigations to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded if the countervailing duty orders applicable to imports of float glass from Belgium and Italy were to be revoked. Accordingly, on October 8, 1982, pursuant to section 104(b)(2) of the act, the Commission instituted investigations Nos. 104-TAA-11 and 104-TAA-12 with respect to float glass imported from Belgium and Italy, respectively. Notice of the institution of the Commission's investigations was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of October 20, 1982 (47 F.R. 46775). 1/ A public hearing in connection with the investigations was held at the U.S. International Trade Commission, Washington, D.C., on December 16, 1982. The Commission voted on the investigations on January 27, 1983.

Development of the Instant Cases

The investigations by the U.S. International Trade Commission evolved from a countervailing duty petition filed with the U.S. Department of Treasury (Treasury) on May 31, 1974, on behalf of ASG Industries, PPG Industries, Libbey-Owens-Ford, Inc.(LOF), and C-E Glass Division of Combustion Engineering Inc. The petition alleged that float glass imported from Belgium, Italy, West Germany, and the United Kingdom benefited from the payment or bestowal of bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303).

The Department of Treasury instituted investigations as a result of that petition and on January 7, 1976, published the results of its findings in the Federal Register (41 F.R. 1274 and 41 F.R. 1299). 2/ With respect to float glass imported from Italy, Treasury determined that float glass produced by Societa Italiana Vetro, S.p.A.(SIV) and Fabbrica Pisana S.p.A. benefited from the payment or bestowal of bounties or grants within the meaning of section 303 of the act. 3/ The net amount of such bounties or grants was estimated to

1/ A copy of the Commission's notice of the investigations and scheduling of the hearing is presented in app. A.
2/ Copies of Treasury's determinations are presented in app. B.
3/ On Mar. 8, 1977, Treasury published a notice in the Federal Register (42 F.R. 13016) modifying its determination to exclude SIV. This action, however, was challenged by the petitioner in the U.S. Customs Court (now the U.S. Court of International Trade). On Mar. 29, 1979, the U.S. Customs Court held for the petitioner and the United States appealed this decision to the U.S. Court of Customs and Patent Appeals (CCPA). On June 18, 1980, the CCPA granted the motion of the United States to dismiss its appeal and, on Oct. 24, 1980, an order was published that had the effect of including SIV back in the original countervailing duty order. On Nov. 3, 1980, the Commission received a request from the Delegation of the Commission of the European Communities requesting that the scope of the original request be enlarged to include the new company.

be 10 percent ad valorem. Treasury further determined that float glass produced by Verrera di Vernante, S.p.A. did not benefit from the payment or bestowal of bounties or grants. Concerning float glass imported from Belgium, West Germany, and the United Kingdom, Treasury determined that no bounties or grants were being paid or bestowed, directly or indirectly, upon its manufacture, production, or exportation. These negative determinations were challenged by the petitioner in the U.S. Customs Court and, on July 17, 1980, the U.S. Customs Court, ruling for the petitioner, remanded the Belgian case back to the U.S. Department of Commerce (Commerce). 1/ On February 5, 1981, Commerce published in the Federal Register (46 F.R. 10905) a notice of issuance of a countervailing duty order with respect to float glass imported from Belgium. The estimated net amount of bounties or grants paid or bestowed upon the manufacture of float glass exported from Belgium to the United States was determined to be 2 percent ad valorem. Cases involving the United Kingdom and West Germany are still pending before the U.S. Court of International Trade; however, on December 27, 1982, Commerce issued countervailing duty orders (47 F.R. 57549 and 57550) regarding imports of float glass from these two countries. The Commission has received requests from the Delegation of the Commission of the European Communities for investigations under section 104 of the Trade Agreements Act of 1979 with respect to these two orders. Institution of these investigations is being deferred, however, until information is available concerning the nature and extent of the subsidies in question. 2/

Nature and Extent of Subsidies Being Provided

On May 13, 1980, Commerce published a notice in the Federal Register of intent to conduct an annual administrative review of all outstanding countervailing duty orders. As required by section 751(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1675), Commerce has now conducted its first annual administrative review of countervailing duty orders pertaining to float glass imported from Belgium and Italy.

Final results of Commerce's administrative review with respect to float glass imported from Belgium were published in the Federal Register (47 F.R. 32467) on July 27, 1982. 3/ Based on the review, Commerce determined that Glaceries de Saint-Roch S.A. and Glaverbel, S.A. benefited from the payment of bounties and grants constituting net subsidies amounting to 0.46 and 0.10 percent ad valorem, respectively. Commerce also established in the review a countrywide net subsidy rate of 0.29 percent ad valorem. Commerce considered these rates to be de minimis and instructed Customs not to assess countervailing duties on float glass imported from Belgium entered or withdrawn from warehouse for consumption on or after July 18, 1980, and entered before February 20, 1981. The review covered the period July 1, 1980, through

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1/ On Jan. 2, 1980, the authority for administering the U.S. countervailing duty law was effectively transferred from Treasury to Commerce.
2/ A copy of Commerce's Federal Register notices is presented in app. C.
3/ Ibid.

March 21, 1981. In making its determination Commerce reviewed four subsidy programs: interest rebates, capital grants, exemption from property taxes, and exemption from local taxes. Commerce did not publish individual subsidy rates conferred under each of these programs.

On February 3, 1982, Commerce published in the Federal Register (47 F.R. 5026) 1/ the results of its final administrative review with respect to float glass imported from Italy. As a result of the review, Commerce determined that the net amount of the subsidy conferred on Fabbrica Pisana and SIV was 15.41 and 15.53 percent ad valorem, respectively, for the period covered by the review; January 7, 1976, through December 31, 1979, for Fabbrica Pisana and March 30, 1979 through December 31, 1979, for SIV. Commerce determined that Fabbrica Pisana and SIV received subsidies under five Italian Government programs. Under the Preferential Interest Rate Program, Fabbrica Pisana and SIV benefited from subsidies amounting to 0.25 percent and 0.33 percent, respectively, in the 1979 period. The 1979 subsidy conferred under the Capital Investment Grant Program was 0.31 percent for Fabbrica Pisana and 0.28 percent for SIV. Under the Reduced Contributions to the Social Welfare Fund Program, Commerce determined the 1979 ad valorem subsidy rate to be 1.10 percent for both firms. Under the Reduced Income Tax Payments Program (IRPEG), Commerce calculated the 1979 net subsidy to be 13.75 percent ad valorem for each firm. Finally, under the General Turnover Tax Reduction Program, the 1979 ad valorem subsidy rates were determined to be 0.06 percent for Fabbrica Pisana and 0.07 percent for SIV.

The Product

Description and uses

Float glass is a type of flat glass produced by floating molten glass over a bed of molten tin. Float glass has plane and parallel surfaces and shows no distortion when objects are viewed through it. Approximately 99 percent of all flat glass produced in the United States is float glass. Other types of flat glass include sheet glass and plate glass, which are produced by manufacturing processes different from float glass production. In recent years, sheet glass and plate glass have been displaced by float glass in the principal markets. The subject of these investigations is unprocessed float glass 2/ which is defined as float glass in rectangles, not containing wire, whether or not colored 3/, that has not been laminated, tempered, bent, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, painted, coated, ornamented, or decorated.

1/ A copy of Commerce's Federal Register notice is presented in app. C.
2/ Float glass is classified for customs purposes with plate glass in the Tariff Schedules of the United States. Plate glass is now a relatively unimportant article of commerce and in recent years accounted for only about 2 percent of total imports.
3/ Colored float glass is unprocessed glass whose light transmittance is retarded to varying degrees by coloring agents or opacifiers within the glass, and not by treatments or irregularities of the surface of the glass. Such glass may vary from opaque glass to glass with a transmittance of about 80 percent of normally incident light of certain wavelengths.

The float glass production process is patented, and U.S. producers of float glass are licensed by Pilkington Brothers, Ltd., the British firm that invented the process. In 1975, PPG Industries, Inc., a U.S. float glass manufacturer, publicly announced the development of its own float process, the LB process, which is now patented and does not infringe upon the Pilkington patents.

The manufacture of float glass is a very energy-intensive operation. Float glass furnaces are normally fired by natural gas; however, oil is used as a backup energy source. Industry sources estimate that energy costs account for approximately 60 percent of the total cost of float glass production. The initial investment required to start up a float glass plant is costly. Industry sources estimate that the cost of establishing a float glass plant having one tank with a capacity of 550 tons per day can range as high as $100 million, depending on the sophistication desired.

The raw materials (batch) used to make float glass include silica sand, limestone, soda ash, dolomite, and small amounts of other materials. About one-quarter of the batch is in the form of cullet, or cleaned and crushed glass recovered from previous glassmaking operations. The raw materials are mixed according to a precise formula; the mixing operation is controlled by computer. The batch is fed into the melting tank (or furnace) where temperatures of about 2,900 degrees F reduce the material to molten glass. A typical float glass furnace has a melting area measuring about 165 feet long, 30 feet wide, and 4 feet deep, 1/ and has an average daily capacity of 500 to 550 tons.

The molten glass, in the form of a continuous ribbon, flows from the furnace onto a bath of molten tin where the glass is fire polished by controlled temperatures. The floating of the one liquid on the other results in a glass whose surfaces are plane and parallel without mechanical grinding and polishing. The natural thickness of float glass is 1/4 inch (6 millimeter); if other thicknesses are desired, the speed of the flow, or draw, of the ribbon of glass from the furnace must be adjusted. Generally, the slower the draw, the thicker the glass. Controlled stretching forces are applied to the ribbon of glass to further guide its formation into the specified dimensions. This aspect of the forming process is called attenuation. The molten glass leaves the float bath and enters the annealing oven, or lehr, where it is gradually cooled in order to prevent flaw causing stresses that fast cooling would cause. The melting and forming processes are directed from computerized control centers. The glass ribbon leaves the lehr, passes through a quality-control checkpoint where it is inspected for flaws, then continues on to the wareroom. In the wareroom the glass ribbon is cut into usable size. After the initial cut, the large glass panels may be further cut, or packaged (in either boxes or plastic casings) and sent directly to customers. The glass may also be placed in the plant's storage area for processing at a later time.

Unprocessed float glass may be produced in either clear or colored form although clear float glass is the predominant type produced in the United States. Of the colored glass, the colors most commonly manufactured in the United States are bronze, gray, and green. Because the coloring is distributed uniformly throughout the molten glass, the intensity of a particular color of glass varies with the glass thickness. Any desired color

A-4

1/ Information given in a product brochure provided by PPG Industries.

may be produced by altering the coloring agents in the batch of raw materials; however, U.S. manufacturers produce only those colors for which there is sufficient demand to make production economically viable. 1/ Colored glass, which represents approximately 7 percent of total commercial sales of unprocessed float glass in the United States, 2/ is consumed primarily by the construction and automotive markets. All float glass lines have the capability of producing colored glass, which requires only the addition of coloring agents to the existing batch of raw materials. The process of switching from the production of clear float glass to that of colored glass (known within the industry as going in) lasts approximately 1 to 2 weeks. The reverse process of changing from colored glass to clear glass (going out) spans approximately 2 weeks. During the time that coloring agents are either added to (or removed from) the batch, the tank operates continuously until the desired shade of color is achieved. The glass produced during this interim period is not recycled as cullet, but is simply destroyed. 3/ At the present time, four U.S. producers (PPG, AFG, LOF, and Ford) have one float tank each devoted to the continuous manufacture of colored glass. 4/

Commercial glass melting tanks operate 24 hours a day, every day of the year, for as long as 5 to 7 years, until they are shutdown for inspection and repair. Cold-repair, which lasts approximately 3 months, is designed primarily to replace the refractory bricks in the melting tank. The annealing lehr, the float bath, and the furnace have longer periods of useful life than do the refractory bricks. Cold-repair is an expensive process ranging in cost from *** to ***, depending on the size of the tank and the degree of the repair. If it is necessary to stop production for longer than approximately 8 weeks (estimates of this length of time vary among producers), the furnace is shutdown cold. Before reactivating the furnace it is necessary to cold-repair the tanks. In lieu of a cold shutdown, other methods that can be used to reduce total glass output are (1) narrowing the width of the ribbon of glass manufactured; (2) slowing the speed at which rollers move the glass through the annealing lehr; (3) breaking the glass after it exits the annealing lehr and recycling it in the form of cullet (usually done only for a few days); (4) and putting the glass-melting tank on hot hold, a situation where the batch is withheld from the melting tank and the exit at the refining end of the furnace is sealed off so that the glass material is held in the tank at melting temperature for a period of time. The duration of a hot-hold condition varies depending on the nature of the production interruption, such as lack of demand and interruptions in fuel supplies. If the halt in production is expected to exceed approximately 8 weeks (the length of time varies among producers), the tank is almost always shutdown completely rather than keeping the furnace at melting temperature indefinitely. 5/

Unprocessed float glass may be further processed by means of bending, beveling, curving, edging, notching, drilling, chipping, sanding, embossing, engraving, etching, coating, staining, enameling, painting, decorating, or any

1/ Telephone conversation with an official of PPG on Dec. 20, 1982.
2/ See transcript of the hearing at p. 37.
3/ Telphone conversation with an official of PPG on Dec. 20, 1982.
4/ See transcript of the hearing at p. 38.
5/ Telephone conversation on Nov. 23, 1982, with an official of Ford Motor Co., Glass Division.

combination thereof. The processed float glass may be a finished product or an intermediate product used in the manufacture of other products. The many shapes and sizes of processed float glass have a number of uses, including mirrors, table and desk tops, windows, doors, counter glass, partition glass, and structural glass.

The majority of float glass is consumed by the construction (both residential and commercial), automotive original equipment, and automotive replacement markets. Architectural glass is becoming an increasingly popular building material for the exteriors of commercial buildings for both functional (energy efficient) and design purposes. Because the major users of float glass are heavily affected by fluctuations in the economy, demand for float glass is highly cyclical. Float glass is also used extensively in homes and automobiles as safety glass, glass that is strengthened from three to five times the strength of ordinary glass so as to reduce the danger of injury when broken or shattered. Safety glass, strengthened through the process of tempering or lamination, is widely used in automotive windshields, sliding doors, patio doors, shower enclosures, and safety goggles. Since State laws require the use of laminated glass in automobile and truck windshields, the automobile industry is by far the largest market for this type of glass. Also, regulations established by the U.S. Interstate Commerce Commission require the use of laminated glass in the side and rear windows of buses and certain trucks.

U.S. tariff treatment

The unprocessed float glass included in this investigation is classified under items 543.21-543.69 of the Tariff Schedules of the United States (TSUS), as described in table 1. The table shows the current rates of duty which are applicable to imports of float glass from those countries having most-favored-nation (MFN) status (col. 1), 1/ rates in effect prior to the Tokyo round of multilateral trade negotiations (MTN), the staged reductions in column 1 rates of duty granted during the MTN, 2/ and the rates of duty which

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1/ The rates of duty in rate of duty column numbered 1 are most-favored-nation rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

The preferential rates of duty in the "LDDC" column reflect the full U.S. MTN concession rates implemented without staging for particular items which are the products of least developed developing countries, enumerated in general headnote 3(d) of the TSUS. Where no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided for in col. 1 applies.

2/ The rates of duty in the staged rate of duty columns are preferential rates granted under the most recent (seventh) round of multilateral trade negotiations, referred to as the Tokyo round, held from 1973 to 1979 under the General Agreement on Tariffs and Trade.

Table 1.--Unprocessed float glass: U.S. rates of duty, by TSUS item numbers

(Cents per square foot; percent ad valorem)

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1-- 1980	1981	1982	1983	1984	1985	1986	1987	Col. 2 rate of duty	LDDC
	Glass (including plate glass and float glass), whether or not containing wire netting, in rectangles, ground or polished on one or both surfaces in whole or in part but not further processed:											
	Ordinary glass:											
	Not containing wire netting:											
	Measuring not over 15/32 inch in thickness:											
543.21	Not over 2-2/3 sq. ft. in area.	1.7¢	2/	2/	2/	2/	2/	2/	2/	2/	12.5¢	
543.23	Over 2-2/3 but not over 7 sq. ft. in area.	2.5¢	2.4¢	2.4¢	2.3¢	2.2¢	2.2¢	2.1¢	2.1¢	2¢	17.25¢	2¢.
543.27	Over 7 sq. ft. in area.	2.8¢	2.6¢	2.4¢	2.3¢	2.1¢	2¢	1.8¢	1.6¢	1.5¢	19.75¢	1.5¢.
543.31	Measuring over 15/32 inch in thickness.	10.5%	9.9%	9.4%	8.8%	8.3%	7.7%	7.1%	6.6%	6%	50%	6%.
	Colored or special glass:											
	Measuring not over 15/32 inch in thickness:											
543.61	Not over 2-2/3 sq. ft. in area.	1.7¢ + 1%	1.4¢ + 0.9%	1.3¢ +0.9%	1¢ + 0.6%	0.8¢ +0.5%	0.6¢ +0.4%	0.4¢ +0.3%	0.2¢ +0.1%	Free	12.5¢ + 5%	Free.
543.63	Over 2-2/3 but not over 7 sq. ft. in area.	2.5¢ + 1%	2.3¢ +0.9%	2.1¢ +0.9%	1.9¢ + 0.8%	1.7¢ +0.7%	1.5¢ + 0.6%	1.3¢ +0.6%	1.1¢ + 0.5%	1¢ + 0.4%	17.25¢ + 5%	1¢ + 0.4%.
543.67	Over 7 sq. ft. in area--	2.8¢ + 1%	2.6¢ + 0.9%	2.4¢ + 0.9%	2.3¢ + 0.8%	2.1¢ +0.7%	2¢ + 0.6%	1.8¢ + 0.6%	1.6¢ + 0.5%	1.5¢ + 0.4%	19.75¢ + 5%	1.5¢ + 0.4%.
543.69	Measuring over 15/32 inch in thickness.	11.5%	10.9%	10.2%	9.6%	8.9%	8.3%	7.6%	7%	6.3%	55%	6.3%.

1/ Rate effective prior to Jan. 1, 1980.
2/ Rate not modified in the Tokyo round of the Multilateral Trade Negotiations.

apply to imports from countries designated in the TSUS as being under Communist domination or control (col. 2). 1/ Imports of such float glass are not eligible for duty-free treatment under the U.S. Generalized System of Preferences (GSP).

U.S. Producers

Float glass is produced in the United States by 6 firms operating 22 plants having a combined total of 31 float glass furnaces or tanks. The names of the six producers, their plant locations, and the number of float tanks in operation at each site are presented as follows:

AFG Industries, Inc. (AFG)--(***)
- Bridgeport, W. Va. (***)
- Greenland, Tenn. (***)
- Cinnaminson, N.J. (***)

Ford Motor Co., Glass Division (Ford)--(***)
- Nashville, Tenn. (***)
- Tulsa, Okla. (***)
- Dearborn, Mich. (***)

Guardian Industries Corp. (Guardian)--(***)
- Carleton, Mich. (***)
- Kingsburg, Calif. (***)
- Corsicana, Tex. (***)

Hordis Brothers, Inc. (Hordis Brothers)--1/
- Floreffe, Pa. (***)

Libbey-Owens-Ford Co. (LOF)--(***)
- Rossford, Ohio (***)
- East Toledo, Ohio (***)
- Laurinburg, N.C. (***)
- Ottawa, Ill. (***)
- Lathrop, Calif. (***)

PPG Industries, Inc. (PPG)--(***)
- Mt. Zion, Ill. (***) 2/
- Carlisle, Pa. (***)
- Cumberland, Md. (***)
- Meadville, Penn. (***)
- Crystal City, Missouri (***)
- Wichita Falls, Tex. (***)
- Fresno, Calif. (***)

1/ Production commenced in August 1982.
2/ ***.

1/ The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

The majority of the producing establishments are located in the Eastern and Midwestern States with Pennsylvania, Ohio, Tennessee, and Illinois accounting for the largest share of industry shipments.

PPG, ***, accounted for an estimated *** percent of total U.S. production in 1981. Ford, ***, accounted for approximately *** percent of 1981 domestic production. Ford, an automobile manufacturer, produces float glass for its captive use as well as for the automobile-glass replacement market and construction glazing. Hordis Brothers is the newest firm in the industry. In October 1981 Hordis purchased the non-operating float glass plant previously owned by the C-E Glass Division of Combustion Engineering. This plant, located in Floreffe, Pa., required extensive overhauling and did not commence production until August 1982. All of the U.S. manufacturers are integrated and diversified operations producing float glass, processed glass, and fabricated glass products. Three of the firms, PPG, Ford, and Guardian, participate in foreign production of float glass through arrangements ranging from process licensing agreements to coownership with foreign companies of plants that produce float glass. On October 1, 1982, LOF announced that Pilkington Brothers P.L.C., a British company with diversified operations including the manufacture of float glass, fiber glass, and other products had reached agreement with Gulf & Western of the United States to acquire the 30-percent interest in LOF held by Gulf & Western. The acquisition is subject to review under U.S. antitrust laws, and the transaction will close when the waiting period for U.S. Government review has expired. 1/

Since 1979 all the firms, 2/ with the exception of ***, reported having shutdown at least one float line for a period of time due to lack of demand for the product or because of labor stoppages. 3/ In some situations, lines were completely shutdown. One firm has chosen not to begin operations at a new float line until demand strengthens, and others have curtailed output by running float tanks at reduced tonnage. Float glass is a physically homogeneous product; quality differences are minimal. Consequently, U.S. producers compete in the areas of price and customer service. The more important aspects of customer service include availability of stock, speed of delivery, and customer relationships as in the case of credit for, or replacement of, damaged products.

Foreign Producers

Float glass is manufactured in a number of countries for both domestic and foreign consumption. The primary producing countries include France, the United Kingdom, West Germany, Belgium, Italy, Luxembourg, and Japan, with the European countries accounting for the majority of foreign production. A listing of the major world producers of float glass, the countries where these companies are headquartered, and the known locations of the European plants owned by these producers are as follows:

1/ "Pilkington buys 30 percent of Libbey-Owens Ford," National Glass Budget, Nov. 6, 1982.

2/ Hordis Brothers has been operating for only a short period of time and was excluded from this count.

3/ Telephone conversations on Nov. 8, 1982, with officials of the various float glass firms.

Producer	Country where headquartered	Plant locations
La Compagnie de Saint Gobain (Saint-Gobain).	France	France Italy Belgium Spain West Germany
Pilkington Brothers, Ltd. (Pilkington).	United Kingdom	United Kingdom West Germany
PPG Industries, Inc. (PPG).	United States	Italy France
Asahi Glass Co., Ltd. (Asahi).	Japan	Belgium Netherlands
Societa Italiana Vetro SPA(SIV).	Italy	Italy
Guardian Industries Corp. (Guardian).	United States	Luxembourg

In addition to owning a large part of European production, many of the producers shown in the tabulation hold interests in float glass operations in other parts of the world.

In recent years there has been a significant change in the structure of the European float glass industry for a number of reasons. The European industry's framework was upset initially in 1979 when the French-based company, BSN-Gervais Danone, left the float glass industry, thus putting a third of the European industry's manufacturing capacity up for sale. The acquisitions of the various BSN-Gervais Danone plants were as follows: Pilkington acquired the German (Flachglas) operations; Asahi entered the market by taking over the Belgian (Glaverbel) and Dutch (Machinale Glasfabriek De Maas BV) plants; and PPG acquired the French (Boussois) operations, thereby expanding its European base in Italy. European operations were further altered in 1982 by the establishment in Luxembourg of a firm called Luxguard by a U.S. company, Guardian Industries.

The major producer of float glass in Belgium, Glaverbel, was recently acquired by Asahi Glass Co., Ltd., of Japan. A second Belgian float glass producer, Glaceries de Saint-Roch (GSR), is a subsidiary of the French firm Saint-Gobain. There are no other known float glass producers in Belgium.

There are a number of Italian producers of float glass. One producing firm, Societa Italiana Vetro (SIV), was founded in 1962 by two Italian Government enterprises, Ente Nazionale Idrocarburi (ENI) and Ente Finanziario Industrie Manufatturiere (EFIM). SIV produces float glass at one location and ***. Fabbrica Pisana S.p.A., another Italian float glass producer, is a subsidiary of the French firm, Saint-Gobain. Fabbrica produces float glass at A-10 two locations in Italy; it has a plant in Pisa, situated in the northern part of the country, and it owns a plant in Caserta, located in the southern region of the country. A relatively new company, Flovetro, began manufacturing float glass in 1980 at its San Salvo plant. Flovetro's capacity is estimated at

150,000 tons per year. 1/ PPG Industries, Inc., has majority control of Vernante Pennitalia, a fourth Italian float glass producer with a float plant at Cuneo, Italy (***) and a float plant under reconstruction at Salerno, Italy (***). 2/ Indications are that neither Flovetro nor Vernante Pennitalia has exported unprocessed float glass to the United States, and neither firm is covered by the countervailing duty order.

Capacity

Most float lines in Europe are running at less than 80 percent of capacity. 3/ According to figures released by La Compagnie de Saint-Gobain of France, European float glass capacity in early 1982 was divided among the various major producers, as shown in the following tabulation:

European producers	European float glass capacity in January 1982 (tons per day)
Saint-Gobain	6,000
Pilkington	4,750
PPG	1,650
Asahi Glass	1,300
SIV	700
Luxguard	500
Total	14,970

Based on statistics from the Financial Times, the capacity for production of float glass in certain other regions of the world in 1979 (the most recent year for which data are available) is presented in the following tabulation:

Country or area	Float glass capacity 1/ in 1979 (tons per day)
Canada 2/	***
Japan	3,300
Eastern Europe 3/ U.S.S.R.	1,500
Australia, South Africa	800
Total	***

1/ "Europe Looks to Results of Pilkington Bid," National Glass Budget, Dec. 15, 1979.
2/ Canadian float glass is produced primarily by 2 Canadian subsidiaries of U.S. firms: PPG Industries Canada, Ltd., and Ford of Canada. The combined production capacity of these two firms is estimated to be approximately *** tons per day, as stated by an official of PPG in a telephone conversation of Nov. 8, 1982.
3/ Increased production capacity is expected in Eastern Europe; 3 new float plants are scheduled to begin operations in the near future.

A-11

1/ "Plant opens in Italy," National Glass Budget, Apr. 5, 1980; Glass Digest, May 14, 1980.
2/ Telephone conversation with an official of PPG on Nov. 8, 1982.
3/ "A Cosy Arrangement Shatters," Financial Times, Jan. 25, 1982.

Export markets

European float glass demand at the present time is not sufficient to absorb existing capacity. This, in combination with the weakening of European currencies, leads to the potential for increased exports of float glass from Europe.

Two producers in Italy, PPG and SIV, have expressed their unwillingness to export glass to the United States. An official of PPG indicated ***. An officer at SIV stated ***. 1/

U.S. Importers

There have been three U.S. firms active in importing float glass from Belgium and Italy. Due to the relatively low volume of imports from both countries over the past several years, however, only one firm --Euroglass Corp.-- remains consistently active in this area. Euroglass Corp. (New York, N.Y.), serves as the exclusive U.S. importer of European float glass produced by the Saint-Gobain group of companies, including Fabbrica Pisana in Italy and Glaceries de Saint-Roch in Belgium.

Crystal International, Inc. (New York, N.Y.), a primary importer of float glass from Belgium in the past, has not imported from that country since 1978. A second firm, Interglass Corp. of Queens, N.Y., acted as the exclusive U.S. importer of float glass produced by the Italian producer SIV. It too, however, has not imported float glass for more than 6 years; officials of the firm stated ***.

Channels of Distribution

The marketing of float glass in the United States is characterized by the use of multiple distribution channels. The main channels through which float glass, both domestic and imported, is distributed are as follows:

1. Directly from domestic or foreign producers to original-equipment manufacturers (OEMs) such as fabricators, processors, and glazing contractors.

2. Through independent glass distributors that serve manufacturers, fabricators, processors, glazing contractors, jobbers, and retailers.

***, operates a distribution system based on the concept of recognized factory buyers--independent glass distribution fabricators (such as sash and door and jalousie manufacturers), processors (such as temperers, laminators, and mirror manufacturers), and glazing contractors. ***.

The other U.S. manufacturers do not have "recognized factory buyers" but market their products through distributors and by selling directly to OEMs

1/ U.S. Department of Commerce, International Trade Administration, Countervailing Order Compliance Division, "Verification Report on Float Glass from Italy," Aug. 20, 1982.

which meet certain requirements, such as credit worthiness, and are located so as to provide adequate geographic coverage of the areas in which producers distribute their glass. 1/

Imported float glass generally travels through the same distribution network as that of domestic float glass, i.e., through U.S. distributors to jobbers, manufacturers, fabricators, and so forth. Frequently, glass is imported directly by the jobbers, fabricators, and other original-equipment manufacturers.

An important feature of the float glass distribution system is that of back-hauling. The backhaul system affects the geographic dispersion of both domestically produced and imported float glass by expanding the potential market area. In most instances, backhauling benefits the customer in that the customer can operate his own motor vehicles for less than it would cost to hire a common carrier.

The normal length of time required to fill an order for unprocessed float glass is 2 to 3 weeks, spanning the time from when an order is placed to the time it is ready for delivery. It is possible to shorten this time in the case of rush orders. Float glass is typically shipped by trucks (maximum freight weight limit of 40,000 pounds), by rail, and on container ships to overseas markets.

U.S. Imports

U.S. imports of unprocessed float glass originate in many countries. There are, however, several key countries which supply the bulk of U.S. imports, primarily Canada, Japan, and the United Kingdom. Between 1973 and 1981, combined imports from Canada and Japan alone accounted for between 55 percent (1978) and 93 percent (1980) of total U.S. imports.

Data on U.S. imports of unprocessed float glass are presented in tables 2 and 3. U.S. imports from all sources peaked in 1978 when they totaled 85.6 million square feet, valued at $26.4 million. Thereafter, U.S. imports declined dramatically, falling in 1981 to 13.7 million square feet, valued at $9.6 million. Float glass imports in January-September 1982 were up by 68 percent compared with the corresponding period of 1981. The value of total U.S. imports in this period was up by 8 percent, to $7.7 million, over that recorded in January-September 1981.

Unprocessed float glass imports from Belgium fell from 3.5 million square feet in 1979 to 836,000 square feet in 1980. Imports fell further in 1981 to 238,000 square feet following the issuance of the countervailing duty order in February 1981. Imports from Belgium in January-September 1982 rose to 477,000 square feet from 176,000 square feet imported during January-September 1981. As a share of total U.S. imports, imports from Belgium fell from 12 percent of the total in 1979 to slightly less than 2 percent of total imports in 1981. Imports of colored float glass from Belgium abruptly fell from 97 and 94 percent of total float glass imports from that country in 1979 and 1980 to only 39 percent of the total in 1981. However, during January-September 1982, colored float glass imports again accounted for a significant share (89 percent) of total float glass imports from that country.

A-13

1/ Telephone conversation with an official of *** on Nov. 10, 1982.

Table 2.--Unprocessed float glass: U.S. imports for consumption, total and by selected sources, 1973-81, January-September 1981, and January-September 1982

Period	Total	Belgium	Italy	West Germany	United Kingdom	Canada	Japan	All other
	Quantity (1,000 square feet)							
1973	52,747	2,926	1,211	1,339	5,223	29,844	11,292	912
1974	30,563	1,386	937	-	2,985	17,444	6,988	823
1975	18,898	595	510	518	2,430	10,690	3,711	444
1976	23,601	1,431	-	539	2,674	12,092	4,047	2,818
1977	40,479	2,796	15	714	3,671	26,552	3,406	3,324
1978	85,621	11,088	23	633	10,099	40,664	6,815	16,298
1979	29,306	3,462	38	471	2,301	17,746	3,941	1,347
1980	26,247	836	11	167	256	21,691	2,677	608
1981	13,736	238	296	588	131	6,792	3,469	2,222
Jan.-Sept--								
1981	10,145	176	284	199	103	5,237	2,799	1,347
1982	17,076	477	223	2,342	15	8,294	1,387	4,339
	Value (1,000 dollars)							
1973	17,358	1,085	595	574	1,873	8,174	4,563	494
1974	10,193	548	506	-	1,095	4,446	3,075	523
1975	6,041	205	274	143	871	2,604	1,667	277
1976	7,239	536	-	170	770	3,125	1,502	1,136
1977	12,139	969	4	320	1,181	7,038	1,763	864
1978	26,356	4,307	11	441	4,131	10,174	3,278	4,014
1979	11,039	1,251	30	414	1,580	4,287	2,211	1,267
1980	10,995	308	24	182	278	7,410	2,137	654
1981	9,555	117	356	456	821	2,981	3,220	1,604
Jan.-Sept--								
1981	7,070	88	342	241	563	2,323	2,319	1,194
1982	7,660	269	218	822	269	2,571	1,763	1,748
	Average unit value (cents per square foot)							
1973	33	37	49	43	36	27	40	54
1974	33	40	54	-	37	25	44	64
1975	32	34	54	28	36	24	45	62
1976	31	37	-	32	29	26	37	40
1977	30	35	27	45	32	27	52	26
1978	31	39	48	70	41	25	48	25
1979	38	36	79	88	69	24	56	94
1980	42	37	218	109	109	34	80	108
1981	70	49	120	78	627	44	93	72
Jan.-Sept--								
1981	70	50	120	121	547	44	83	89
1982	45	56	98	35	1,793	31	127	40

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

Table 3.--Unprocessed float glass: U.S. imports for consumption from selected sources, as a share of total imports, 1973-81, January-September 1981, and January-September 1982

(In percent)

Period	Total	Belgium	Italy	West Germany	United Kingdom	Canada	Japan	All other
1973	100.0	5.5	2.3	2.5	9.9	56.6	21.4	14.2
1974	100.0	4.5	3.1	-	9.8	57.1	22.9	12.5
1975	100.0	3.1	2.7	2.7	12.9	56.7	19.6	17.9
1976	100.0	6.1	-	2.3	11.3	51.2	17.1	25.6
1977	100.0	6.9	1/	1.8	9.1	65.6	8.4	19.0
1978	100.0	13.0	1/	0.7	11.8	47.5	8.0	31.6
1979	100.0	11.8	0.1	1.6	7.9	60.6	13.4	14.1
1980	100.0	3.2	1/	0.6	1.0	82.6	10.2	3.9
1981	100.0	1.7	2.2	4.3	1.0	49.4	25.3	21.4
Jan.-Sept--								
1981	100.0	1.7	2.8	2.0	1.0	51.6	27.6	16.3
1982	100.0	2.8	1.3	13.7	0.1	48.6	8.1	39.2

1/ Less than 0.05 percent.

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

Note.--Because of rounding, figures may not add to the totals shown.

Following the issuance of the countervailing duty order in January 1976, imports of float glass from Italy were sparse until 1981, when imports reached 296,000 square feet. In January-September 1982, imports were down by 21 percent compared with the level of imports in the corresponding period of 1981. As a share of total U.S. imports, imports from Italy were _de minimis_ in 1979 and 1980, 2.2 percent of the total in 1981, and 1.3 percent in January-September 1982.

With respect to the composition of unprocessed float glass imported from Italy, better than 95 percent of such imports consist of colored glass. Between 1979 and 1981, amber-colored float glass accounted for all U.S. imports of colored glass from Italy and, in 1982, the mix was fairly evenly divided between amber and bronze. 1/ Amber-colored float glass is not manufactured in the United States, and Italy is the only country known to export amber-colored float glass into the United States.

Consideration of Material Injury or the Threat Thereof if the Countervailing Duty Orders Were To Be Revoked

U.S. production, capacity, and capacity utilization

Domestic production of unprocessed float glass as reported by U.S. producers declined from 3,466 million square feet in 1979 to 3,331 million square feet in 1981, or by 4 percent (table 4). U.S. production continued to decline during January-September 1982, falling to 2,215 million square feet compared with 2,549 million square feet produced in the corresponding period of 1981.

1/ See transcript of the hearing at p. 44.

Although total U.S. unprocessed float glass production declined by 4 percent between 1979 and 1981, U.S. producers continued to add to capacity; LOF completed the construction of a new float line at its Laurinburg, N.C., plant in 1980 and Guardian added a new 550 ton per day float tank at its Corsicana, Tex., facility in the same year. Also, on December 1, 1982, AFG announced that construction will soon begin on a new float furnace to be installed at its Greenland, Tenn., facility at a cost of nearly ***. This furnace is expected to be in full production towards the end of 1983. Unprocessed float glass capacity rose steadily from 4,234 million square feet in 1979 to 5,117 million square feet in 1981, or by 21 percent. U.S. producers' capacity increased by 216 million square feet, or by 6 percent, in January-September 1982 over that in the corresponding period of 1981.

The average capacity utilization rate for U.S. producers of unprocessed float glass fell from just under 82 percent in 1979 to 65 percent in 1981 (table 4). A comparison of the average utilization rate for U.S. float glass producers from 1979 to 1981 with the capacity utilization of all U.S. manufacturers as reported by the Federal Reserve Board is shown in the following tabulation (in percent):

Item	Capacity utilization				
	1979	1980	1981	January-September-- 1981	January-September-- 1982
All manufacturing---------------------	85.7	79.1	78.5	79.6	1/ 70.6
Unprocessed float glass--------------	81.9	67.1	65.1	68.1	55.9

1/ Average capacity utilization rate through August 1982.

The average utilization rate for U.S. producers in January-September 1982 was 12 percentage points lower than the utilization rate recorded in January-September 1981.

Parties in opposition to the revocation of countervailing duties, namely AFG and PPG, suggested in a joint prehearing statement filed with the Commission that capacity utilization can be more accurately measured in terms of tonnage rather than in square feet. The following tabulation presents capacity utilization, on the basis of tonnage, for the domestic industry, based on the producing firms' questionnaire responses:

	1979	1980	1981	January-September-- 1981	January-September-- 1982
Production-------million tons------	3.2	2.8	3.0	2.3	1.9
Capacity------------------do-------	3.2	3.5	3.9	2.9	3.1
Capacity utilization (percent) 1/--	97.6	79.1	78.3	79.0	61.9

1/ Calculated on the basis of the unrounded figures.

Table 4.--Unprocessed float glass: U.S. production, capacity, and capacity utilization, by firms, 1979-81, January-September 1981, and January-September 1982

Item and firm	1979	1980	1981	January-September-- 1981	January-September-- 1982	Percentage change-- 1980 from 1979	Percentage change-- 1981 from 1980	Percentage change-- Jan.-Sept. 1982 from Jan.-Sept. 1981
	Million square feet					Percent		
Capacity:								
AFG	***	***	***	***	***	***	***	***
Ford	***	***	***	***	***	***	***	***
Guardian	***	***	***	**	***	***	***	***
Hordis	***	***	***	***	***	***	***	***
LOF	***	***	***	***	***	***	***	***
PPG	***	***	***	***	***	***	***	***
Total	4,233.6	4,619.1	5,117.4	3,743.9	3,960.1	9.1	10.8	5.8
Production:								
AFG	***	***	***	***	***	***	***	***
Ford	***	***	***	***	***	***	***	***
Guardian	***	***	***	***	***	***	***	***
Hordis	***	***	***	***	***	***	***	***
LOF	***	***	***	***	***	***	***	***
PPG	***	***	***	***	***	***	***	***
Total	3,466.0	3,101.7	3,330.7	2,549.4	2,215.1	(10.5)	7.4	(13.1)
	Percent							
Capacity utilization:								
AFG	***	***	***	***	***	-	-	-
Ford	***	***	***	***	***	-	-	-
Guardian	***	***	***	***	***	-	-	-
Hordis	***	***	***	***	***	-	-	-
LOF	***	***	***	***	***	-	-	-
PPG	***	***	***	***	***	-	-	-
Average	81.9	67.1	65.1	68.1	55.9	-	-	-

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

As shown in the tabulation, the domestic industry utilized between 97.6 percent and 78.3 percent of its productive capacity between 1979 and 1981. These operating rates are higher, in all periods, than those presented in table 4.

U.S. producers' captive consumption

A significant portion of U.S. producers' production of unprocessed float glass is consumed internally for tempering, fabricating, glazing, and other types of processing. In 1981, for example, *** captively consumed *** percent of its domestic production; the ratio for *** was *** percent (table 5). These two firms ***. U.S. captive consumption of unprocessed float glass

Table 5.--Unprocessed float glass: U.S. production and captive consumption, by firms, 1979-81, January-September 1981, and January-September 1982

Item and firm	1979	1980	1981	January-September-- 1981	January-September-- 1982
	Quantity (million square feet)				
Production:					
AFG	***	***	***	***	***
Ford	***	***	***	***	***
Guardian	***	***	***	***	***
Hordis	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Total	3,466	3,102	3,331	2,549	2,215
Captive consumption:					
AFG	***	***	***	***	***
Ford	***	***	***	***	***
Guardian	***	***	***	***	***
Hordis	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Total	1,280	1,041	1,111	877	808
	Percent				
Captive consumption as a share of total production:					
AFG	***	***	***	***	***
Ford	***	***	***	***	***
Guardian	***	***	***	***	***
Hordis	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Average	36.9	33.6	33.4	34.4	36.5

A-18

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

decreased from 1,280 million square feet in 1979 to 1,111 million square feet in 1981, or by 13 percent. As a share of total U.S. production, captive consumption dropped from 37 percent in 1979 to 33 percent in 1981. During January-September 1982, U.S. producers captively consumed more than 36 percent of their production of unprocessed float glass, compared with a 34-percent captive consumption rate in January-September 1981.

U.S. producers' shipments

Domestic shipments.--U.S. producers' domestic open-market shipments of unprocessed float glass fell by 7 percent in 1980 to 1,885 million square feet from the volume shipped in 1979, but then increased in 1981 to 1,958 million square feet. Domestic shipments in January-September 1982 were down by 9 percent to 1,368 million square feet compared with shipments in the corresponding period of 1981 (table 6). *** accounted for the bulk of U.S. producers' domestic shipments, accounting for *** percent of total domestic shipments in 1979 and 1980, *** percent in 1981, and *** percent during January-September 1982. The trend in domestic shipments for individual firms was mixed. Two producers, ***. In contrast, ***.

The value of U.S. producers' domestic open-market shipments rose from $620.9 million in 1979 to $720.4 million in 1981, representing an increase of 16 percent. The value of domestic shipments in January-September 1982 was down by 6 percent to $505.8 million compared with the value of shipments in the interim period of 1981. The overall average unit value of domestic shipments increased from 30.8 cents per square foot in 1979 to 36.8 cents per square foot in 1981, or by 18 percent. The average unit value of domestic shipments in January-September 1982, 37.0 cents per square foot, was only slightly higher than the value of 35.8 cents per square foot reported for the interim period of 1981.

In the Commission's questionnaire to U.S. producers, they were asked to report their 1981 shipments by type of customer. Data derived from these responses showing the percentage of U.S. producers' 1981 shipments to specific end-use customers are presented in the following tabulation (in percent):

	AFG	Ford	Hordis	LOF	Guardian	PPG
Customer for--						
Sash and door-------	***	***	1/	***	***	***
Temperer (except automotive)-------	***	***	1/	***	***	***
Automotive----------	***	***	1/	***	***	***
Mirror--------------	***	***	1/	***	***	***
Distributor/glazer--	***	***	1/	***	***	***
Other---------------	***	***	1/	***	***	***
Total-------------	100	100	1/	100	100	100

1/ Production commenced August 1982.

Table 6.--Unprocessed float glass: U.S. producers' domestic shipments, by firms, 1979-81, January-September 1981, and January-September 1982

Firm	1979	1980	1981	January-September--		1979	1980	1981	January-September--	
				1981	1982				1981	1982
	Quantity (million square feet)					Percent of total quantity				
AFG	***	***	***	***	***	***	***	***	***	***
Ford	***	***	***	***	***	***	***	***	***	***
Guardian 1/	***	***	***	***	***	***	***	***	***	***
Hordis	***	***	***	***	***	***	***	***	***	***
LOF	***	***	***	***	***	***	***	***	***	***
PPG	***	***	***	***	***	***	***	***	***	***
Total	2,016.3	1,885.1	1,957.7	1,502.9	1,367.9	100.0	100.0	100.0	100.0	100.0
	Value (1,000 dollars)					Average unit value (cents per square foot)				
AFG	***	***	***	***	***	***	***	***	***	***
Ford	***	***	***	***	***	***	***	***	***	***
Guardian 1/	***	***	***	***	***	***	***	***	***	***
Hordis	***	***	***	***	***	***	***	***	***	***
LOF	***	***	***	***	***	***	***	***	***	***
PPG	***	***	***	***	***	***	***	***	***	***
Total/average	620,925	625,916	720,371	537,653	505,813	31	33	37	36	37

1/ ***.

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

Exports.--U.S. exports of unprocessed float glass, compiled from official statistics of the U.S. Department of Commerce, peaked at 284 million square feet in 1980, as shown in the following tabulation:

Period	Exports	U.S. producers total shipments	Ratio of U.S. producers exports to total shipments
	--Million square feet--		Percent
1979	245	2,261	10.8
1980	284	2,169	13.1
1981	239	2,197	10.9
January-September--			
1981	187	1,690	11.1
1982	159	1,527	10.4

In January-September 1982, U.S. exports fell by 15 percent to 159 million square feet from exports of 187 million square feet in the corresponding period of 1981. The ratio of U.S. producers' export shipments to total unprocessed float glass shipments averaged just under 12 percent between 1979 and 1981. The ratio fell to 10 percent in January-September 1982. Contributing to the decline in export volume in 1981 and January-September 1982 were the growing strength of the U.S. dollar on world currency markets and a general slowdown in housing starts and automobile production in the major export markets.

The combined exports of two firms (***) accounted for the bulk of all U.S. exports between 1979 and 1981. Principal markets ***.

U.S. producers' inventories

U.S. producers' yearend inventories of unprocessed float glass increased from 348 million square feet in 1979 to 478 million square feet in 1981, or by 37 percent. Producers' inventories as of September 30, 1982, were up 14 percent, to 493 million square feet, over inventories held on September 30, 1981 (table 7). The ratio of U.S. producers' inventories to U.S. production, as shown in the following tabulation, increased steadily after 1980 (in percent):

	Ratio of U.S. producers' inventories to U.S. production
1979	10.0
1980	10.4
1981	14.4
January-September-- 1/	
1981	17.0
1982	22.3

1/ Based on annualized U.S. production.

Table 7.--Unprocessed float glass: U.S. producers' inventories, by firms, as of Dec. 31, 1979-81, Sept. 30, 1981, and September 30, 1982

Firm	Dec. 31-- 1979	Dec. 31-- 1980	Dec. 31-- 1981	Sept. 30-- 1981	Sept. 30-- 1982	Percentage change-- 1980 over 1979	Percentage change-- 1981 over 1980	Percentage change-- September 1982 over September 1981
	Quantity (million square feet)					Percent		
AFG--------	***	***	***	***	***	***	***	***
Ford------	***	***	***	***	***	***	***	***
Guardian--	***	***	***	***	***	***	***	***
Hordis----	***	***	***	***	***	***	***	***
LOF--------	***	***	***	***	***	***	***	***
PPG--------	***	***	***	***	***	***	***	***
Total-	348.4	323.8	478.2	433.7	493.3	(7.1)	47.8	13.7

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

U.S. employment

Data on employment in the domestic industry producing unprocessed float glass are presented in table 8. U.S. producers for which data are included produce unprocessed float glass at 22 establishments utilizing 31 float furnaces. Production and related workers employed in 15 of these establishments are unionized.

The average number of all employees employed in U.S. producers' unprocessed float glass establishments declined from 19,730 employees in 1979 to 16,966 employees in 1981, representing a decrease of 14 percent. The average number of all employees fell further during January-September 1982 to 14,815 employees.

The number of production and related workers producing unprocessed float glass also declined between 1979 and 1981. U.S. producers employed 663 fewer production and related workers in 1981 than the number of such workers employed in 1979. The number employed in January-September 1982 declined by 15 percent to 6,545 employees compared with the number (7,679) employed in the corresponding period of 1981. Paralleling the decline in the number of production and related workers employed was the decline in the number of hours worked by such workers. Hours worked by production and related workers declined by 7 percent between 1979 and 1981 and continued to fall in January-September. Such workers worked 16.1 million hours in 1981 compared with 17.3 million hours worked in 1979. Most U.S. producers curtailed production and, in some instances, halted production altogether at certain plants by shutting down float tanks. ***.

Table 8.--Average number of employees, total and production and related workers engaged in the manufacture of unprocessed float glass, wages paid to and hours worked by production and related workers producing unprocessed float glass, and total employment costs charged to such workers, by firms, 1979-81, January-September 1981, and January-September 1982

Item and firm	1979	1980	1981	January-September-- 1981	January-September-- 1982
Average number of all employees:					
AFG	***	***	***	***	***
Ford	***	***	***	***	***
Guardian	***	***	***	***	***
Hordis	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Total	19,730	16,570	16,966	17,296	14,815
Production and related workers producing unprocessed float glass:					
AFG	***	***	***	***	***
Ford	***	***	***	***	***
Guardian	***	***	***	***	***
Hordis	***	***	***	***	***
LOF	***	***	***	***	***
PPG 1/	***	***	***	***	***
Total	8,198	7,647	7,535	7,679	6,545
Wages paid to production and related workers producing unprocessed float glass:					
AFG--1,000 dollars	***	***	***	***	***
Ford--do	***	***	***	***	***
Guardian--do	***	***	***	***	***
Hordis--do	***	***	***	***	***
LOF--do	***	***	***	***	***
PPG 1/--do	***	***	***	***	***
Total--do	158,044	163,138	177,021	133,159	120,349

See footnote at end of table.

Table 8.--Average number of employees, total and production and related workers engaged in the manufacture of unprocessed float glass, wages paid to and hours worked by production and related workers producing unprocessed float glass, and total employment costs charged to such workers, by firms, 1979-81, January-September 1981, and January-September 1982--Continued

Item and firm	1979	1980	1981	January-September-- 1981	January-September-- 1982
Hours worked by production and related workers:					
AFG----1,000 hours--:	***	***	***	***	***
Ford 2/--------do----:	***	***	***	***	***
Guardian------do----:	***	***	***	***	***
Hordis--------do----:	***	***	***	***	***
LOF-----------do----:	***	***	***	***	***
PPG 1/--------do----:	***	***	***	***	***
Total-------do----:	17,328	16,051	16,082	12,497	10,298
Total employment costs charged to production and related workers:					
AFG--1,000 dollars--:	***	***	***	***	***
Ford 2/--------do----:	***	***	***	***	***
Guardian------do----:	***	***	***	***	***
Hordis--------do----:	***	***	***	***	***
LOF-----------do----:	***	***	***	***	***
PPG 1/--------do----:	***	***	***	***	***
Total-------do----:	210,932	221,494	242,937	184,082	171,209

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

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

Wages paid to production and related workers rose from $158.0 million in 1979 to $177.0 million in 1981. Wages paid in January-September 1982 ($120.3 million) were down by 10 percent from wages paid in January-September 1981. Total employment costs (including fringe benefits) charged to production and related workers increased by 15 percent to $242.9 million from 1979 to 1981.

Financial experience of U.S. producers

Four U.S. firms (AFG, PPG, LOF, and Guardian) supplied usable income-and-loss and other financial data relative to both their overall establishment operations and their operations on unprocessed float glass alone. 1/ The four firms reporting data accounted for about *** percent of the value of total U.S. producers' shipments of unprocessed float glass in 1981. In the aggregate, the four firms reported a downward trend in profits for both operations during the reporting periods.

Overall establishment operations.--The four firms' overall establishment total net sales increased irregularly from $1.4 billion in 1979 to $1.6 billion in 1981 (table 9). Net sales dropped to $1.1 billion in interim 1982, compared with $1.2 billion in the corresponding period of 1981.

In the aggregate, the four firms derived between 56 percent (1979) and 59 percent (1981) of their overall establishment sales revenue from the sale of float glass in each year during 1979-81. The relationship was 58 percent and 57 percent, respectively, for the interim period of 1981 and the interim period of 1982.

The reporting firms' aggregate establishment operations were profitable during 1979-81, although operating income for both 1980 and 1981 was down one-third or more than that reported for 1979. Aggregate operating income ranged from a high of $177 million, or 12.5 percent of total net sales in 1979 to a low of $96 million, or 7.0 percent of total net sales, in 1980. The four firms earned an operating income of $30 million, or 2.7 percent of net sales in the interim period of 1982, compared with an operating income of $96 million, or 8.1 percent of net sales for the corresponding period of 1981.

Cash flow generated from U.S. producers' overall establishment operations is also shown in table 9. Cash flow declined from $236 million in 1979 to $156 million and $185 million, respectively, in 1980 and 1981. Cash flow for the interim period of 1982 was $87 million compared with $149 million for the corresponding period of 1981. *** sustained operating losses in 1980, 1981, and the interim period of 1982. As a relationship to total net sales, manufacturing costs (cost of goods sold) increased annually from 78.2 percent of net sales in 1979 to 85.8 percent in the interim period of 1982, and operating expenses (general, selling, and administrative) increased irregularly from 9.3 percent of net sales in 1979 to 11.5 percent in the interim period of 1982.

1/ Ford ***. Because start-up at the Hordis Brothers facility did not commence until August 1982, meaningful analyses cannot be derived by presenting data supplied by that firm for the two-month period August-September 1982.

Individual income-and-loss data, on an establishment basis, are also presented in table 9. ***.

Unprocessed float glass operations.--The four reporting firms' total net sales of float glass increased annually during 1979-81, from $791 million in 1979 to $932 million in 1981, or by 18 percent. Such sales dipped to $640 million in interim 1982, representing a decline of 8 percent from the $696 million in sales reported for the corresponding period of 1981 (table 10).

The four firms' aggregate float glass operation was profitable in each of the reporting periods, although in the aggregate, they experienced a downward trend in operating income, especially during the interim period of 1982. Operating income declined sharply from $124 million, or 15.7 percent of net sales, in 1979 to $75 million, or 9.3 percent of net sales, in 1980. In 1981, operating income rose to $94 million, or 10.1 percent of net sales. The four firms' operating income fell sharply to $15 million, or 2.3 percent of net sales, during the interim period of 1982, compared with an operating income of $73 million, or 10.5 percent of net sales, during the corresponding period of 1981. ***. As a share of net sales, manufacturing costs (cost of goods sold) rose irregularly from 77.1 percent in 1979 to 88.6 percent in interim 1982, and operating expenses (general, selling, and administrative) rose irregularly from 7.2 percent in 1979 to 9.1 percent in the interim period of 1982.

Cash flow generated from U.S. producers' float glass operations declined from $171 million in 1979 to $123 million in 1980 and then rose 25 percent to $154 million in 1981. The four firms reported a cash flow of $60 million in the interim period of 1982, down 49 percent from the $117 million reported for the corresponding period of 1981.

Individual company financial data relative to the four firms' float glass operations are also presented in table 10. ***.

*　*　*　*　*　*　*

Investment in productive facilities.--LOF, AFG, PPG, and Guardian supplied data relative to their investment in productive facilities employed in the manufacture of float glass. Their investment in such facilities, valued at cost, increased by $316 million during 1979-81, and the book value of such assets increased by $225 million during this period. The replacement value of such assets was $2.2 billion as of December 3, 1981, compared with $1.5 billion as of December 31, 1979 (table 11).

Table 9.--Income-and-loss experience of 4 U.S. producers on the overall operations of their establishments within which float glass is produced, by firms, 1979-81, interim 1981, and interim 1982

Item	1979	1980	1981	Interim period to September 30-- 1981	Interim period to September 30-- 1982
	Value (1,000 dollars)				
Net sales, trade:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	1,084,281	1,058,305	1,172,390	887,605	859,103
Net sales, intra-company:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	333,382	314,086	397,673	303,399	270,818
Total net sales:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	1,417,663	1,372,391	1,570,063	1,191,004	1,129,921
Cost of goods sold:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	1,108,980	1,127,384	1,290,859	969,777	969,576
Gross income:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	308,683	245,007	279,204	221,227	160,345
General, selling, and administrative expenses:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	131,540	149,072	166,307	125,287	130,354

Table 9.--Income-and-loss experience of 4 U.S. producers on the overall operations of their establishments within which float glass is produced, by firms, 1979-81, interim 1981, and interim 1982--Continued

Item	1979	1980	1981	Interim period to September 30-- 1981	Interim period to September 30-- 1982
	Value (1,000 dollars)				
Operating income or (loss):					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	177,143	95,935	112,897	95,940	29,992
Depreciation and amortization expense:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	58,371	59,699	72,514	52,669	56,657
Cash flow from operations:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	235,514	155,634	185,411	148,609	86,648
	Percent				
Ratio of operating income or (loss) to total net sales:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	12.5	7.0	7.2	8.1	2.7

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

Table 10.--Income-and-loss experience of 4 U.S. producers on their float glass operations, by firms, 1979-81, interim 1981, and interim 1982

Item	1979	1980	1981	Interim period to September 30-- 1981	Interim period to September 30-- 1982
	Value (1,000 dollars)				
Net sales trade:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	474,840	502,817	565,985	430,092	386,512
Net sales intra-company:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	315,748	298,861	365,542	266,373	253,010
Total net sales:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	790,588	801,678	931,527	696,465	639,522
Cost of goods sold:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	609,860	657,501	759,814	564,259	566,789
Gross income:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	180,728	144,177	171,713	132,206	72,733
General, selling, and administrative expenses:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	56,635	69,352	77,745	59,174	58,125

Table 10.--Income-and-loss experience of 4 U.S. producers on their float glass operations, by firms, 1979-81, interim 1981, and interim 1982--Continued

Item	1979	1980	1981	Interim period to September 30-- 1981	Interim period to September 30-- 1982
	Value (1,000 dollars)				
Operating income or (loss):					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	124,093	74,825	93,968	73,032	14,608
Depreciation and amortization expense:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	46,585	48,397	60,318	44,084	45,197
Cash flow from operations:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	170,678	123,222	154,286	117,116	59,805
	Percent				
Ratio of operating income or (loss) to total net sales:					
AFG	***	***	***	***	***
LOF	***	***	***	***	***
PPG	***	***	***	***	***
Guardian	***	***	***	***	***
Total	15.7	9.3	10.1	10.5	2.3

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

Table 11.--U.S. producers' investment in facilities used in the production of unprocessed float glass, as of Dec. 31, 1979-81

Item	1979	1980	1981
Original cost----million dollars--:	804	931	1,120
Book value------------------do----:	415	508	640
Replacement value-----------do----:	1,533	1,801	2,167
Ratio of operating income to--			
Net sales--------------percent--:	15.7	9.3	10.1
Original cost-------------do----:	15.4	8.0	8.4
Book value----------------do----:	29.9	14.7	14.7
Replacement cost----------do----:	8.1	4.2	4.3

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

Capital expenditures.--As shown in table 12, capital expenditures for land, buildings, and machinery and equipment used in the manufacture of unprocessed float glass increased from *** in 1979 to *** in 1980 and then declined *** percent to *** in 1981. The four firms reported capital expenditures of *** during January-September 1982. Purchases of machinery and equipment accounted for the largest share of capital expenditures.

Table 12.--U.S. producers' capital expenditures for land, buildings, leasehold improvements, and machinery and equipment used in the production of unprocessed float glass, 1979-81, January-September 1981, and January-September 1982

(In thousands of dollars)

Period	Land and land improvements	Building and leasehold improvements	Machinery and equipment	Total
1979---------------------:	***	***	***	***
1980---------------------:	***	***	***	***
1981---------------------:	***	***	***	***
January-September--				
1981-------------------:	***	***	***	***
1982-------------------:	***	***	***	***

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

Research and development expenditures.--Three producers supplied research and development expenditures relative to their float glass operations during 1979-81, January-September 1981, and January-September 1982. Such expenditures are presented in the following tabulation:

	Research and development expenditures (1,000 dollars)
1979	***
1980	***
1981	***
January-September--	
1981	***
1982	***

Possible threat of material injury

Aggregate unprocessed float glass output in Belgium declined irregularly, from *** square feet in 1979 to *** square feet in 1981, a drop in production of nearly *** percent. Similarly, production for the two firms in Italy covered by the countervailing duty order declined by about *** percent over the same period, falling from *** square feet in 1979 to *** square feet in 1981.

The four firms covered by the countervailing duty orders, on the average, utilized *** percent of their productive capacity in 1981, as shown in the following tabulation:

	Production capacity	Production	Capacity utilization rate
	--(million square feet)--		(percent)
Glaverbel	***	***	***
Glaceries de Saint-Roch	***	***	***
Fabbrica Pisana	***	***	***
SIV 1/	***	***	***
Total/average	***	***	***

1/ Estimated by the staff of the U.S. International Trade Commission on the basis of data provided by the U.S. Embassy in Rome.

As shown in the tabulation, SIV utilized *** percent of its productive capacity in 1981. SIV is a maker of automotive glass and as such consumes a good portion of the float glass it produces, roughly *** percent in 1981.

The United States has not been a leading export market for float glass produced by the four foreign producing firms in question. One firm, SIV, stated ***. Aggregate export shipments and the ratio of exports to production for three of the four producing firms, excluding Fabbrica Pisana, 1/ are presented in the following tabulation:

	Exports	Total production	Ratio of exports to production
	----Million square feet----		percent
1981	***	***	***

1/ ***.

A significant amount of the float glass produced in Belgium is shipped ***. Likewise, outside shipments of float glass produced in Italy go ***. Unprocessed amber- and bronze-colored float glass account for the majority of the glass imported into the United States from the two countries in question. Both amber- and bronze-colored float glass are considered specialty items and therefore command a narrow portion of the overall glass market. Amber-colored float glass is not currently produced in the United States. The current U.S. selling price for bronze-colored float glass is in the range of *** to *** cents per square foot, and amber-colored glass, considered a luxury item, is selling in excess of *** per square foot. At these selling prices, U.S. importers of colored float glass still find it profitable to import in spite of the high cost of ocean freight, ranging between 20 and 25 percent of the selling price. 1/ Conversely, because clear float glass sells at a much lower price, the high cost of ocean freight puts the imported product at a significant competitive disadvantage.

The impact on the volume and price level of imports resulting from the revocation of the countervailing duties is unclear. Demand for colored float glass is dependent, both directly and indirectly, on a strong building industry which is presently in a depressed state. An official of Euroglass Corp. indicated that it expects to maintain U.S. imports in 1983 at the 1982 level. 2/ In a statement filed with the Commission by the Belgian Federation of the Glass Industry, the Federation indicated ***. 3/ Further, the Federation states ***.

U.S. demand for float glass is largely dependent on activity in the housing and automobile sectors of the economy, both of which have been severely depressed by high interest rates. Housing starts in the United States declined from 1.8 million units in 1979 to 1.1 million units in 1981, a drop of more than 37 percent. The National Association of Home Builders forecasts 1983 and 1984 housing starts will total 1.3 million units and 1.6 million units, respectively; both estimates however are still below the 1.8 million units started in 1979. U.S. automobile manufacturers produced 5.0 million cars in 1982, down from 6.2 million units produced in 1981 and 45 percent below the 9.2 million automobiles produced in 1979.

In addition to declines in housing starts and automobile production, U.S. glass consumption is also negatively affected by a growing trend toward downsized houses and automobiles. The size of the average house built in 1982 was 1,550 square feet, 45 square feet less than the 1981 average and 105 square feet less than the average house built in 1978. 4/ Similarly, in an effort to compete more effectively with imports, U.S. automobile makers have shifted to producing smaller cars. This trend has led to smaller orders for most materials purchased by U.S. auto manufacturers. The average amount of glass used in an automobile, for example, was about 74 pounds in 1982, down from about 93 pounds in 1978. The estimated amount of glass which will be used in an average automobile is expected to continue to decline to 67 pounds

1/ Telephone conversation with an official of Euroglass Corp., Jan. 7, 1983.
2/ See transcript of the hearing at p. 48.
3/ Posthearing statement of the Belgian Federation of the Glass Industry at p. 8.
4/ "Homes, Contents Downsized Now," Washington Post, Jan. 9, 1983.

by 1985. 1/ If these downsizing trends continue, any increased activity in the housing and automobile sectors will not necessarily translate into increased U.S. glass consumption.

Consideration of the Causal Relationship Between the Subsidized Imports and the Possibility of Injury in the Event the Orders Were To Be Revoked

Apparent U.S. consumption

Apparent U.S. consumption of unprocessed float glass decreased irregularly from 3,249 million square feet in 1979 to 2,951 million square feet in 1981. Apparent consumption in January-September 1982 fell to 2,059 million square feet from the 2,223 million square feet in the corresponding period of 1981 (table 13).

Apparent U.S. open-market consumption of unprocessed float glass also declined irregularly from 1979-81. It fell from 2,045 million square feet in 1979 to 1,972 million square feet in 1981, a drop of nearly 4 percent. The decline in open-market consumption continued in January-September 1982, falling to 1,385 million square feet (table 14).

Table 13.--Unprocessed float glass: U.S. production, imports, net change in inventories, exports, and apparent U.S. consumption, 1979-81, January-September 1981, and January-September 1982

Period	U.S. production	Imports	Net change in inventories	Exports	Apparent U.S. consumption
	Million square feet				
1979	3,466	29	1	245	3,249
1980	3,102	26	(24)	284	2,868
1981	3,331	14	155	239	2,951
January-September--					
1981	2,549	10	150	187	2,223
1982	2,215	17	14	159	2,059

Source: U.S. production, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; U.S. imports and exports, compiled from official statistics of the U.S. Department of Commerce.

1/ "Auto Revolution Hits Suppliers," Washington Post, Jan. 9, 1983.

Table 14.--Unprocessed float glass: Producers' open-market shipments, imports, exports, and apparent U.S. open-market consumption, 1979-81, January-September 1981, and January-September 1982

Period	Producers' open-market shipments	Imports	Exports	Apparent U.S. open-market consumption
	Million square feet			
1979	2,261	29	245	2,045
1980	2,169	26	284	1,911
1981	2,197	14	239	1,972
January-September--				
1981	1,690	10	187	1,513
1982	1,527	17	159	1,385

Source: Producers' open-market shipments, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; U.S. imports and exports, compiled from official statistics of the U.S. Department of Commerce.

U.S. imports and market penetration

Aggregate U.S. imports of unprocessed float glass from Belgium and Italy decreased from 12 percent of total U.S. unprocessed float glass imports in 1979 to 4 percent in 1981, and increased to slightly less than 5 percent of the total in January-September 1982. The share of U.S. unprocessed float glass open-market consumption supplied by Belgium and Italy during 1979-81, and January-September 1981-82 is shown in the following tabulation (in percent):

Period	Unprocessed float glass from Belgium and Italy as a share of-- Total U.S. imports: Belgium	Total U.S. imports: Italy	Apparent U.S. open-market consumption from Belgium 1/
1979	11.8	0.1	0.2
1980	3.2	2/	2/
1981	1.7	2.2	2/
Jan.-Sept--			
1981	1.7	2.8	2/
1982	2.8	1.3	2/

1/ Consumption from Italy was less than 0.05 percent in all periods.
2/ Less than 0.05 percent.

Prices

The housing and automotive industries are the principal markets for unprocessed float glass. Therefore, the current recession which has adversely affected the housing and automotive industries has also adversely affected the demand for float glass and has tended to suppress float glass prices. The housing industry, in turn, depends heavily on the state of the economy and on Government policies. Sources in the float glass industry agree that when the economy improves and housing starts increase, the float glass industry will benefit from the improved conditions later than most sectors of the economy that supply materials to the industry since the glass is among the last products to be put into a building, usually when it is almost finished.

The Commission requested that domestic producers and importers of unprocessed float glass report their average net delivered prices to their three largest distributor and various end-user customers for four specified thicknesses of unprocessed float glass, by quarters, for the period January 1980 through September 1982. Prices were requested on sales to distributors of 1/4 inch (6 millimeter) and 3/16 inch (5 millimeter) thick float glass. Prices to end-user customers were for 1/4 inch (6 millimeter) thick glass sold to mirror manufacturers, 1/8 inch (3 millimeter) thick glass sold to temperers, and 1/16 inch (2.5 millimeter) thick glass sold to sash and door customers. Domestic industry officials had advised the Commission that the above items were representative of those that were most sensitive to import competition. The prices requested were to be net of all discounts, allowances, rebates of any kind, and delivered to the customer.

U.S. producers and importers usually quote prices for unprocessed float glass on a delivered basis in terms of dollars and cents per square foot. The price varies according to the thickness, size, and quality of the glass and the type of packing (usually boxes of glass are packed in light, standard, or heavy pallets). The cost of transportation represents a variable cost equal to about 7-10 percent of the delivered price. Shipping costs may be absorbed by either the producer or the customer, depending on the agreement between the parties. Although U.S. producers maintain published price lists, float glass is usually sold on a negotiated price basis which can vary significantly depending on the quantities sold and market conditions. Importers also negotiate the price of their unprocessed float glass. However, since they do not maintain stocks of glass in the United States and since delivery time for shipments from Europe takes about 10 weeks, importers are at a disadvantage when competing with U.S. producers whose delivery schedules are much shorter.

Unprocessed float glass is usually sold to distributors in truck load quantities of about 40,000 pounds, or about 32,000 square feet of 1/16 inch (2.5 millimeter) thick (single strength) glass. Distributors usually sell both domestic and imported glass. Many distributors are also fabricators of various products requiring glass. They also sell glass to smaller dealers such as glass shops, hardware stores, lumber yards, and so forth. The truck load can consist of glass of various thicknesses and sizes, provided it is produced by the same factory. Distributors can cut the glass to sizes required by the purchaser; they also deliver the glass to their customers.

Unprocessed float glass price data were submitted by four domestic producers (AFG, Ford, LOF, and PPG) accounting for *** domestic sales of unprocessed float glass. Such data indicate an irregular price increase from January-March 1980 to July-September 1981, then a decline through July-September 1982. Significant price competition exists among the domestic producers of float glass with price differences ranging as high as *** percent. 1/

Data that would permit a comparison of importers' prices with the domestic producers' prices for the representative items are not available because importers reported no pricing data of the selected items. Importers advised the Commission that these items were insignificant items in the imports of float glass from Belgium and Italy. One domestic purchaser of the Italian product reported ***. Two domestic producers (***) 2/ advised that the imported product undersells the domestic product by about 10 to 20 percent. On the other hand, *** 3/ stated that at the present time the prices for the imported product are about 4 to 10 percent below the prices for domestic float glass. *** stated that it sources its glass from domestic producers and from producers in Belgium. *** stated that the domestic and imported product are currently selling at the same price, *** per square foot. 4/

The prices for domestic unprocessed float glass sold to distributors/ wholesalers are presented in tables 15 and 16. The tables show prices for the two best selling thicknesses, namely, 1/4 inch (6 millimeter) and 3/16 inch (5 millimeter), for the period of January 1980 through September 1982. The weighted average prices for 1/4 inch thick float glass increased irregularly from $0.456 per square foot during January-March 1980 to a high of $0.513 per square foot during July-September 1981, or by 13 percent, then declined irregularly to $0.456 during July-September 1982, the same price as recorded for the first quarter of 1980. Prices for 3/16 inch float glass showed a similar trend, first rising by 11 percent from $0.425 per square foot during January-March 1980 to $0.472 per square foot during April-June 1981, then declining gradually to $0.430 during July-September 1982, a total price increase of only 1 percent for the 11-quarter period (table 15).

The weighted average prices for float glass sold to end-user customers are shown in table 16. The table presents domestic producers' prices for three thicknesses, 1/4 inch, 1/8 inch, and 1/16 inch, sold to end-user customers during January 1980 through September 1982. The prices for 1/4-inch thick float glass rose from $0.551 during January-March 1980 to a high of $0.649 during April-June 1981, or by 18 percent, then declined gradually to $0.580 during July-September 1982, or 5 percent above the first quarter 1980 price. The prices for 1/8-inch thick float glass increased irregularly from $0.269 per square foot during January-March 1980 to $0.298 per square foot during April-June 1981, representing an increase of 11 percent, then dropped irregularly to $0.261 during July-September 1982, or 3 percent below the

1/ ***.

2/ Telephone conversations on Nov. 3 and 4, 1982, with officials of *** and ***.

3/ Telephone conversation with an official of *** on Nov. 1, 1982.

4/ Telephone conversation with an official of *** on Jan. 10, 1983.

January-March 1980 price. It is in this thickness that the largest spread between the domestic prices existed, namely, ***. The prices for 1/16-inch thick float glass increased irregularly from $0.218 per square foot during January-March 1980 to $0.248 per square foot during July-September 1981, then declined to $0.230 during July-September 1982, noting only a 6-percent rise for the entire 11-quarter period.

Table 15.--Unprocessed float glass: Ranges of domestic producers' net delivered prices and weighted average prices to distributor customers, by quarters, January 1980 through September 1982

(In cents per square foot)

Period	1/4 inch (6 millimeter) in thickness		3/16 inch (5 millimeter in thickness	
	Range of domestic prices	Weighted average price	Range of domestic prices	Weighted average price
1980:				
January-March	***	$0.456	***	$0.425
April-June	***	.454	***	.425
July-September	***	.452	***	.411
October-December	***	.473	***	.434
1981:				
January-March	***	.470	***	.445
April-June	***	.481	***	.472
July-September	***	.513	***	.464
October-December	***	.492	***	.461
1982:				
January-March	***	.483	***	.456
April-June	***	.472	***	.442
July-September	***	.456	***	.430

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

Table 16.--Unprocessed float glass: Ranges of domestic producers' net delivered prices and weighted average prices to end-user customers, by quarters, January 1980 through September 1982

(In cents per square foot)

Period	1/4 inch (6 millimeter) in thickness		1/8 inch (5 millimeter) in thickness		1/16 inch (2.5 millimeter) in thickness	
	Range of domestic prices	Weighted average price	Range of domestic prices	Weighted average price	Range of domestic prices	Weighted average price
1980:						
January-March-----	***	$0.551	***	$0.269	***	$0.218
April-June---------	***	.582	***	.271	***	.221
July-September----	***	.579	***	.261	***	.223
October-December--	***	.579	***	.265	***	.222
1981:						
January-March-----	***	.614	***	.278	***	.234
April-June---------	***	.649	***	.298	***	.232
July-September----	***	.633	***	.291	***	.248
October-December--	***	.626	***	.294	***	.243
1982:						
January-March-----	***	.587	***	.291	***	.242
April-June---------	***	.572	***	.261	***	.225
July-September----	***	.580	***	.261	***	.230

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

APPENDIX A

U.S. INTERNATIONAL TRADE COMMISSION'S FEDERAL REGISTER NOTICE OF INSTITUTION OF THE INVESTIGATIONS

Federal Register / Vol. 47, No. 203 / Wednesday, October 20, 1982 / Notices 46775

[Investigations Nos. 104-TAA-11 and 104-TAA-12]

Float Glass From Belgium and Italy

AGENCY: U.S. International Trade Commission.

ACTION: Institution of countervailing duty investigations.

SUMMARY: Pursuant to section 104(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 note), the U.S. Internrational Trade Commission is instituting these countervailing duty investigations to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of float glass from Belgium and Italy provided for under items 543.21 through 543.69 of the Tariff Schedules of the United States, covered by outstanding countervailing duty orders, if the orders were to be revoked.

EFFECTIVE DATE: October 8, 1982.

FOR FURTHER INFORMATION CONTACT: Vera Libeau, Supervisory Investigator, Office of Investigations, U.S.

International Trade Commission, Washington, D.C. 20436, telephone 202-523-0368.

SUPPLEMENTARY INFORMATION:

Background.—On January 7, 1976, the Department of the Treasury (Treasury) issued countervailing duty order T.D. 76-9, under section 303 of the Tariff Act of 1930 (19 U.S.C. 1303), on float glass imported from Italy (41 FR 1274).

Also on January 7, 1976, Treasury determined not to issue a countervailing duty order on float glass imported from Belgium and published a "Notice of Final Countervailing Duty Determination" (41 FR 1299). The petitioner challenged Treasury's negative determination on this case in the U.S. Customs Court, and on July 17, 1980, the Court ruled that float glass imported from Belgium did in fact benefit from bounties or grants within the meaning of section 303. Therefore, a countervailing duty order was issued (46 FR 10905, Feb. 4, 1981).

On January 1, 1980, the provisions of the Trade Agreements Act of 1979 (Pub. L. 96-39) became effective, and on January 2, 1980, the authority for administering the countervailing duty statutes was transferred from Treasury to the Department of Commerce (Commerce).

As required by section 751(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1675(a)(1)), Commerce has conducted its first annual administrative review of the countervailing duty orders on float glass from Belgium and Italy. As a result, Commerce determined with respect to Italy that, for the period of review, the net subsidy conferred on the production of float glass by Fabbrica Pisana, S.p.A. and Societa Italiana Vetro, S.p.A. (SIV) was 15.41 percent and 15.53 percent, respectively, of the f.o.b. invoice price (47 FR 5026, Feb. 3, 1982). Commerce also determined that, for the period of review, the aggregate net subsidy on float glass from Belgium was less than 0.5 percent (0.29 percent) and therefore *de minimis* (47 FR 32467, July 27, 1982).

Public hearing.—The Commission will hold a public hearing in connection with these investigations on December 16, 1982, in the Commission's Hearing Room, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10 a.m. Requests to appear at the hearing should be filed with the Office of the Secretary, U.S. International Trade Commission, not later than the close of business (5:15 p.m.) on November 24, 1982. All persons desiring to appear at the hearing and make oral presentations must file prehearing briefs and should attend a prehearing conference to be held at 10:00 a.m., on November 29, 1982, in room 117 of the U.S. International Trade Commission Building. Prehearing briefs must be filed with the Commission on or before December 13, 1982.

A staff report containing preliminary findings of fact in these investigations will be available to all interested parties on December 2, 1982.

Testimony at the public hearing is governed by § 207.23 of the Commission's Rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to new information. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22. Posthearing briefs must be filed with the Commission by no later than the close of business, December 23, 1982.

Written submissions.—Any person may submit to the Commission on or before December 23, 1982, written statements of information pertinent to the subject matter of the investigations. A signed original and fourteen true copies of such statements must be submitted in accordance with § 201.8 of the Commission's Rules (19 CFR 201.8). All written submissions, except confidential business data, will be available for public inspection.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Rules (19 CFR 201.6).

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

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to § 201.11(d) of the Commission's Rules (19 CFR 201.11(d)). Each document filed by a party to this investigation must be served on all other parties to the investigations (as identified by the service list) and a certificate of service must accompany the document. Absent a certificate of service, the Secretary shall not accept such document for filing (19 CFR 201.16(c)).

Public inspection.—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, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436.

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

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207, 47 FR 6182, February 10, 1982; 47 FR 12792, March 25, 1982; 47 FR 33682, August 4, 1982), and Part 201, Subparts A through E (19 CFR Part 201, 47 FR 6182, February 10, 1982; 47 FR 13791, April 1, 1982; 47 FR 33682, August 4, 1982).

By order of the Commission.

Issued: October 14, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-28866 Filed 10-19-82; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

U.S. DEPARTMENT OF TREASURY'S FEDERAL REGISTER NOTICES

Federal Register / Vol.41, No.4 / Wednesday, January 7, 1976 / Notices

[TD 76-9]

PART 159—LIQUIDATION OF DUTIES

Countervailing Duties—Float Glass From Italy

On July 3, 1975, a notice of "Preliminary Countervailing Duty Determination" was published in the Federal Register (40 FR 28105). The notice stated that it had been preliminarily determined that payments are being made, directly or indirectly, upon the manufacture, production or exportation of float glass from Italy, which constitute a bounty or grant within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303). Interested parties were provided with 30 days from the date of publication to submit relevant data, views, or arguments in writing with respect to the preliminary determination. An amendment to the notice was subsequently published in the Federal Register on August 15, 1975 (40 FR 34423) extending the time period to 60 days.

After consideration of all information received, it has been determined that imports of float glass from Societa Italiana Vetro, S.p.A. and Fabbrica Pisana, S.p.A. benefit from the payment or bestowal of bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303) by reason of various incentive programs including investment grants, special tax reductions, low-interest rate financing and the reduction of the contribution to state welfare organizations by the float glass manufacturers. It aso has been determined that float glass produced by Verrera di Vernante, S.p.A. does not benefit from the payment or bestowal of bounties or grants. Accordingly, notice is hereby given that float glass imported directly or indirectly from Italy produced by Societa 'Italiana Vetro, S.p.A. (SIV) and Fabbrica Pisana, S.p.A. (Pisana), entered or withdrawn from warehouse for consumption on or after January 7, 1976, will be subject to payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed. This determination is based on the best information available, since the three firms named above have declined to provide any detailed information regarding the benefits they have received under these programs.

In accordance with section 303, until further notice the net amount of such bounties or grants under the information presently available has been estimated to be 10% *ad valorem* for float glass produced by Societa 'Italiana Vetro, S.p.A. and Fabbrica Pisana, S.p.A. Declarations of the net amount of the bounties or grants ascertained and determined, or estimated, to have been paid, directly or indirectly, upon the manufacture, production, or exportation of float glass from Italy manufactured by SIV and Pisana will be published subsequently in the FEDERAL REGISTER.

Effective on January 7, 1976, and until further notice, upon entry for consumption or withdrawal from warehouse for consumption of such dutiable float glass from Italy manufactured by SIV and Pisana imported directly or indirectly from Italy which benefits from such bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount ascertained in accordance with the above declaration.

The liquidation of all entries for consumption or withdrawals from warehouse for consumption of such dutiable float glass from Italy manufactured by SIV and Pisana imported directly or indirectly from Italy which benefits from such bounties or grants and is subject to the order shall be suspended pending declarations of the net amounts of the bounties or grants paid or bestowed. A deposit of the estimated countervailing duty, in the amount of 10% *ad valorem* for float glass from Italy manufactured by SIV and Pisana shall be required at the time of entry for consumption or withdrawal from warehouse for consumption.

Any merchandise subject to the terms of this order shall be deemed to have benefited from a bounty or grant if such bounty or grant has been or will be paid, credited or bestowed directly or indirectly, upon the manufacture, production, or exportation of such float glass from Italy.

§ 159.47 [Amended]

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47 (f)) is amended by inserting after the last entry for Italy "Float Glass manufactured by Societa 'Italiana Vetro, S.p.A. and Fabbrica Pisana, S.p.A." in the column headed "Commodity". The column headed "Treasury Decision" is amended by inserting directly opposite the word Italy, the number of this Treasury Decision and thereafter in the column headed "Action" the words "Bounty Declared-Rate".

(R.S. 251, secs. 303, as amended 624; 46 Stat. 687, 759, 88 Stat. 2050; 19 U.S.C. 66, 1303 as amended, 1624)

ROLAND RAYMOND,
Acting Commissioner of Customs.

Approved: December 30, 1975.

DAVID R. MACDONALD,
Assistant Secretary of the Treasury.

[FR Doc.76-326 Filed 1-6-76;8:45 am]

Federal Register / Vol.42, No.45 / Tuesday, March 8,1977 / Notices

Title 19—Customs Duties

CHAPTER I—UNITED STATES CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

[T.D. 77-77]

PART 159—COUNTERVAILING DUTIES

Float Glass From Italy

On January 7, 1976, Treasury Decision 76-9 was published in the FEDERAL REGISTER (41 FR 1274). That Treasury Decision stated that it had been determined that imports of float glass from Italy produced by Societa' Italiana Vetro, S.p.A. (SVI) and Fabbrica Pisana, S.p.A. (Pisana) benefit from the payment or bestowal of bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303), "by reason of various incentive programs including investment grants, special tax reductions, low-interest rate financing and the reduction of the contribution to state welfare organizations by the float glass manufacturers." It was also stated that float glass produced by Verrara di Verrante, S.p.A., did not benefit from the payment or bestowal of bounties or grants.

Because SIV and Pisana declined to provide any detailed information prior to the aforementioned determination regarding the benefits each received, the determination was based on the best information available, and the net amount of the bounties or grants was estimated at 10 percent ad valorem for float glass produced by both companies. Effective on January 7, 1976, liquidation was suspended of all entries for consumption or withdrawals from warehouse for consumption of such dutiable float glass produced by SIV and Pisana imported directly or indirectly from Italy which benefits from such bounties or grants.

Information has now been received with respect to SIV which permits a more complete analysis of the alleged bounties and grants. Under various regional development programs administered by the Government of Italy, it now appears that an investment grant, preferential financing and a reduction in the required contribution to the state welfare organization have been given to SIV. No special tax reductions have been utilized by SIV. The Italian Government has advised the Treasury Department that the benefits received by SIV have the effect of offsetting disadvantages which would discourage SIV from moving to and expanding in less prosperous regions. Inasmuch as SIV sells a preponderance of its production in the European Community—more than 97 percent in 1975—the level of its exports outside the European Community is a small percentage of its production, and the amount of assistance provided by the government programs to SIV totaled less than three percent of the value of float glass it produced, those benefits are not regarded as bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303).

For the reasons stated above, it is hereby determined that no bounty or grant is being, or has been, paid or bestowed directly or indirectly, upon the manufacture, production, or exportation of float glass from Italy produced by Societa' Italiana Vetro, S.p.A. within the meaning of section 303, Tariff Act of 1930, as amended (19 U.S.C. 1303), and T.D. 76-9 is hereby modified so as to exclude float glass from Italy produced by SIV.

Accordingly, it has been ascertained, determined or estimated and hereby declared, that the net amount of the bounty or grant paid or bestowed upon the subject merchandise produced by SIV is 0 percent ad valorem, and no countervailing duties will be collected upon the liquidation of entries of the subject merchandise for consumption or withdrawals from warehouse for consumption for the period January 7, 1976, through the date of publication of this notice in the FEDERAL REGISTER. Furthermore, the order to suspend liquidation of all entries for consumption or withdrawals from warehouse for consumption of the subject merchandise produced by SIV, is hereby revoked.

The table in § 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by deleting in the last entry for Italy under the column headed "Commodity", which now reads "Float glass manufactured by Societa' Italiana Vetro S.p.A. and Fabbrica Pisana S.p.A.", the words "Societa' Italiana Vetro S.p.A. and"; inserting in the column headed "Treasury Decision" the number of this Treasury Decision; and inserting the words "Bounty declared-rate; Modified as to float glass manufactured by Societa' Italiana Vetro S.p.A." in the column headed "Action".

(R.S. 251, as amended secs. 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2051, 2052 (19 U.S.C. 66, 1303, as amended, 1624))

VERNON D. ACREE,
Commissioner of Customs.

Approved: March 2, 1977.

JOHN H. HARPER,
Acting Assistant Secretary of the Treasury.

[FR Doc.77-6739 Filed 3-7-77;8:45 am]

FEDERAL

APPENDIX C

U.S. DEPARTMENT OF COMMERCE'S FEDERAL REGISTER NOTICES

DEPARTMENT OF COMMERCE

International Trade Administration

19 CFR Part 355

Countervailing Duties; Float Glass From Italy Amendment to Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Amendment to countervailing duty order.

SUMMARY: This notice is to advise the public that, pursuant to an order of the Customs Court, the Department of Commerce is amending the countervailing duty order applicable to imports of float glass from Italy, T.D. 76-9, to include float glass manufactured or produced by Societa Italiana Vetro, S.p.A. The table in section 355, Annex III of the Commerce Regulations is amended to reflect this change.

EFFECTIVE DATE: October 24, 1980.

FOR FURTHER INFORMATION CONTACT: Susan Silver, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Room 1126, Washington, D.C. 20230 (202-377-4036).

SUPPLEMENTARY INFORMATION:

Background

On January 7, 1976, the Treasury Department published a countervailing duty order, T.D. 76-9, with respect to float glass from Italy (41 FR 1274). The Treasury Department modified the original order on March 8, 1977 (T.D. 77-77, 42 FR 13016) to exclude Societa Italiana Vetro (SIV), determining that "no bounty or grant is being or has been paid or bestowed, directly or indirectly, upon the manufacture, production, or exportation of float glass from Italy produced by [SIV]."

The petitioner challenged that determination and, on March 29, 1979, the U.S. Customs Court held, in *ASG Industries Inc.* v. *United States*, 467 F. Supp. 1200 (Cust. Ct. 1979), that imports of float glass from Italy manufactured or produced by SIV did in fact benefit from the payment of bounties or grants. Liquidation was suspended following the court's decision. The United States appealed the Customs Court decision to the U.S. Court of Customs and Patent Appeals (CCPA). On June 18, 1980, the CCPA granted the motion of the United States to dismiss its appeal. The original judgment of the Customs Court became effective on that date. That judgment remanded this case to the Department of the Treasury to:

(1) Ascertain and determine or estimate the net amount of the bounties or grants paid or bestowed upon the manufacture or production of float glass in Italy by SIV; and

(2) Direct the appropriate customs officers throughout the United States to assess countervailing duties, in said net amount equal to the said bounties or grants, entered or withdrawn from warehouse for consumption on or after the day following the date of entry of this order. [467 F. Supp. at 1245]

The Department of Commerce (the Department) is complying with this order because Reorganization Plan No. 3 of 1979, effective January 2, 1980, transferred authority for administering the countervailing duty law from the Department of the Treasury to the Department of Commerce.

Action

The Department determines that bounties or grants (subsidies) are being or have been paid or bestowed, directly or indirectly, upon the manufacture, production, or exportation of float glass from Italy manufactured or produced by SIV, within the meaning of section 303 of the Tariff Act of 1930 (the Act), as in effect prior to the amendments made by the Trade Agreements Act of 1979 (the TAA). The Department estimates that these subsidies equal 2.46 percent of the f.o.b. value of the exported merchandise. This estimate is based upon information previously supplied by the Government of Italy. The Department intends to revise this estimate upon completion of its administrative review of the amended order pursuant to section 751 of the Act and section 104(c)(2) of the TAA. The Department will report the results of this review to the International Trade Commission in the event that a request for an injury determination concerning this merchandise is made under section 104(b) of the TAA (19 U.S.C. 1671, note).

The Department amends T.D. 76-9, as modified by T.D. 77-77, to include imports of Italian float glass from SIV, according to the following requirements. A cash deposit of estimated duties will be required in the amount of 2.46 percent of the f.o.b. value of shipments of float glass from SIV entered, or withdrawn from warehouse, for consumption on or after (the date of publication of this notice in the Federal Register). For Italian float glass manufactured by Fabbrica Pisana, S.p.A., already covered by the order, a cash deposit of estimated duties in the amount of 10 percent of the f.o.b. value of the merchandise, as specified in T.D. 76-9, will continue to be required. Customs officers shall continue the suspension of liquidation of entries of Italian float glass manufactured or produced by SIV and Fabbrica Pisana, S.p.A.

The float glass covered by this amendment is flat glass manufactured by SIV by the float process. The glass may be either tinted or clear and is produced in a wide variety of sizes ranging from ⅛" to 1" in thickness. The glass is classifiable under item numbers 543.21 through 543.69 of the Tariff Schedules of the United States (TSUS). Entries of float glass which have been substantially further manufactured (e.g., into tempered glass or laminated glass) are not subject to this amendment to the countervailing duty order on float glass from Italy.

The table in section 355, Annex III of the Commerce Regulations is amended by deleting the last three lines for Italy and replacing them with the following:

Float glass manufactured by Societa Italiana Vetro, S.p.A. and Fabbrica Pisana S.p.A	76-9 77-77	Bounty declared-rate Modified to exclude float glass manufactured by Societa Italiana Vetro, S.p.A
	(FR citation of this notice)	Modified to include float glass manufactured by Societa Italiana Vetro, S.p.A
Cap screws ¼ in diameter and over of iron or steel	76-225	Bounty declared rate
Iron or steel chains and parts	77-249	Bounty declared rate

This amendment and publication of this notice are in accordance with section 303 of the Act (19 U.S.C. 1303), as in effect prior to the amendments made by the TAA, and section 104(c) of the TAA (19 U.S.C. 1671, note).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 80-33?? Filed 10-24-80; 8:45 am]

BILLING CODE 3510-25-M

DEPARTMENT OF COMMERCE

International Trade Administration

19 CFR Part 355

Float Glass From Belgium; Countervailing Duty Order

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Countervailing duty order.

SUMMARY: This notice is to advise the public that, pursuant to an order of the Customs Court (now the Court of International Trade), the Department of Commerce is issuing a countervailing duty order applicable to imports of float glass from Belgium. The table in section 355, Annex III of the Commerce Regulations is amended to reflect this change.

EFFECTIVE DATE: February 5, 1981.

FOR FURTHER INFORMATION CONTACT: Susan Silver, Office of Compliance, Room 1126, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1487).

SUPPLEMENTARY INFORMATION: On January 7, 1976, the Treasury Department published a negative "Notice of Final Countervailing Duty Determination" with respect to float glass from Belgium (41 FR 1299), determining that "no bounty or grant is being paid or bestowed, directly or indirectly, * * * upon the manufacture, production, or exportation of float glass from Belgium."

The petitioner challenged that determination and, on July 17, 1980, the U.S. Customs Court held in *ASG Industries Inc.* v. *United States*, (C.D. 4863), that imports of float glass from Belgium manufactured by Boussois-Souchan-Neuvesel and Glaceries de Saint-Roch did in fact benefit from the payment of bounties or grants. Liquidation was suspended following the court's decision. The court remanded this case to the Department of Treasury to:

(1) Ascertain and determine or estimate the net amount of bounties or grants paid or bestowed upon the manufacture or production of float glass in Belgium by Boussois-Souchan-Neuvesel and Glaceries de Saint-Roch; and

(2) Direct the appropriate customs officers throughout the United States to assess countervailing duties in the net amount equal to said bounties or grants, entered or withdrawn from warehouse for consumption on or after the day following the date of entry of this order.

The Department of Commerce ("the Department") is complying with this order because Reorganization Plan No. 3 of 1979, effective January 2, 1980, transferred authority for administering the countervailing duty law from the Department of the Treasury to the Department of Commerce.

The Department determines that bounties or grants (subsidies) are being or have been paid or bestowed, directly or indirectly, upon the manufacture, production, or exportation of float glass from Belgium within the meaning of section 303 of the Tariff Act of 1930 ("the Act"), as in effect prior to the amendments made by the Trade Agreements Act of 1979 ("the TAA"). In the notice of Final Countervailing Duty Determination Treasury stated that the amount of assistance provided by regional incentive programs for Belgian float glass was less than 2%. The Department therefore determines that an *ad valorem* rate of 2% is the appropriate estimate of the net amount of the bounties or grants paid or bestowed upon the manufacture of float glass from Belgium. This *ad valorem* rate will be revised upon completion of the administrative review which the Department intends to conduct within twelve months of the publication of this order, pursuant to section 751 of the Act and section 104(c)(2) of the TAA. The Department will report the results of the review to the International Trade Commission in the event that a request for an injury determination concerning this merchandise is made under section 104(b) of the TAA (19 U.S.C. 1671, note).

A cash deposit of estimated duties will be required in the amount of 2% of the f.o.b. value of shipments of float glass from Belgium entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register.** Customs officers shall continue the suspension of liquidation of entries of float glass from Belgium.

The float glass covered by this order is flat glass manufactured in Belgium by the float process. The glass may be either tinted or clear and is produced in a wide variety of sizes ranging from ⅛" to 1" in thickness. The glass is currently classifiable under item numbers 543.21 through 543.69 of the Tariff Schedules of the United States (TSUS). Entries of float glass which have been substantially further manufactured (e.g., into tempered glass or laminated glass) are not subject to this countervailing duty order on float glass from Belgium.

Annex III [Amended]

The table in Part 355, Annex III of the Commerce Regulations is amended by inserting after the last entry for Belgium the words "Float glass" in the column headed "Commodity", the Federal Register citation of this notice in the column headed "Treasury Decision", and the words "Net subsidy declared-rate" in the column headed "Action".

This order and publication of this notice are in accordance with section 303 of the Act (19 U.S.C. 1303) as in effect prior to the amendments made by the TAA, and section 104(c) of the TAA (19 U.S.C. 1671, note).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

February 2, 1981.

[FR Doc. 81-4302 Filed 2-4-81; 8:45 am]

BILLING CODE 3510-25-M

DEPARTMENT OF COMMERCE

International Trade Administration

Float Glass From Italy; Final Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of final results of administrative review of countervailing duty order.

SUMMARY: On April 21, 1981, the Department of Commerce ("the Department") published the preliminary results of its administrative review of the countervailing duty order on float glass from Italy. The time periods covered by this review differ for the two known exporters covered by the order. The period of review for Fabbrica Pisana, S.p.A. is January 7, 1976 through December 31, 1979. The period of review for Societa Italiana Vetro, S.p.A. ("SIV") is March 30, 1979 through December 31, 1979.

Interested parties were invited to comment on the preliminary results. The petitioner requested a disclosure of pertient information under an administrative protective order. The Department determined that the material should be released, but the Italian government would not allow release of the confidential materials it had submitted. Therefore, this information was not used in calculating the final countervailing duty rates and we relied, instead, on the best information otherwise available. SIV submitted new information after the comment period regarding the subsidies it received. This data was submitted too late for consideration in this review by the Department.

The Department determines that the countervailing duty rates for Fabbrica Pisana are 16.94 percent *ad valorem* for January 7, 1976 through December 31, 1976, 15.85 percent *ad valorem* for calendar year 1977, 15.56 percent *ad valorem* for calendar year 1978, and 15.41 percent *ad valorem* for calendar

Federal Register / Vol. 47, No. 23 / Wednesday, February 3, 1982 / Notices 5027

year 1979. For SIV, the rate is 15.53 percent *ad valorem* for March 30, 1979 through December 31, 1979. We further determine that cash deposits of estimated countervailing duties at the 1979 rates shall be required on all shipments by these firms entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results.

EFFECTIVE DATE: Feburary 3, 1982.

FOR FURTHER INFORMATION CONTACT: Ms. Claire Rickard, Office of Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1487).

SUPPLEMENTARY INFORMATION:

Procedural Background

On January 7, 1976, the Department of the Treasury ("Treasury") published a countervailing duty order, T.D. 76-9, with respect to float glass from Italy (41 FR 1274). Treasury modified the original order on March 8, 1977 (T.D. 77-77, 42 FR 13016) to exclude Societa Italiana Vetro S.p.A. ("SIV"). The petitioner challenged that determination and, on March 29, 1979, the U.S. Customs Court (now the Court of International Trade) held, in *ASG Industries Inc. v. United States*, 467 F. Supp. 1200 (Cust. Ct. 1979), that imports of float glass from Italy manufactured or produced by SIV did in fact benefit from the payment of bounties or grants. Liquidation was suspended on March 30, 1979 following the court's decision. The United States appealed the Customs Court decision to the U.S. Court of Customs and Patent Appeals ("CCPA"). On June 18, 1980, the CCPA granted the motion of the United States to dismiss its appeal. As a result, the Department of Commerce ("the Department") published an order on October 24, 1980, amending the countervailing duty order applicable to float glass from Italy to include float glass manufactured or exported by SIV.

On April 21, 1981, the Department published in the Federal Register (46 FR 22776) a notice of "Preliminary Results of Administrative Review of Countervailing Duty Order" on float glass from Italy. The Department has now completed that administrative review.

Scope of the Review

The merchandise covered by this review is flat glass manufactured by the float process from Italy. It is currently classifiable under item numbers 543.21 through 543.69 of the Tariff Schedules of the United States. Entries of the float glass which have been substantially further manufactured (e.g., into tempered glass or laminated glass) are not subject to this countervailing duty order.

The review is based upon information for the period January 7, 1976 through December 31, 1979 for Fabbrica Pisana S.p.A. and March 30, 1979 through December 31, 1979 for SIV, the only two known exporters covered by this order. The preliminary review determined that both companies received subsidies in the form of preferential financing, capital grants, reduced contributions to the Italian social welfare system (l'Istituto Nazionale Previdenza Sociale), and a reduced corporate income tax rate.

Issues Raised During the Comment Period

During the comment period the petitioner requested disclosure under an administrative protective order or confidential information used in establishing the countervailing duty rates. We gave the Italian government an opportunity to comment, as provided for by § 355.20(a)(2) of the Commerce Regulations, and then determined that the information was releasable. However, the Italian government refused to allow the release of the confidential data under protective order. As provided by § 355.20(a)(4) of the Commerce Regulations we returned the information submitted after January 1, 1980 which we had used to calculate the preliminary countervailing duty rates. Information from prior years which we had used in our preliminary results was not returned since we had previously used this data as the basis for other decisions. However, we have withdrawn this information from the consideration in this section 751 review. Therefore, the documents which we have used to determine the final countervailing duty rates contain only public information and constitute the best information otherwise available, as provided for in § 355.39(b) of the Commerce Regulations.

After the comment period had ended, SIV presented the Department with additional information regarding this period of review. This information was submitted too late for consideration by the Department.

Analysis of Programs using Best Information Available

Due to the withdrawal of confidential data by the Italian government, the Department has recalculated the subsidies received and the values of production for the two firms using publicly available information. We found that subsidies existed under the same four programs that we identified in the April 21, 1981 notice of preliminary results: Preferential interest rates, capital investment grants, reduced contributions to the social welfare fund (INPS), and reduced income tax payments. We also found one additional subsidy program, a reduction in the General Turnover Tax rate applied on all commercial transactions for factories located in southern Italy. Following is an explanation of the new rates for each program.

(1) *Subsidies.* (a) Preferential Interest Rate Program. Information from the petition filed on May 31, 1974 indicates that loans were given to Fabbrica Pisana and SIV in 1974 at subsidized interest rates 3.5 percent below the prevailing market rate with a fifteen year repayment schedule. Accordingly, we find that the *ad valorem* subsidy benefit for Fabbrica Pisana is 0.99 percent for 1976, 0.47 percent for 1977, 0.32 percent for 1978, and 0.25 percent for 1979; for SIV the benefit in 1979 is 0.33 percent *ad valorem*. After the withdrawal we had no information regarding any other loans.

(b) Capital Investment Grants. The petition states that both Fabbrica Pisana and SIV received investment grants in 1974. It further states that the useful life of the investments purchased with the grants (float glass production lines) is twelve years. Following administrative practice, we have allocated the grants over half the useful life of the assets purchased. For Fabbrica Pisana we found the *ad valorem* subsidy to be 0.88 percent for 1976, 0.42 percent for 1977, 0.31 percent for 1978 and 0.25 percent for 1979. For SIV, the benefit in 1979 is 0.28 percent *ad valorem*.

(c) Reduced Contributions to the Social Welfare Fund. The Italian government may reduce a firm's payments to the Istituto Nazionale Previdenza Sociale (INPS) to encourage development in southern Italy. The petition states that the subsidy is equal to 20 percent of the total labor cost, which is estimated as 11 percent of the total manufacturing cost. We followed Treasury's precedent which estimated the total manufacturing cost as 50 percent of the value of production. Using this formula, we found the subsidy conferred by this program to be 1.10 percent *ad valorem* for each company for each of the years in our period of review.

(d) Income Tax (IRPEG) Payments. As described in our preliminary results, we consider the benefit given under this program to be 12.5 percent of the taxable income which, lacking actual figures from the companies, we calculate to be 50 percent of the value of production. However, in this notice of final results we have changed the values of production to reflect the best information available (see below). We now calculate the subsidy under this program to be 13.75 percent *ad valorem* for each company for each year in our period of review.

(e) General Turnover Tax Reduction. The petition claims that a reduction of the General Turnover Tax amounted to a 2 percent subsidy of the cost of each company's total investment. We have calculated those amounts and amortized the benefits over six years, half the useful life of the investments. The *ad valoreum* subsidy rates for Fabbrica Pisana are 0.22 percent for 1976, 0.11 percent for 1977, 0.08 percent for 1978, and 0.06 percent for 1979. For SIV the benefit is 0.07 percent *ad valorem* for 1979.

(2) *Value of Production.* To calculate values of production for 1976, 1977, 1978, and 1979 for Fabbrica Pisana and 1979 for SIV we used the square foot capacity of float glass for each firm (which was given in the petition) multiplied by an average dollar value per square foot. Tis average dollar value we derived from United States Bureau of the Census import statistics for float glass for the appropriate years.

Final Results of the Review

Using the above figures, we determine the aggregate net subsidy conferred by the Government of Italy on the production of float glass by Fabbrica Pisana to be 16.94 percent of the f.o.b. invoice price for the period January 7, 1976 through December 31, 1976, 15.85 percent of the f.o.b. invoice price for calendar year 1977, 15.56 percent of the f.o.b. invoice price for calendar year 1978, and 15.41 percent of the f.o.b. invoice price for calendar year 1979. The subsidy conferred on the production of float glass by SIV is 15.53 percent of the f.o.b. invoice price for the 1979 time period.

The U.S. Customs Service shall assess countervailing duties at the rates stated above on all unliquidated entries of float glass from Italy entered, or withdrawn from warehouse, for consumption on or after January 7, 1976, and exported on or before December 31, 1979 for Fabbrica Pisana and, for SIV, on or after March 30, 1979 and exported on or before December 31, 1979.

As provided by section 751(a)(1) of the Tariff Act of 1930, the Customs Service shall collect a cash deposit of estimated countervailing duties of 15.41 percent of the f.o.b. invoice price for Fabbrica Pisana and 15.53 percent of the f.o.b. invoice price for SIV for all shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results. These deposit requirements shall remain in effect until publication of the final results of the next administrative review. The Department is now commencing the next administrative review of the order. The amount of countervailing duties to be imposed on shipments exported during the calendar year 1980 will be determined in the next administrative review. Consequently, the suspension of liquidation previously ordered will continue for all entries of this merchandise exported on or after January 1, 1980.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

Dated: January 27, 1982.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 82-2728 Filed 2-2-82; 8:45 am]

BILLING CODE 3510-25-M

DEPARTMENT OF COMMERCE

International Trade Administration

Float Glass From Belgium; Final Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of final results of administrative review of countervailing duty order.

SUMMARY: On February 11, 1982 (47 FR 6?10), the Department of Commerce published in the Federal Register a notice of the revised preliminary results of its administrative review of the countervailing duty order on float glass from Belgium. The review covered the period of July 1, 1980 through March 31, 1981.

Interested parties were invited to comment on the preliminary results. Upon review of all comments received, the Department has determined the net subsidy to be 0.29 percent *ad valorem*. Because this rate is *de minimis*, the Department will instruct the Customs Service not to collect countervailing duties for entries during the period July 18, 1980 through February 19, 1981. Further, the Department is establishing a zero countervailing duty deposit rate for future entries.

EFFECTIVE DATE: July 27, 1982.

FOR FURTHER INFORMATION CONTACT: Claire Rickard or Richard Moreland, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1487/2786).

SUPPLEMENTARY INFORMATION:

Background

On June 5, 1981, the Department of Commerce ("the Department") published in the Federal Register (46 FR 30160) the preliminary results of its administrative review of the countervailing duty order on float glass from Belgium (46 FR 10905). On February 11, 1982, the Department published revised preliminary results of the review (47 FR 6310). The Department has now completed that review.

Scope of the Review

The merchandise covered by the review is Belgian flat glass manufactured by the float process. This merchandise is currently classifiable under items 543.2100 through 543.6900 of the Tariff Schedules of the United States Annotated. Entries of float glass which has been substantially further manufactured (e.g., into tempered glass or laminated glass) are not subject to this countervailing duty order.

The review covers Glaverbel, S.A. and Glaceries de Saint-Roch, S.A. ("GSR"), the two known exporters of this merchandise to the United States. The revised time period covered by the review is July 1, 1980 through March 31, 1981. The Department reviewed four subsidy programs: interest rebates, capital grants, exemptions from certain property taxes, and exemptions from local taxes.

Analysis of Comments Received

Interested parties were invited to comment on our revised preliminary results. At the request of the petitioner, PPG Industries, Inc., we held a public hearing on April 16, 1982. The major outstanding issues raised at the public hearing and in the comments submitted are as follows:

(1) *Comment:* The petitioner objected to the Department's preliminary determination that the net subsidy rate for the period is *de minimis.*

Position: The Court of International Trade has upheld the application of the *de minimis* principle to countervailing duty investigations in *Carlisle Tire and Rubber Co.* v. *United States,* 517 F. Supp. 704 (C.I.T. 1981). Since the Department assumed responsibility for administration of the countervailing duty law on January 2, 1980, it has consistently applied the *de minimis* principle and has not found to be countervailable any entries made on or after January 1, 1980, which are subject to aggregate net subsidy rates of less than 0.5 percent *ad valorem.* This consistent administrative practice recognizes that at some point a benefit becomes so small that it is of no significance.

(2) *Comment:* The petitioner objected to the Department's preliminary determination that the net subsidy rate for Belgian float glass is 0.29 percent *ad valorem,* on the grounds that use of a country-wide rate is arbitrary.

Position: It is not necessary to respond to petitioner's objection to use of a country-wide rate since in this case all the rates, the country-wide rate and the two company-specific rates, are *de minimis.*

(3) *Comment:* The petitioner objected to the Department's use of ten years as the average useful life of capital assets over which to allocate the capital grants received by GSR and Glaverbel.

Position: During the verification both GSR and Glaverbel independently gave ten years as the average accounting useful life of their float glass production lines. These figures were supported by depreciation figures in GSR's company books and by the amortization rates in Glaverbel's 1980 annual report, which stated that the superstructure of glass melting ovens was amortized over six years and the infrastructure over fifteen years. It is Department policy to follow the accounting practice of the country under investigation unless we have reason to question that practice. We have used the average accounting useful lives because they reflect the assets' economic lifespan. Such a measurement more accurately incorporates considerations such as technological obsolescence than estimates of physical useful lives.

Petitioner submitted an affidavit supporting its argument that the ten year amortization period was far shorter than the useful life for float glass production lines, based on U.S. industry experience. Petitioner argued that the period should be twenty to thirty years. However, petitioner's affidavit seems to refer to physical useful life. Moreover, U.S. Internal Revenue Service tables indicate that depreciation periods for assets used in production of float glass can range from eleven to seventeen years (Rev. Proc. 77-10, 1977-1 Cum. Bull. 548). These tables, used as a check against the accuracy of our choice of ten years as the allocation period, do not support petitioner's argument that the ten year period bears no relationship to the useful life of float glass production assets. The IRS tables, combined with the support found for the ten year period in GSR's books and the Glaverbel annual report, cause us to conclude that petitioner's affidavit is insufficient reason for us to reject the ten year figure.

(4) *Comment:* Petitioner objects to our preliminary determination to allocate the capital grants over one-half the useful life of the assets purchased with the grants and without taking into account the time value of money.

Position: It was the consistent administrative practice of the Department of the Treasury ("Treasury"), in its administration of the countervailing duty law prior to January 2, 1980, not to take into account the time value of money in valuing a grant. The Department of Commerce adopted the administrative practice of allocating capital grants over one-half the useful life of the assets purchased with the grants and without taking into account the time value of money. The Department adopted the administrative practice of allocating grants over one-half the useful life of the assets purchased in order to comply with the congressional intent for front loading such subsidies. The Department has determined that allocating the capital grants over half the useful life of the acquired assets is a reasonable approach to meeting that directive.

At the same time, the Department recognizes that there may be other reasonable methods of measuring competitive benefit for our use in future reviews in this and other cases. Specifically, in the preliminary affirmative countervailing duty determinations on certain steel products from Belgium, Brazil, France, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands, South Africa, and the United Kingdom (47 FR 26300, June 17, 1982), we proposed allocating the benefits of capital grants over the full life of capital assets and valuing such grants so that the present value (in the year of the grant receipt) of the amounts, allocated over time, equals the face value of the grants. The Department has asked for comments on this proposed methodology.

The preliminary results in this review of the order on Belgian float glass were published, and a hearing held and comments received, prior to the Department's publication of the preliminary determinations on certain steel products. We believe it is inappropriate to apply the new methodology in all our section 751 reviews until the methodology is adopted, possibly in final determinations in the pending steel cases. Further, possible future acceptance of the new methodology does not indicate that the existing methodology is not also a reasonable way to allocate grants.

(5) *Comment:* Petitioner argues that the subsidy value of a grant should be calculated as the book value each year of the asset acquired for the entire useful life of the asset.

Position: Petitioner's argument, if accepted, would grossly overstate the value of the subsidy and would produce a hypothetical figure unrelated to any accepted financial or accounting practice for valuing receipt of a grant.

(6) *Comment:* Petitioners objects to our preliminary results on the grounds that subsidies applicable to merchandise entered during the pendency of the court challenge to Treasury's negative finding but prior to the date of suspension of liquidation should be applied prospectively.

Position: The Department's methodology attributes subsidies to the entries which benefit economically from those subsidies. It would disregard economic reality to attribute to subsequent entries economic benefits which were actually received by products which have already been liquidated.

Liquidation of Belgian float glass was suspended on July 18, 1980, when the Customs Court (now the Court of International Trade) granted petitioner/plaintiff's motion for summary judgment and remanded the case to the Department. Since this case was litigated under the law in effect prior to passage of the Trade Agreements Act of 1979 ("the TAA"), there was no provision for suspending liquidation during litigation. 19 U.S.C. 1516 (e) and (g), as in effect prior to January 1, 1980, provided that, while litigation was pending, entries had to be liquidated in accordance with the administrative decision in effect at that time and that there could be no suspension of liquidation until publication of an adverse court decision in the litigation. The TAA specifically provided for injunctions against liquidation during litigation. This specific provision would not have been necessary had the right already existed prior to January 1, 1980. Consequently, the result which petitioner objects to is the specific result intended by Congress under the law in effect while petitioner's case was being litigated.

Final Results of the Review

Upon review of all comments received, we determine that the aggregate net subsidy conferred by the four programs cited above during the period of review is 0.29 percent *ad valorem* country-wide (0.46 percent *ad valorem* for GSR and 0.10 percent *ad valorem* for Glaverbel). These rates are less than 0.5 percent and therefore *de minimis*. Accordingly, the Department will instruct the Customs Service not to assess countervailing duties on any shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after July 18, 1980 and entered before February 20, 1981. On February 20, 1981, the International Trade Commission ("the ITC") notified the Department that the Belgian government had requested an injury determination for this order under section 104(b) of the TAA. If the ITC should find that there is injury or likelihood of injury to an industry in the United States, as provided in section 104(b)(2) of the TAA, the Department shall instruct the Customs Service to assess countervailing duties of 2 percent of the f.o.b. value (the cash deposit required at time of entry) on unliquidated entries of float glass from Belgium entered, or withdrawn from warehouse, for consumption on or after February 20, 1981, and exported on or before March 31, 1981.

Further, as provided by section 751(a)(1) of the Tariff Act of 1930 ("the Tariff Act"), the Customs Service will not collect a cash deposit of estimated countervailing duties on any shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice. This waiver of deposit shall remain in effect until publication of the final results of the next administrative review.

The Department is now commencing the next administrative review of the order. The amount of countervailing duties to be imposed on the merchandise exported during the period April 1, 1981 through March 31, 1982, will be determined in that review. Consequently, the suspension of liquidation previously ordered will continue for all entries of this merchandise exported on or after April 1, 1981.

The Department encourages interested parties to review the public record and submit applications for protective orders, if desired, as early as possible after the Department's receipt of the information in the next administrative review.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

July 22, 1982.

[FR Doc. 82-20383 Filed 7-26-82; 8:45 am]

BILLING CODE 3510-25-M

Float Glass From Italy; Preliminary Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Preliminary Results of Administrative Review of Countervailing Duty Order.

SUMMARY: The Department of Commerce has conducted an administrative review of the countervailing duty order on float glass from Italy. The review covers the two firms currently covered by the order and the period January 1, 1980 through December 31, 1980. As a result of this review, the Department has preliminarily determined the amount of net subsidy for Fabbrica Pisana, S.p.A. to be 0.88 percent of the f.o.b. invoice price of the merchandise, and for Societa Italiano Vetro, S.p.A to be 3.77 percent. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: December 15, 1982.

FOR FURTHER INFORMATION CONTACT: Charles Anderson or Richard Moreland, Office of Compliance, Room B099, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230; telephone: (202) 377-2786.

SUPPLEMENTARY INFORMATION:

Background

On February 3, 1982, the Department of Commerce ("the Department") published in the Federal Register (46 FR 5026) the final results of its first administrative review of the countervailing duty order on float glass from Italy (41 FR 0274, January 7, 1976) and announced its intent to begin immediately the next administrative review. As required by section 751 of the Tariff Act of 1930 ("the Tariff Act"), the Department has now conducted that administrative review.

Scope of the Review

The merchandise covered by this review is flat glass manufactured by the float process. Such glass may be either tinted or clear and is produced in a wide variety of sizes ranging from 0.125" to 1" in thickness. Such glass is currently classifiable under items 543.2100 through 543.6900 of the Tariff Schedules of the United States Annotated. Entries of float glass which has been substantially further manufactured or modified (e.g., into tempered glass or laminated glass) are not subject to this countervailing duty order. The review covers the period January 1, 1980 through December 31, 1980, and includes the five programs determined to be countervailable in the final results of the last administrative review, plus three other programs, all with regard to the two companies currently covered by the order, Fabbrica Pisana, S.p.A. ("Pisana") and Societa Italiana Vetro, S.p.A. ("SIV"). Of the eight programs, we preliminarily determine the following four to be countervailable: (1) Exemption from local corporate income taxes, (2) Reductions in social security and health benefits payments, (3) capital grants, and (4) preferential long-term financing. We preliminarily determine that the following programs are not countervailable: (1) Reductions in turnover and value-added taxes (found countervailable in the last administrative review), and (2) accelerated depreciation. In addition, we preliminarily determine that the two producers did not utilize the following two programs on the subject merchandise: (1) Reductions in national corporate income taxes, and (2) preferential loans for applied research.

Analysis of Programs

(1) *Local Corporate Income Tax Reductions.* Presidential Decree number 218 (March 6, 1978) provides industrial plants located in the Mezzogiorno region of Italy with a complete exemption from the 15 percent local corporate income tax ("ILOR") for 10 years after the newly-established plants first show a profit. In the last administrative review, we calculated the net subsidy as the amount of exemption attributable to income earned in the years under review. In the current review, we have calculated the *ad valorem* benefit attributable to this program by looking at the benefit received from the previous tax year, for it is only after a company's books have closed that the magnitude of the benefit, if any, can be known to the firms under review.

For this review, this change in methodology necessitates a transitional reallocation of benefits. In this case, the Department countervailed the tax savings received by SIV and Pisana in 1980 in the administrative review for 1979, as though the benefit from tax exemptions on income earned in 1979 were received in that year. According to the principle set forth in the notice of "Final Results of Administrative Review of Countervailing Duty Order" on certain castor oil products from Brazil (46 FR 62487), we do not countervail the same benefit twice when changes in methodology create an overlap in the allocation of that particular benefit.

We will allocate tax benefits earned as a result of the company's performance during the current period of review (1980) over total sales for the next period of review (1981). Therefore, for the purpose of this review, the estimated duty deposit rate on future entries will include benefits under this program basd on the new method of calculation.

For deposit purposes, we have calculated the *ad valorem* benefit attributable to this program to be 0 percent for Pisana and 1.20 percent for SIV.

(2) *Reductions in Social Security Payments.* Italian law grants firms located in the Mezzogiorno reduction in social security payments to the Istituto Nazionale Previdenza Sociale ("INPS") ranging from 8.5 to 28.5 percent for each worker, depending on gender, labor classification, date of employment, and size of the workforce. Because these exemptions are known and reported in monthly INPS declarations, we have allocated the benefit received from the exemptions to the year in which the wages and salaries upon which they are based are earned. As these exemptions cover workers from all of the production lines and administrative offices of the companies, we have allocated them over the total value of sales.

During verification, we discovered an additional 2.54 percent reduction in health benefit payments, known as "fiscalizazzione." This program was in effect in July and August of the year under review.

For 1980, we preliminarily determine that the total *ad valorem* benefit attributable to reductions in social security and health benefits payments is 0.63 percent for Pisana and 2.66 percent for SIV.

As part of Italy's earthquake relief program, Pisana received a 100 percent exemption for its Caserta plant from social security payments for the months of November and December 1980. As outlined in the notice of "Final Affirmative Countervailing Duty Determinations on Certain Steel Products from Italy" (47 FR 39356), we do not countervail against disaster relief programs, for eligibility in such programs, unlike regional development schemes, is not predetermined; no part of the country or sector of industry is excluded, in principle, from participation. Therefore, we preliminarily determine that the INPS payments exemption to Pisana because of the earthquake relief program is not countervailable.

(3) *Capital Grants.* Both SIV and Pisana utilized grants awarded by the Cassa per il Mezzogiorno for company-wide construction and expansion programs. These grants were awarded from 1975 through 1980 for major investment programs which encompassed more than just unmodified float glass production facilities. Following our methodology established in Appendix 2, we considered these grants to be untied and allocated them over 10 years, the average useful life of glass production facilities as calculated from the standard depreciation schedules of the Italian tax tables. Because these benefits were provided to all glass production, we allocated them over the value of total glass sales. To calculate the value of these grants over time, we applied the present value methodology, using the risk-free rate of return in Italy, as represented by the yearly average percentage yield on Italian Treasury bills in the secondary market in Italy, as the discount rate.

For 1980, the *ad valorem* benefit attributable to capital grants is preliminarily determined to be 0.13 percent for Pisana and 0.49 percent for SIV.

(4) *Preferential Long-Term Financing.* Both SIV and Pisana received preferential loans from 1973 through 1980. For loans made in those years with principal outstanding in 1980, we have compared a repayment schedule of a comparable commercial loan. For a benchmark, we have used the average unsubsidized long-term interest rate in Italy on loans from the special credit institutions. As we noted in certain steel products from Italy, this rate represents the most comparable commercial interest rate available, since these special credit institutions provide almost all medium- and long-term loans in Italy. Where we found preferential loans, we used the general loan methodology for loans to creditworthy firms set forth in Appendix 2 to calculate the subsidy. Because the loans in question were not expressly tied to costly pieces of capital equipment, we allocated the benefits over the life of the loan and the total value of sales.

Using the methodology described above, we preliminarily determine the *ad valorem* benefit attributable to preferential loans to be 0.12 percent for Pisana and 0.62 for SIV.

(5) *Reductions in Turnover and Value-Added Taxes.* The partial exemption from turnover taxes was eliminated simultaneously with the introduction of the value-added tax on January 1, 1973. From 1977 through 1980, however, a nationwide 4 percent reduction in the value-added tax ("IVA") was in effect in Italy. We preliminarily determine that this program is not countervailable because it was generally available on equal terms to all.

(6) *Accelerated Depreciation.* We also preliminarily determine that accelerated depreciation programs in Italy are not countervailable because they are generally available on equal terms to all.

(7) *Exemption from National Corporate Income Tax.* The law governing the reduction in the rate of national corporate income tax ("IRPEG") (Article 105 of Decreto del Presidente della Repubblica, March 6, 1978, no. 218) states that a company establishing its headquarters within the Mezzogiorno region will receive a 50 percent exemption during the first ten years of its operation. Having started production in 1965, SIV's eligibility for the IRPEG reduction expired in 1975. Pisana has never been eligible for this reduction because its headquarters are located outside of the Mezzogiorno region.

(8) *Preferential Loans for Applied Research.* During verification, we discovered that SIV had received a loan from the Istituto Mobiliare Italiano ("IMI") at a preferential interest rate for applied research. This loan, however, was tied to research on a particular modification process for float glass. As it did not benefit unmodified float glass production nor was it an untied program which benefitted total production, we preliminarily determine the loan in question not to be countervailable in this case, and the program not to be used for products covered by the order.

Verification

We verified the information presented by Pisana and SIV, through examination of Italian government laws and documents, company books and records, and consulation with economic officials of the United States Enbassy in Italy.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the net subsidy conferred by the four programs cited above during the period of review for Pisana is 0.88 percent *ad valorem*, and for SIV is 3.77 percent *ad valorem*.

Accordingly, the Department intends to instruct the Customs Service to assess countervailing duties of 0.88 percent of

A-59

the f.o.b. invoice price on all shipments by Pisana, and 3.77 percent of the f.o.b. invoice price on all shipments by SIV on the merchandise exported on or after January 1, 1980 and on or before April 3, 1980. On April 3, 1980, the International Trade Commission ("the ITC") notified the Department that the Delegation of the Commission of the European Communities had requested an injury determination for this order under section 104(b) of the Trade Agreements Act of 1979 ("the TAA"). Should the ITC find that there is material injury or likelihood of material injury to an industry in the United States, the Department shall instruct the Customs Service to assess countervailing duties at the prevailing deposit rate at the time of entry on all unliquidated entries of float glass manufactured by Pisana and SIV entered, or withdrawn from warehouse, for consumption on or after April 3, 1980 and exported on or before December 31, 1980.

Further, as provided by section 751(a)(1) of the Tariff Act, we intend to instruct the Customs Service to collect a cash deposit of estimated countervailing duties of 0.88 percent of the f.o.b. invoice price on all shipments by Pisana, and 4.97 percent of the f.o.b. price on all shipments by SIV, of unmodified float glass entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. This deposit requirement shall remain in effect until publication of the final results of the next administrative review.

Interested parties may submit written comments on these preliminary results within 30 days of the date of publication of this notice and may request disclosure and/or a hearing within 10 days of the date of publication. Any hearing, if requested, will be held 30 days after the date of publication or the first workday thereafter. Any request for an administrative protective order must be made no later than 5 days after the date of publication. The Department will publish the final results of the administrative review including the results of its analysis of any issues raised in such written comments or at a hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and section 355.41 of the Commerce [illegible] (19 CFR 355.41)

Dated: December 8, 1982.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 82-34012 Filed 12-14-82; 8:45 am]

BILLING CODE 3510-25-M

Float Glass From the Federal Republic of Germany; Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Countervailing Duty Order.

SUMMARY: The Department of Commerce is issuing a countervailing duty order regarding imports of float glass from the Federal Republic of Germany. A cash deposit of estimated duties will be required in the amount of 1.20 percent of the f.o.b. invoice price on future entries of float glass from the Federal Republic of Germany.

EFFECTIVE DATE: December 27, 1982.

FOR FURTHER INFORMATION CONTACT: Stephen Nyschot or Richard Moreland, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230; telephone: (202) 377-2786.

SUPPLEMENTARY INFORMATION:

Background

On January 7, 1976, the Treasury Department published a negative "Notice of Final Countervailing Duty Determination" with respect to float glass from the Federal Republic of Germany ("the FRG") (41 FR 1300). The petitioners challenged that determination in court and on November 19, 1979, the Court of Customs and Patent Appeals ("the C.C.P.A.") ruled that bounties or grants within the meaning of section 303 of the Tariff Act of 1930 ("the Tariff Act") had been given on float glass from the FRG, and remanded the case to the Customs Court, now the Court of International Trade ("the C.I.T."), for action not inconsistent with its decision (67 C.C.P.A. 11, C.A.D. 1237, 610 F.2d 770 (1979)). Liquidation of entries was suspended following the C.C.P.A.'s decision.

In a subsequent decision of August 21, 1981 (69 C.C.P.A. ——, 657 F.2d 1226),

57550 Federal Register / Vol. 47, No. 248 / Monday, December 27, 1982 / Notices

the C.C.P.A. clarified its earlier opinion, stating that the C.I.T. is the appropriate forum for determining "what the net bounty or grant is or, at least, the method by which it is to be determined." The case has been pending before the C.I.T. since that time.

The authority for administering the countervailing duty law was transferred from the Treasury Department to the Department of Commerce ("the Department") by Reorganization Plan No. 3 of 1979, effective January 2, 1980.

Section 104(b) of the Trade Agreements Act of 1979 ("the TAA") provides that the government of a "country under the Agreement," as defined by section 701(b) of the Tariff Act, or exporters of merchandise covered by certain countervailing duty orders, may request an injury determination by the International Trade Commission ("the ITC"). Section 104(b)(1)(C) of the TAA states that a countervailing duty order "which is in effect on January 1, 1980, or which is issued pursuant to a court order in an action brought under section 516(b) of [the Tariff Act] before that date" is eligible for an injury determination.

Since the FRG is a "country under the Agreement," and the pending litigation was commenced prior to January 1, 1980, any order issued pursuant to the C.C.P.A. decision in this case would be eligible for an injury determination under section 104(b) of the TAA. However, the request for an injury review must be submitted to the ITC within three years after the effective date of title VII of the Tariff Act, which became effective on January 1, 1980.

Scope of the Proceeding

The merchandise covered by this proceeding is flat glass manufactured by the float process. Such glass may be either tinted or clear and is produced in a wide variety of sizes ranging from 0.125" to 1' in thickness. Such glass is currently classifiable under items 543.2100 through 543.6900 of the Tariff Schedules of the United States Annotated. Entries of float glass which has been substantially further manufactured or modified (e.g., into tempered glass or laminated glass) are not subject to this countervailing duty proceeding.

The programs which form the basis for the estimated deposit of countervailing duties identified below are:

Tax credits under the Coal Mining Adjustment Law

Grants from the Land Government of

Loans under the European Recovery Program

Loans from the Federal Department of Labor

Countervailing Duty Order

The Department issues this countervailing duty order with respect to float glass form the FRG to remove any procedural impediments to a section 104(b) review which might exist if an order is not issued before January 1, 1983. Moreover, in issuing an order and requiring that estimated duties be collected on future entries, the revenues of the United States will be preserved pending the outcome of the present litigation. This order is based on the C.C.P.A.'s opinion in C.A.D. 1237, which held that a bounty or grant had been bestowed, directly or indirectly, upon the manufacture, production, or exportation of float glass from the FRG.

We are also instructing the Customs Service to collect a cash deposit of countervailing duties in the amount of 1.20 percent of the f.o.b. invoice price on shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice. Customs officers shall continue the suspension of liquidation of entries of float glass from the FRG.

Order Subject to Modifications by the Court

We are mindful that the C.C.P.A. explicitly held that the C.I.T. must determine either the actural amount of the bounty or grant bestowed upon the subject merchandise or the methodology to be applied in calculating that amount. The C.C.P.A. also stated that while these matters were pending before the C.I.T., "we assume that no administrative action will be taken to determine the net bounty or grant." This notice does not determine the net amount to be assessed. The estimated duties set in this order are simply to be collected while the issues are pending before the C.I.T. The actual duties will not be determined until the Department conducts a section 751 review, and the Department will defer such a review until the litigation in the C.I.T. is concluded. Any rights of the domestic producers who originally petitioned for relief in this proceeding and who are the plaintiffs in the pending litigation will not be prejudiced in any way because no assessment of duties or liquidation of entries will occur until the referenced litigation ends. Rather, this order will only have the effect of allowing the government of the FRG and exporters of to exercise legal rights which might otherwise expire.

Dated: December 21, 1982.

Lawrence J. Brady,

Assistant Secretary for Trade Administration.

[FR Doc. 82-34974 Filed 12-23-82; 8:45 am]

BILLING CODE 3510-25-M

Float Glass From the United Kingdom; Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Countervailing Duty Order.

SUMMARY: The Department of Commerce is issuing a countervailing duty order regarding imports of float glass from the United Kingdom. A cash deposit of estimated duties will be required in the amount of 1.54 percent of the f.o.b. invoice price on future entries of float glass from the United Kingdom.

EFFECTIVE DATE: December 27, 1982.

FOR FURTHER INFORMATION CONTACT: Stephen Nyschot or Richard Moreland, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230; telephone (202) 377-2786.

SUPPLEMENTARY INFORMATION:

Background

On December 22, 1975, the Treasury Department published a negative "Notice of Final Countervailing Duty Determination" with respect to float glass from the United Kingdom (40 FR 59227). The petitioners challenged that determination in court and on November 19, 1979, the Court of Customs and Patent Appeals ("the C.C.P.A.") ruled that bounties or grants within the meaning of section 303 of the Tariff Act of 1930 ("the Tariff Act") had been given on float glass from the United Kingdom, and remanded the case to the Customs Court, now the Court of International Trade ("the C.I.T."), for action not inconsistent with its decision (67 C.C.P.A. 31, C.A.D. 1238, 610 F.2d 785 (1979)). Liquidation of entries was suspended following the C.C.P.A.'s decision.

In a related decision of August 21, 1981 (68 C.C.P.A. ——, 657 F.2d 1226), regarding float glass from the Federal Republic of Germany, the C.C.P.A. clarified its opinion in C.A.D. 1237, which was a companion case of C.A.D. 1238, stating that the C.I.T. is the appropriate forum for determining "what the net bounty or grant is or, at least, the method by which it is to be determined." The case has been pending

The authority for administering the countervailing duty law was transferred from the Treasury Department to the Department of Commerce ("the Department") by Reorganization Plan No. 3 of 1979, effective January 2, 1980.

Section 104(b) of the Trade Agreements Act of 1979 ("the TAA") provides that the government of a "country under the Agreement," as defined by section 701(b) of the Tariff Act, or exporters of merchandise covered by certain countervailing duty orders, may request an injury determination by the International Trade Commission ("the ITC"). Section 104(b)(1)(C) of the TAA states that a countervailing duty order "which is in effect on January 1, 1980, or which is issued pursuant to a court order in an action brought under section 516(b) of [the Tariff Act] before that date" is eligible for an injury determination.

Since the United Kingdom is a "country under the Agreement," and the pending litigation was commenced prior to January 1, 1980, any order issued pursuant to the C.C.P.A. decision in this case would be eligible for an injury determination under section 104(b) of the TAA. However, the request for an injury review must be submitted to the ITC within three years after the effective date of title VII of the Tariff Act, which became effective on January 1, 1980.

Scope of the Proceeding

The merchandise covered by this proceeding is flat glass manufactured by the float process. Such glass may be either tinted or clear and is produced in a wide variety of sizes ranging from 0.125" to 1" in thickness. Such glass is currently classifiable under items 543.2100 through 543.6900 of the Tariff Schedules of the United States Annotated. Entries of float glass which has been substantially further manufactured or modified (e.g., into tempered glass or laminated glass) are not subject to this countervailing duty proceeding.

The programs which form the basis for the estimated deposit of countervailing duties identified below are:

Investment grants
Building grants
Regional development grants
Selective assistance grants (worker training and location)

Countervailing Duty Order

The Department issues this countervailing duty order with respect to float glass for the United Kingdom to remover any procedural impediments to a section 104(b) review which might exist if an order is not issued before January 1, 1983. Moreover, in issuing an order and requiring that estimated duties be collected on future entries, the revenues of the United States will be preserved pending the outcome of the present litigation. This order is based on the C.C.P.A.'s opinion in C.A.D. 1238, which held that a bounty or grant had been bestowed, directly or indirectly, upon the manufacture, production, or exportation of float glass from the United Kindom.

We are also instructing the Customs Service to collect a cash deposit of countervailing duties in the amount of 1.54 percent of the f.o.b. invoice price on shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice. Customs officers shall continue the suspension of liquidation of entries of float glass from the United Kingdom.

Order Subject to Modification by the Court.

We are mindful that the C.C.P.A. explicity held at the C.I.T. must determine either the actual amount of the bounty or grant bestowed upon the subject merchandise or the methodology to be applied in calculating that amount. The C.C.P.A. also stated that while these matters were pending before the C.I.T., "we assume that no administrative action will be taken to determine that net bounty or grant." This notice does not determine the net amount to be assessed. The estimated duties set in this order are simply to be collected while the issues are pending before the C.I.T. The actual duties will not be determined until the Department conducts a section 751 review, and the Department will defer such a review until the litigation in the C.I.T. is concluded. Any rights of the domestic producers who originally petitioned for relief in this proceeding and who are the plaintiffs in the pending litigation will not be prejudiced in any way because no assessment of duties or liquidation of entries will occur until the referenced litigation ends. Rather, this order will only have the effect of allowing the government of the United Kingdom and exporters of the subject merchandise an opportunity to exercise legal rights which might otherwise expire.

Dated: December 21, 1982.

Lawrence J. Brady,

Assistant Secretary for Trade Administration.

[FR Doc. 82-34973 Filed 12-23-82; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX D

LIST OF WITNESSES APPEARING AT THE COMMISSION'S HEARING

TENTATIVE CALENDAR OF WITNESSES

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

Subject : Float Glass from Belgium and Italy

Inv. No. : 104-TAA-11 and 104-TAA-12

Date and time: December 16, 1982 - 10:00 a.m., e.s.t.

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

IN OPPOSITION TO THE REVOCATION OF THE OUTSTANDING COUNTERVAILING DUTY ORDER

Eugene L. Stewart--Counsel
Washington, D.C.
on behalf of

AFG Industries, Inc. (AFG) and
PPG Industries, Inc.

Eugene L. Stewart--OF COUNSEL

IN SUPPORT OF THE REVOCATION OF THE OUTSTANDING COUNTERVAILING DUTY ORDER

Donohue and Donohue--Counsel
New York, N.Y.
on behalf of

Fabbrica Pisana SPA and
Societa Italiana Vetro SPA

Gerard Perrot, President, Euroglass

James A. Geraghty--OF COUNSEL