

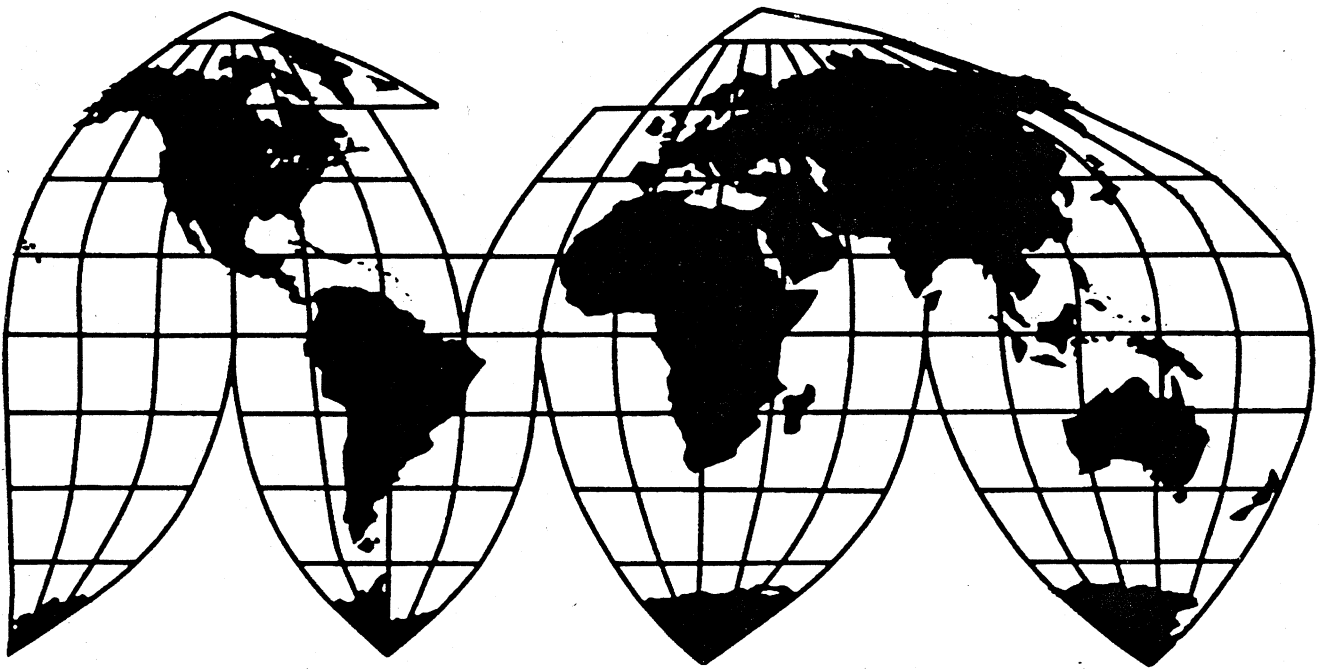
Certain Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines

Investigations Nos. 731-TA-865-867 (Final)

Publication 3387

January 2001

U.S. International Trade Commission



U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks (***)

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-865-867 (Final)

CERTAIN STAINLESS STEEL BUTT-WELD PIPE FITTINGS FROM ITALY, MALAYSIA, AND THE PHILIPPINES

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission determines,² pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports of certain stainless steel butt-weld pipe fittings from Italy, Malaysia, and the Philippines, provided for in subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV). The Commission further determines that critical circumstances do not exist with regard to those imports of the subject merchandise from Italy and the Philippines that were subject to affirmative critical circumstances determinations by the Department of Commerce.³

BACKGROUND

The Commission instituted these investigations effective December 29, 1999, following receipt of a petition filed with the Commission and the Department of Commerce by Alloy Piping Products, Inc., Shreveport, LA; Flowline Division of Markovitz Enterprises, Inc., New Castle, PA; Gerlin, Inc., Carol Stream, IL; and Taylor Forge Stainless, Inc., North Branch, NJ. The final phase of the investigations involving Italy and the Philippines was scheduled by the Commission following notification of preliminary determinations by the Department of Commerce that imports of certain stainless steel butt-weld pipe fittings from Italy and the Philippines were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). The final phase of the investigation involving Malaysia was scheduled at the same time even though Commerce made a negative preliminary determination in that investigation; Commerce ultimately made an affirmative final determination that imports of certain stainless steel butt-weld pipe fittings from Malaysia were being sold at LTFV within the meaning of section 735(b) of the Act (19 U.S.C. § 1673d(b)). Notice of the scheduling of the Commission's investigations and of a public 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, DC, and by publishing the notice in the *Federal Register* of August 23, 2000 (65 FR 51328). The hearing was held in Washington, DC, on October 17, 2000, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

² Commissioner Dennis M. Devaney not participating.

³ Commissioner Lynn M. Bragg found that critical circumstances exist with regard to those imports of the subject merchandise from Italy and the Philippines that were subject to affirmative critical circumstances determinations by the Department of Commerce.

VIEWS OF THE COMMISSION

Based on the record in these investigations, we determine that an industry in the United States is materially injured by reason of subject imports from Italy, Malaysia, and the Philippines that are sold in the United States at less than fair value.¹ We also determine that critical circumstances do not exist with respect to those subject imports from Italy and the Philippines that were subject to affirmative critical circumstances findings by the U.S. Department of Commerce (“Commerce”).²

On December 29, 1999, petitions were filed regarding certain stainless steel butt-weld pipe fittings (“butt-weld fittings”) from Germany, Italy, Malaysia, and the Philippines. The Commission’s views regarding subject imports from Germany were published in November 2000.³ The Commission was required to issue its determination with respect to subject imports from Germany in November 2000 because Commerce issued its final determination with respect to subject imports from Germany earlier than its final determinations with respect to subject imports from Italy, Malaysia, and the Philippines.

I. LIKE PRODUCT AND DOMESTIC INDUSTRY

The record in these investigations is nearly identical to the record on which the determination regarding subject imports from Germany was based, except that it also includes Commerce’s final determinations and the parties’ final comments concerning the significance thereof. Therefore, for purposes of these determinations, we adopt the findings and analysis in the Commission’s views regarding subject imports from Germany for the purpose of defining the domestic like product.⁴ We also adopt the findings and analysis regarding the definition of the domestic industry from the Commission’s views regarding subject imports from Germany.⁵ We find one domestic industry in these investigations and define it as all domestic producers of finished and unfinished butt-weld fittings having an outside diameter (based on nominal pipe size) of less than 14 inches.

We also must consider whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. § 1677(4)(B). That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry a producer that is related to an exporter or importer of subject merchandise, or which is itself an importer.⁶ Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each case.⁷

¹ Commissioner Devaney did not participate in these investigations.

² Commissioner Bragg concurs that the domestic industry is materially injured by reason of subject imports from Italy, Malaysia, and the Philippines that are sold in the United States at less than fair value, but she dissents from the Commission’s determination regarding critical circumstances. Rather, Commissioner Bragg makes an affirmative critical circumstances determination with respect to those subject imports from Italy and the Philippines that were subject to affirmative critical circumstances findings by Commerce.

³ Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Inv. No. 731-TA-864 (Final), USITC Pub. 3372 (Nov. 2000) (“German Determination”).

⁴ German Determination, USITC Pub. 3372, at 3-7.

⁵ German Determination, USITC Pub. 3372, at 7. The domestic industry is defined as “the producers as a [w]hole of a domestic like product.” 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market. See United States Steel Group v. United States, 873 F. Supp. 673, 681-84 (Ct Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996).

⁶ 19 U.S.C. § 1677(4)(B).

⁷ Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct Int’l. Trade 1989), aff’d without opinion, 904

(continued.)₃

We determine that two domestic producers are related parties – ***, both of which imported subject merchandise during the period of investigation.⁸

We find that appropriate circumstances do not exist to exclude *** from the domestic industry. *** only imported subject butt-weld fittings ***, and its subject imports were equivalent to *** percent of its domestic production in that year.⁹ ***.¹⁰ Although its financial performance was ***,¹¹ there is no clear indication that *** benefitted from its subject imports.

*** imported subject butt-weld fittings from ***.¹² Its subject imports were much higher than its domestic production, and the ratio of subject imports to domestic production increased over most of the period of investigation, suggesting that ***'s primary interest lies in importation rather than domestic production.¹³ ***.¹⁴ ***'s financial performance improved throughout much of the period of investigation, in contrast to the financial performance of most U.S. producers.¹⁵ Because of the magnitude of ***'s subject imports relative to its domestic production, and because the evidence

⁷(...continued)

F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct Int'l. Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the less than fair value sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market, and (3) the position of the related producers vis-a-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. *See, e.g., Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct Int'l. Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. *See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan*, Inv. Nos. 731-TA-741-43 (Final), USITC Pub. 3016, at 14 n.81 (Feb. 1997).

⁸ Confidential Staff Report from Mem. INV-X-235 ("CR") and Public Staff Report from German Determination, USITC Pub. 3372 ("PR") at Table III-5. During the period of investigation, *** purchased subject imports from *** and *** purchased subject imports from ***. CR and PR at Table III-5. *** reported purchases of subject imports from ***, but it did not supply complete and usable data in the final phase of these investigations. CR at III-6 n.4; PR at III-5 n.4. Consistent with the analysis and findings in our views in the German determination, German Determination, USITC Pub. 3372, at 8 n.33, and in the preliminary phase of these investigations, Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia and the Philippines, Invs. Nos. 731-TA-864 to 867 (Prelim.), USITC Pub. 3281, at 7-8 (Feb. 2000), we find that the size of the purchases of subject imports by *** were too small during the period of investigation to infer that they directly or indirectly control, or are controlled by, any foreign respondent producers or importers of subject merchandise. Accordingly, we determine that *** are not related parties within the meaning of the statute.

Consistent with the analysis *infra* in our discussion of cumulation, we find that the purchases of butt-weld fittings ***, CR and PR at Table III-5, ***. Commissioner Bragg does not join with respect to this sentence. *See infra* n.29.

⁹ CR and PR at Table III-5.

¹⁰ CR at III-6; PR at III-5.

¹¹ CR and PR at Table VI-5.

¹² CR and PR at Table III-5.

¹³ CR and PR at Table III-5. In the German determination, we noted that ***. German Determination, USITC Pub. 3372, at 9 n.40. ***.

¹⁴ *See, e.g.,* ***'s importer questionnaire response at 4.

¹⁵ CR and PR at Table VI-5.

suggests that *** may have benefitted from its subject imports, we find that appropriate circumstances exist to exclude *** from the domestic industry for purposes of these determinations.¹⁶

Accordingly, we define the domestic industry for purposes of these determinations as all domestic producers of finished and unfinished butt-weld fittings having an outside diameter (based on nominal pipe size) of less than 14 inches, except for ***.

II. MATERIAL INJURY BY REASON OF LESS THAN FAIR VALUE IMPORTS OF BUTT-WELD FITTINGS FROM ITALY, MALAYSIA, AND THE PHILIPPINES

In the final phase of antidumping duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the subject imports under investigation.¹⁷ In making this determination, the Commission must consider the volume of the subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.¹⁸ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”¹⁹ In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.²⁰ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”²¹

For the reasons discussed below, we determine that the domestic industry producing butt-weld fittings is materially injured by reason of less than fair value imports of subject butt-weld fittings from Italy, Malaysia, and the Philippines.

A. Cumulation

1. In General

For purposes of evaluating the volume and price effects for a determination of material injury by reason of the subject imports, Section 771(7)(G)(i) of the Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with domestic like product in the U.S. market.²² In assessing whether subject imports compete with each other and with the domestic like product,²³ the Commission has generally considered four factors, including:

¹⁶ We note that ***. CR and PR at Table III-1. Thus, its inclusion would have had an insignificant effect on our analysis of the domestic industry as a whole.

¹⁷ 19 U.S.C. § 1673d(b).

¹⁸ 19 U.S.C. § 1677(7)(B)(i). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each [such] factor ... [a]nd explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B); see also Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

¹⁹ 19 U.S.C. § 1677(7)(A).

²⁰ 19 U.S.C. § 1677(7)(C)(iii).

²¹ 19 U.S.C. § 1677(7)(C)(iii).

²² 19 U.S.C. § 1677(7)(G)(i).

²³ The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) expressly states that “the new section will not affect current Commission practice under which the statutory requirement is
(continued.)₃

- (1) the degree of fungibility among the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographical markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.²⁴

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.²⁵ Only a “reasonable overlap” of competition is required.²⁶

Because the petitions in these investigations of butt-weld fittings from Italy, Malaysia, and the Philippines were filed on the same day, the first statutory criterion for cumulation is satisfied. In addition, three of the four statutory exceptions to the general cumulation rule do not apply in these determinations.²⁷ The fourth statutory exception to the general cumulation rule, involving countries as to which investigations have been terminated, however, does apply. The Commission’s final negative determination regarding imports of butt-weld fittings from Germany and the resulting termination of the investigation of subject imports from Germany renders those imports ineligible for cumulation in the instant investigations pursuant to 19 U.S.C. § 1677(7)(G)(ii)(II).^{28 29}

(...continued)

satisfied if there is a reasonable overlap of competition,” SAA, H.R. Rep. 103-316, vol. I at 848 (1994), citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int’l Trade), aff’d, 859 F.2d 915 (Fed. Cir. 1988).

²⁴ See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff’d, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int’l Trade 1988), aff’d, 859 F.2d 915 (Fed. Cir.).

²⁵ See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

²⁶ See Goss Graphic System, Inc. v. United States, 33 F. Supp. 2d 1082 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

²⁷ These exceptions concern imports from Israel, countries as to which Commerce has made preliminary negative determinations, and countries designated as beneficiaries under the Caribbean Basin Economic Recovery Act. 19 U.S.C. § 1677(7)(G)(ii).

²⁸ This finding is consistent with the Commission’s approach in similar circumstances. Cf., e.g., Certain Cold-Rolled Steel from Turkey and Venezuela, Inv. Nos. 731-TA-839 to 840 (Final), USITC Pub. 3297 (May 2000).

²⁹ Commissioner Bragg disagrees that the statutory cumulation exception involving countries as to which investigations have been terminated applies in these circumstances. She determines that the record closing provision of 19 U.S.C. § 1677(7)(G)(iii) precludes the Commission from considering any information that postdates the November 13, 2000, closing of the record in these investigations, except as expressly provided by statute (i.e., Commerce’s final antidumping duty determinations and the parties’ final comments on the significance thereof). She has previously articulated this approach in similar circumstances. See, e.g., Certain Cold-Rolled Steel from Turkey and Venezuela, Inv. Nos. 731-TA-839 to 840 (Final), USITC Pub. 3297 (May 2000). Once the prerequisites

(continued..)

Therefore, we are required to determine whether there is a reasonable overlap of competition both among the subject imports from Italy, Malaysia, and the Philippines, and between the subject imports and the domestic like product.

2. Analysis

The record indicates that the degree of substitution between domestic and imported butt-weld fittings depends upon such factors as price, quality (whether the product meets the ASTM/ANSI standards, and, in some cases, if the product is produced by an approved manufacturers list (“AML” producer), availability, and serviceability.³⁰ The majority of butt-weld fittings sold in the United States is produced from the most common austenitic grades of stainless steel (304/304L and 316/316L),³¹ but the record reflects domestic production of butt-weld fittings from non-standard grades, including from those grades used by Italian producer Coprosider.³² Butt-weld fittings meeting ASTM, ASME, and ANSI standards are produced in standard diameters (based on nominal pipe sizes) and standard wall thicknesses to ensure compatibility with pipes in flow systems,³³ and subject imports from Italy, Malaysia, and the Philippines and the domestic like product are all produced to such industry standards.³⁴ Some purchasers will insist on domestic products, or will require domestic products to fill “Buy American” requirements, but the record indicates that domestically produced butt-weld fittings and subject merchandise can be used interchangeably if the quality is the same (i.e., as long as the product meets the industry standards),³⁵ and the record reflects that there are generally no significant quality differences among subject imports or between subject imports and the domestic like product.³⁶ Domestic producers and importers reported that subject imports are “always” or “frequently” interchangeable with other subject imports, and with the domestic like product.³⁷ As further evidence of fungibility, the record indicates that distributors typically carry the products of many different manufacturers, including domestic and foreign producers.³⁸

²⁹(...continued)

for cumulation are satisfied (i.e., filing of petitions on the same day coupled with a reasonable overlap of competition), she does not believe that the statute dictates disparate analyses simply because certain of the investigations are concluded before others; indeed, to conclude otherwise carries implications for the analysis beyond the question of cumulation. In any event, she determines that imports from Germany are not eligible for cumulation for purposes of these present material injury determinations because imports from Germany are negligible under 19 U.S.C. § 1677(24), and she adopts the negligible imports analysis set forth in the views regarding subject imports from Germany. See German Determination, USITC Pub. 3372, at 9-11.

³⁰ CR at II-6; PR at II-3.

³¹ CR at I-5; PR at I-4.

³² Compare, e.g., Coprosider’s Prehearing Brief at 3-5, Exhibit 2; Hearing Tr. at 144-47 (Faina), with, e.g., Petitioners’ Posthearing Brief at 6-7; Petitioners’ Response to Commission’s Questions at 17-18; Hearing Tr. at 230 (Kerwin); CR at I-5; PR at I-4.

³³ CR at I-4 to I-5, I-7; PR at I-4, I-6.

³⁴ See, e.g., Hearing Tr. at 155 (Blumenkrantz), 170-71 (Blumenkrantz); Foreign Producer Questionnaire Responses at 4 (question 6); CR at II-6; PR at II-3.

³⁵ CR at I-10, II-1; PR at II-1.

³⁶ CR at II-1; PR at II-1.

³⁷ CR at II-7 to II-9; PR at II-4 to II-5; CR and PR at Tables II-3 and II-4.

³⁸ CR at II-1; PR at II-1.

The parties disagreed about the size and importance of the AML segment of the market, and the extent to which non-AML purchases may be substituted for AML products if the offered prices are low enough. While there is some evidence that subject imports from Malaysia and the Philippines are not as widely approved for AML sales as subject imports from Italy and the domestic like product,³⁹ the record nevertheless reflects that subject imports from Italy, Malaysia, and the Philippines, as well as the domestic like product are all sold in both the AML⁴⁰ and non-AML markets⁴¹ for overlapping end uses.⁴²

There were some differences in product mix among subject imports, and between subject imports and the domestic like product in terms of size (under 6-inches, or 6-inches and more in outside diameter);⁴³ degree of processing (finished or unfinished);⁴⁴ and raw material (seamless or welded pipe),⁴⁵ but there was also overlap among subject imports and between subject imports and the domestic like product even with respect to these criteria.⁴⁶ While we are mindful of product mix issues, the available data suggest that subject imports from Italy, Malaysia, and the Philippines are at least moderately fungible with one another and with the domestic like product.⁴⁷

Subject imports from Italy, the Philippines, and Malaysia, and the domestic like product were all sold throughout the period of investigation and in the same geographical market – throughout the United

³⁹ CR at II-2; PR at II-1; see also, e.g., Coprosider's Prehearing Brief at Exhibit 4 (providing examples of purchase orders and requests for bids that excluded countries like the Philippines and Malaysia).

⁴⁰ See, e.g., CR at II-1 to II-2; PR at II-1. As petitioners noted, McJunkin and R.J. Gallagher, two major distributors of domestically produced and subject butt-weld fittings, and correspondingly, any of their suppliers, as well as Kanzen Tetsu, and Schulz Malaysia are on Union Carbide Corporation's AML. Coprosider is on a number of AMLs, including for Shell Oil Products Company. *** purchaser questionnaire response indicated that ***, and ***. Petitioners also submitted evidence that Schulz Malaysia is an approved supplier for Liberty Electric Power; Kanzen Tetsu is an approved supplier for Shell USA, Dow Chemical Plants, Shell Refinery Plants, Exxon Refinery Plants, and ***; and Tung Fong is approved to sell butt-weld fittings for use in chemical processing plants, petroleum refineries, and pharmaceutical plants, as indicated in its promotional materials. See, e.g., Petitioners' Prehearing Brief at 27-30; Petitioners' Posthearing Brief at 8-11, Exhibit 2; Petitioners' Response to the Commission's Questions at 33-34; Hearing Tr. at 22-23 (Barfield), 35-37 (Mavrich), 42-43 (Kerwin), 97-98 (Mavrich, Sharkey), 144-50 (Faina), 206 (Amerine); see also, e.g., Conference Transcript at 47-51; Petitioners' Postconference Brief at 19-20, Exhibit 1. Finally, the purchasers' questionnaire response of *** indicates that ***. Purchasers' Questionnaire Response of *** at 9.

⁴¹ See, e.g., Coprosider's Posthearing Brief at 4-5; Hearing Tr. at 23 (Barfield), 35-37 (Mavrich), 42-43 (Kerwin), 138 (Putman), 144 (Faina), 147 (Faina), 149-50 (Faina); Importers' Questionnaire Response of *** at 12; Purchasers' Questionnaire Response of *** at 11; Purchasers' Questionnaire Response of ***; Purchasers' Questionnaire Response of ***.

⁴² See, e.g., CR and PR at Table I-1.

⁴³ CR and PR at Table IV-2.

⁴⁴ CR and PR at Table IV-3.

⁴⁵ CR and PR at Table IV-4.

⁴⁶ Thus, although the distribution differed somewhat among sources, during the period of investigation, there were subject imports from Italy, Malaysia, the Philippines, and domestic shipments of: butt-weld fittings less than 6-inches in outside diameter, butt-weld fittings 6-inches and over in outside diameter, unfinished butt-weld fittings, finished butt-weld fittings, welded butt-weld fittings, and seamless butt-weld fittings. CR and PR at Tables IV-2, IV-3, and IV-4.

⁴⁷ See, e.g., CR at I-10, II-1, II-6 to II-9; PR at I-8, II-1, II-3 to II-6; CR and PR at Tables II-3, II-4, IV-2, IV-3, IV-4.

States.⁴⁸ While some butt-weld fittings were sold directly to end users, and some domestic producers purchased unfinished butt-weld fittings, in general, a significant proportion of butt-weld fittings from all sources were sold through distributors.⁴⁹

Based on the evidence in the record of geographic overlap, simultaneous presence, similar channels of distribution, and at least moderate fungibility among the subject imports from Italy, Malaysia, and the Philippines and between the subject imports from Italy, Malaysia, and the Philippines and the domestic like product, we find a reasonable overlap of competition among the subject imports from Italy, Malaysia, and the Philippines, and between the subject imports from Italy, Malaysia, and the Philippines and the domestic like product. Consequently, we cumulate subject imports from Italy, Malaysia, and the Philippines for purposes of our analysis of whether the domestic industry is materially injured by reason of the subject imports from Italy, Malaysia, and the Philippines.

B. Conditions of Competition⁵⁰

There are several conditions of competition that are relevant to our material injury analysis of subject imports from Italy, Malaysia, and the Philippines. The demand for butt-weld fittings is a derived demand. Most producers and importers stated that the primary end users of the product – the chemical, petrochemical, petroleum refining, nuclear, food and dairy, and pulp and paper industries – demand butt-weld fittings because of the metallurgical properties of stainless steel, such as non-corrosiveness for use in piping systems where extreme temperatures and high pressures are present.⁵¹ There are no known commercial substitutes for butt-weld fittings.⁵² Available data indicate that apparent U.S. consumption of butt-weld fittings fluctuated over the period of investigation, increasing overall from 17.0 million pounds in 1997 to 18.0 million pounds in 1999, and was 12.0 million pounds in interim 2000 compared to 8.5 million pounds in interim 1999.⁵³ The record, however, indicates that demand in the butt-weld fittings market was generally flat.⁵⁴

Sales of butt-weld fittings in the U.S. market by domestic producers and importers take place primarily through distributors, who generally stock large quantities of items from many different sources and then resell them to final customers.⁵⁵ Some of the distributors are also importers of butt-weld fittings from both subject and nonsubject countries.⁵⁶

⁴⁸ CR at I-8, V-1 to V-2; PR at I-7, V-1; CR and PR at Table IV-1.

⁴⁹ CR and PR at Table I-1.

⁵⁰ Commissioner Bragg notes that internal consumption and shipments to related firms ***, accounted for less than *** percent of U.S. shipments in all reporting periods. CR at III-5; PR at III-3; CR and PR at Table III-4. She does not find this level of related party transactions to be significant as required by the statutory captive production provision, 19 U.S.C. § 1677(7)(C)(iv). She notes that no party argued that the statutory captive production provision applies in these investigations.

⁵¹ CR at II-4; PR at II-3; CR and PR at Table I-1.

⁵² CR at I-10, II-4; PR at I-8, II-2.

⁵³ CR and PR at Table IV-6.

⁵⁴ CR at II-3 to II-4; PR at II-2; CR and PR at Table IV-6; see also, e.g., Hearing Tr. at 175-79 (Palma, Blumenkrantz, Putman, Klett).

⁵⁵ CR at II-1; PR at II-1; CR and PR at Table I-1.

⁵⁶ CR at I-8 to I-9, II-1; PR at I-7 to I-8, II-1; CR and PR at Table I-1.

Butt-weld fittings are typically produced to standard specifications, most notably ASTM A403/A403M.⁵⁷ Butt-weld fittings are distinguishable by type (elbows, tees, reducers, caps, etc.); by size (outside diameter); by steel grade (commonly 304/304L or 316/316L); by raw material (seamless or welded pipe); by degree of processing (finished or unfinished); or by wall thickness.⁵⁸ The parties disagreed about whether butt-weld fittings are a commodity product, and about the extent to which non-price considerations are important to purchasers. While we are mindful of product mix issues, we note that the available data suggest that subject imports from Italy, Malaysia, and the Philippines are at least moderately fungible with one another and with the domestic like product, as indicated in more detail in our cumulation discussion.⁵⁹

The domestic market is supplied by multiple sources. These include at least twelve domestic producers of the domestic like product, imports from the subject countries, and non-subject imports.⁶⁰ Nonsubject imports fell from *** pounds in 1997 to *** pounds in 1999, and were *** pounds in interim 2000, compared to *** pounds in interim 1999; their share of apparent U.S. consumption fell from *** percent in 1997 to *** in 1999, and was *** in interim 2000, compared to *** in interim 1999.⁶¹ The record indicates that nonsubject imports are substitutable for the domestic like product and subject imports.⁶²

C. Volume of the Cumulated Subject Imports

Section 771(7)(C)(i) of the Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”⁶³

The quantity of cumulated imports of subject butt-weld fittings from Italy, Malaysia, and the Philippines rose from *** pounds in 1997 to *** pounds in 1999, and was *** pounds in interim 2000, compared to *** pounds in interim 1999.⁶⁴ The volume of cumulated subject imports in 1999 was ***

⁵⁷ CR and PR at I-1 n.1.

⁵⁸ CR at I-5, I-7; PR at I-4, I-6; CR and PR at Figure I-1.

⁵⁹ See, e.g., CR at I-10, II-1, II-6 to II-9; PR at I-8, II-1, II-3 to II-6; CR and PR at Tables II-3, II-4, IV-2, IV-3, IV-4.

⁶⁰ CR and PR at Tables III-1, IV-1.

⁶¹ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁶² CR and PR at Tables II-3, II-4.

⁶³ 19 U.S.C. § 1677(7)(C)(i).

⁶⁴ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative). We treated imports of butt-weld fittings from Enlin as subject imports from the Philippines. Tung Fong, a manufacturer in the Philippines, alleged that Enlin transshipped butt-weld fittings from other countries through the Philippines to the United States, in order to evade U.S. antidumping duty orders on butt-weld fittings from Japan and Taiwan. See, e.g., Tung Fong’s Prehearing Brief; Tung Fong’s Final Comments; and Tung Fong’s Posthearing Brief (attaching numerous documents demonstrating a regular flow of butt-weld fittings from Taiwan and Japan into the Philippines, a regular flow of butt-weld fittings from the Philippines to the United States, and a sequential invoicing system used to track imports into the Philippines that appears to be similar to, and chronologically related to, the sequential invoicing system used to track exports from the Philippines. The documents, however, did not demonstrate a specific instance of transshipments – due to differences in timing, volume, value, or invoice numbers, the “import” documents do not tie to the “export” documents). The Commission has no information from Commerce or Customs indicating that the imports in question are from anywhere but the Philippines. We find that the evidence provided by Tung Fong is not sufficient to outweigh the certifications provided by Enlin (Philippines) and Enlin USA regarding the origin of the

(continued)

percent higher than in 1997, and the volume of cumulated subject imports in interim 2000 was *** percent higher than in interim 1999.⁶⁵ The share of apparent U.S. consumption supplied by cumulated subject imports of butt-weld fittings increased from *** percent in 1997 to *** percent in 1999, and was *** percent in interim 2000, compared to *** percent in interim 1999.⁶⁶

Accordingly, we find the cumulated volume of subject imports and the increase in that volume, in absolute and relative terms, to be significant.

D. Price Effects of the Cumulated Subject Imports

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.⁶⁷

The Commission collected pricing data for six types of butt-weld fittings. The data show that prices for domestically produced butt-weld fittings declined *** between 1997 and the third quarter of 1999.⁶⁸ During this period, there was persistent underselling by the subject imports from Italy, Malaysia, and the Philippines, by significant margins.⁶⁹ Prices of subject imports also generally declined during this period, which was a time of generally flat demand.⁷⁰ While we view average unit values in this industry with caution given product mix issues, we note that average unit values declined for both the domestic like product and subject imports, and that the decline in the domestic industry's average unit values during this period exceeded the decline in raw material costs.⁷¹ We find that the underselling is particularly significant in light of record evidence indicating substitutability between subject imports and

⁶⁴(...continued)

butt-weld fittings and the absence of production facilities in Taiwan for Enlin to produce butt-weld fittings, and other evidence on the record. See, e.g., Enlin's Foreign Producer Questionnaire Response; Enlin USA's Importer Questionnaire Response; CR at IV-5; PR at IV-4; Hearing Tr. at 89-94 (Kerwin, Mavrich, Sharkey, Barfield).

⁶⁵ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative). In contrast, we note that the volume of nonsubject imports declined *** percent between 1997 and 1999, and the volume of nonsubject imports was *** percent higher in interim 2000 than in interim 1999. Id.

⁶⁶ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁶⁷ 19 U.S.C. § 1677(7)(C)(ii).

⁶⁸ Mem. INV-X-239 (Nov. 13, 2000), Tables V-1, V-3, V-4, V-5, and V-6.

⁶⁹ Mem. INV-X-239 (Nov. 13, 2000), Tables V-1, V-3, V-4, V-5, V-6, and V-7.

⁷⁰ Mem. INV-X-239 (Nov. 13, 2000), Tables V-1, V-3, V-4, V-5, and V-6; CR and PR at Table IV-6.

⁷¹ CR at VI-17; PR at VI-6; CR and PR at Tables VI-1 and VI-6. There is no evidence of a dramatic change in product mix between 1997 and 1999. In contrast, we note that the average unit value of nonsubject imports increased between 1997 and 1999, and the average unit value of nonsubject imports in interim 2000 was higher than in interim 1999. Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

the domestic like product, as discussed earlier,⁷² and the evidence that price is an important factor in purchasing decisions.⁷³

While prices of butt-weld fittings increased somewhat in the three most recent quarters captured by the data on the record, they remained far below their levels in 1997, before the significant increase in the volume of cumulated subject imports.⁷⁴ The rise in prices during this nine-month period is attributable at least in part to a temporary increase in apparent U.S. consumption,⁷⁵ the pendency of these investigations,⁷⁶ and to some degree, a rise in raw material costs.⁷⁷ We note, however, more recent evidence of price declines in the period subsequent to the data collected by the Commission.⁷⁸

In light of the *** decline in price levels during most of the period examined, the pervasive and significant underselling, and the substitutability of subject imports and the domestic like product, we find that the subject imports depressed and suppressed domestic prices to a significant degree.

E. Impact of the Cumulated Subject Imports on the Domestic Industry^{79 80}

Section 771(7)(C)(iii) provides that the Commission, in examining the impact of the subject imports on the domestic industry, “shall evaluate all relevant economic factors which have a bearing on the state of the industry.”⁸¹ These factors include output, sales, inventories, capacity utilization, market

⁷² While domestic producers claimed that they were unable to provide a large number of lost revenue and lost sales allegations, those that they did provide were confirmed. CR at V-23; PR at V-20. Moreover, a witness for one of the respondents conceded that subject imports from Malaysia and the Philippines were depressing prices in the domestic market. See Hearing Tr. at 152 (Palma), 192-93 (Palma), 202 (Palma).

⁷³ CR and PR at Table II-2.

⁷⁴ Mem. INV-X-239 (Nov. 13, 2000), Tables V-1, V-3, V-4, V-5, and V-6; see also Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁷⁵ Although apparent U.S. consumption increased in the latter part of the period covered by the data on the record, some of the volume in question went into importers’ or distributors’ inventories. CR and PR at Table IV-5; Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative); see also, e.g., Petitioners’ Response to Commission’s Questions at 35-36; Hearing Tr. at 33 (Mavrich), 175-77 (Palma, Blumenkrantz, Putman).

⁷⁶ We note that the statute directs us to “consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition in an investigation ... is related to the pendency of the investigation,” and if so, we may “reduce the weight accorded to the data for the period after the filing of the petition” in making our material injury determination. 19 U.S.C. § 1677(7)(I).

⁷⁷ Mem. INV-X-239 (Nov. 13, 2000), Tables V-1, V-3, V-4, V-5, and V-6; Hearing Tr. at 81-82 (Sharkey), 200 (Klett).

⁷⁸ See, e.g., Hearing Tr. at 46-47 (Kerwin); 81-82 (Sharkey); Petitioners’ Response to Commission’s Questions at 26-28.

⁷⁹ The statute instructs the Commission to consider the “magnitude of the dumping margin” in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). Commerce’s final antidumping margins are as follows: Coprosider (26.59), all others from Italy (26.59), Kanzen Tetsu (7.51), all others from Malaysia (7.51), Enlin (33.81), Tung Fong (33.81), all others from the Philippines (33.81).

⁸⁰ Commissioner Bragg notes that she does not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports on domestic producers. See, e.g., Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996).

⁸¹ 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 (“In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in

(continued_{1,2})

share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the industry.”⁸²

Although domestic production capacity increased somewhat over the period of investigation, the level of domestic production was largely stable. Capacity utilization declined from *** percent in 1997 to *** percent in 1999, and was *** percent in interim 2000 compared to *** percent in interim 1999.⁸³ The level of domestic inventories increased somewhat between 1997 and 1999, and was *** higher *** in interim 2000 than in interim 1999.⁸⁴ While the quantity of domestic shipments increased between 1997 and 1999, and was higher in interim 2000 than in interim 1999, the value of domestic shipments declined *** between 1997 and 1999, although it was *** percent higher in interim 2000 than in interim 1999.⁸⁵ Industry net sales value declined from *** in 1997 to *** in 1999, but was *** in interim 2000, compared to *** in interim 1999.⁸⁶ Operating income fell from *** in 1997 to *** in 1999, a decline of *** percent over that period, as price declines greatly exceeded the reductions in raw materials costs and other costs of goods sold; operating income in interim 2000, however, was ***, compared to *** in interim 1999.⁸⁷ As a percentage of sales, operating income fell from *** percent in 1997 to *** percent in 1999, but was *** percent in interim 2000 compared to *** percent in interim 1999.⁸⁸

Many producers indicated that they had to reduce the size of their capital investments or cancel expansion projects,⁸⁹ and capital expenditures fluctuated, but were markedly higher in 1999 than in 1997, before decreasing in the first half of 2000.⁹⁰ The domestic industry’s *** research and development expenditures were higher in 1999 than in 1997 or 1998, but lower in the first half of 2000.⁹¹ Finally, the number of production workers and hours worked fell between 1997 and 1999, but were higher in interim 2000 than in interim 1999.⁹²

The declines in several of the major domestic industry indicators coincided with the significant increase in both absolute and relative terms of the volume of cumulated subject imports, and reflects the significant price-depressing and suppressing effects of those subject imports.

The recent improvements in some of the major domestic industry indicators were modest, and occurred as other industry indicators declined. Domestic producers testified and submitted other

⁸¹(...continued)

some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” *Id.* at 885).

⁸² 19 U.S.C. § 1677(7)(C)(iii).

⁸³ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁸⁴ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁸⁵ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁸⁶ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁸⁷ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁸⁸ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative).

⁸⁹ CR and PR at Appendix D.

⁹⁰ CR and PR at Table VI-7.

⁹¹ CR and PR at Table VI-7.

⁹² We note that *** did not provide information regarding employment indicators, so the data coverage in the record is limited.

evidence regarding continued difficulties of the domestic industry, including ***,⁹³ and declines of *** percent in the level of domestic shipments in the third quarter 2000 compared to the first two quarters of the year.⁹⁴ Testimony was provided and information was submitted suggesting that the price increases in the three most recent quarters covered by the Commission's pricing data were soon followed by price declines, and suggesting that the increase in apparent U.S. consumption was temporary.⁹⁵

Thus, we find that the cumulated subject imports are having a significant adverse impact on the domestic butt-weld fittings industry. Accordingly, we determine that the domestic butt-weld fittings industry is materially injured by reason of cumulated subject imports from Italy, Malaysia, and the Philippines that were sold in the United States at less than fair value.

III. CRITICAL CIRCUMSTANCES⁹⁶

In its final antidumping duty determinations regarding subject imports from Italy and the Philippines, Commerce made affirmative findings of critical circumstances with respect to subject butt-weld fittings produced and/or exported by Coprosider, an Italian producer, and Enlin and Tung Fong, two producers from the Philippines.⁹⁷ Because we have determined that the domestic butt-weld fittings industry is materially injured by reason of subject imports from Italy and the Philippines, we must further determine "whether the imports subject to the affirmative {Commerce critical circumstances} determination ... are likely to undermine seriously the remedial effect of the antidumping duty order to be issued."⁹⁸ The SAA indicates that the Commission is to determine "whether, by massively increasing

⁹³ See, e.g., Petitioners' Response to Commission's Questions at 26-28; Hearing Tr. at 30 (Sharkey), 32-35 (Mavrich), 45-48 (Kerwin), 80-82 (Sharkey, Mavrich), 86-88 (Barfield, Mavrich).

⁹⁴ See, e.g., Petitioners' Response to Commission's Questions at 27, 35-36.

⁹⁵ See, e.g., Hearing Tr. at 32-35 (Mavrich), 160 (Klett), 175-79 (Klett, Putman, Palma, Blumenkrantz), 201 (Putman), 231 (Kerwin); Petitioners' Response to Commission's Questions at 26-28.

⁹⁶ Commissioner Bragg finds that the most important period for rendering critical circumstances determinations in these investigations is the six-month period following the filing of the petitions. The record indicates that subject imports from the Italian producer at issue increased from *** pounds during the period July-December 1999 to *** pounds during the period January-June 2000. Subject imports from the Philippine producers at issue increased from *** pounds during the period July-December 1999 to *** pounds during the period January-June 2000. Mem. INV-Y-002 (Jan. 4, 2001) at Tables I-1 to I-3. In addition, the record indicates that although importers' inventories of subject merchandise from Italy and the Philippines declined between the relevant six month periods, Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative), inventories of Italian and Philippine subject imports held by U.S. distributors surged in early 2000. Hearing Tr. at 175 (Blumenkrantz), 210 (Blumenkrantz). This is an important distinction because the record indicates that with respect to subject imports from these two subject countries, distributors, rather than importers, are the primary holders of subject import inventories in the United States. Hearing Tr. at 176 (Blumenkrantz). Based upon the foregoing, Commissioner Bragg finds that subject imports from the Italian and Philippine producers at issue would undermine seriously the remedial effects of the antidumping duty orders. Accordingly, Commissioner Bragg renders affirmative critical circumstances determinations with respect to those subject imports from Italy and the Philippines that were subject to affirmative critical circumstances findings by Commerce.

⁹⁷ See Stainless Steel Butt-Weld Pipe Fittings from Italy, 65 Fed. Reg. 47388, 47391-92 (Aug. 2, 2000); Stainless Steel Butt-Weld Pipe Fittings from the Philippines, 65 Fed. Reg. 81823 (Dec. 27, 2000); Stainless Steel Butt-Weld Pipe Fittings from the Philippines, 65 Fed. Reg. 47393, 47396-97 (Aug. 2, 2000).

⁹⁸ 19 U.S.C. § 1673d(b)(4)(A)(i).

imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order.”⁹⁹

The statute further provides that in making this determination the Commission shall consider, among other factors it considers relevant:

- (I) the timing and the volume of the imports,
- (II) a rapid increase in inventories of the imports, and
- (III) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined.¹⁰⁰

Consistent with Commission practice, in considering the timing and volume of subject imports, we have considered import quantities prior to the filing of the petition and those subsequent to the filing of the petition.¹⁰¹ The record contains monthly export data for the firms subject to the affirmative Commerce critical circumstances determination. We examined the data included in the six-month periods before and after the filing of the petitions.¹⁰²

Exports from Italy and the exports from the Philippines subject to Commerce’s affirmative critical circumstances determinations were higher in the period following filing of the petition than in the period preceding it.¹⁰³ Although the record does not contain information specifically concerning U.S. importers’ inventories of subject butt-weld fittings of those firms subject to Commerce’s affirmative critical circumstances findings,¹⁰⁴ end-of-period inventories of all subject imports from Italy decreased from *** pounds at the end of 1999 to *** pounds at the end of June 2000, and end-of-period inventories of all subject imports from the Philippines decreased from *** pounds at the end of 1999 to *** pounds at the end of June 2000.¹⁰⁵ We determine that imports of butt-weld fittings subject to affirmative critical circumstances findings by Commerce will not seriously undermine the remedial effect of the antidumping duty orders. The increase in the volume of exports from Coprosider, Tung Fong, and Enlin since the filing of the petitions occurred during a time of increasing apparent U.S. consumption and coincided with increases in the volume of non-subject imports and increases in the level of domestic shipments.¹⁰⁶ Further, we do not see the significant increases in inventories of subject imports which we would expect, at least at the importer level.¹⁰⁷ Particularly in light of the increasing prices experienced

⁹⁹ SAA at 877.

¹⁰⁰ 19 U.S.C. § 1673d(b)(4)(A)(ii).

¹⁰¹ See, e.g., Preserved Mushrooms from China, India, and Indonesia, Invs. Nos. 731-TA-777 to 779 (Final), USITC Pub. 3159 at 24 (Feb. 1999).

¹⁰² Mem. INV-Y-002 (Jan. 4, 2001) at Tables I-1 to I-3.

¹⁰³ Mem. INV-Y-002 (Jan. 4, 2001) at Tables I-1 to I-3. The volume of imports of all subject merchandise from Italy and the volume of all subject merchandise from the Philippines was also larger over the course of the six-month period following the filing of the petitions than it was during the six-month period preceding the filing of the petitions. CR and PR at Table IV-5.

¹⁰⁴ The record, however, suggests that the firms subject to Commerce’s final affirmative critical circumstances findings were the only source of subject imports from Italy and the Philippines.

¹⁰⁵ Mem. INV-Y-008 (Jan. 16, 2001), at Table B-1 (alternative).

¹⁰⁶ CR and PR at Table IV-5; Mem. INV-Y-002 (Jan. 4, 2001) at Tables I-1 to I-3.

¹⁰⁷ We acknowledge petitioners’ argument that increased inventories should also be apparent at the distributor level, see, e.g., Petitioners’ Final Comments at 14; Hearing Tr. at 33-35 (Mavrigh), 38 (Mavrigh), 47-49 (Kerwin), 81 (Mavrigh), 87 (Barfield), 113-14 (Kerwin, Sharkey), 118-22 (Sharkey, Barfield, Mavrigh, Kerwin), even if the

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during that time,¹⁰⁸ we do not believe that the increased volume of those subject imports from Italy and the Philippines will seriously undermine the remedial effects of the antidumping duty orders.

Accordingly, we make negative critical circumstances determinations concerning those imports of butt-weld fittings from Italy and the Philippines that are subject to final affirmative critical circumstances findings by Commerce.

CONCLUSION

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of imports of subject butt-weld fittings from Italy, Malaysia, and the Philippines that are sold in the United States at less than fair value. We also make negative critical circumstances determinations concerning those subject imports from Italy and the Philippines that were subject to final affirmative critical circumstances findings by Commerce.¹⁰⁹

¹⁰⁷(...continued)

record does not show the significant increase in the level of inventories at the importer level. CR and PR at Table VII-5. Other testimony indicated that distributor inventories were high due to a downturn in demand, had been built up in anticipation of increased raw materials costs, not necessarily in anticipation of antidumping duty orders, and frequently did not distinguish among inventories originating from Italy, the Philippines, and other sources. See, e.g., Hearing Tr. at 175-79 (Palma, Blumenkrantz, Putman, Klett).

¹⁰⁸ Mem. INV-Y-008 (Jan. 16, 2001) at Table B-1 (alternative); see also Mem. INV-X-239 (Nov. 13, 2000) at Tables V-1, V-3, V-4, V-5, and V-6.

¹⁰⁹ Commissioner Bragg dissents from the Commission's negative critical circumstances finding, as indicated earlier.

PART I: SUPPLEMENTAL INFORMATION OBTAINED IN THE INVESTIGATIONS

BACKGROUND

These investigations result from a petition filed on behalf of Alloy Piping Products, Inc. (“Alloy Piping”), Shreveport, LA; Flowline Division of Markovitz Enterprises, Inc. (“Flowline”), New Castle, PA; Gerlin, Inc. (“Gerlin”), Carol Stream, IL; and Taylor Forge Stainless, Inc. (“Taylor Forge”), North Branch, NJ, on December 29, 1999, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of certain stainless steel butt-weld pipe fittings (“butt-weld fittings”)¹ from Germany, Italy, Malaysia, and the Philippines.

This staff report contains only information related specifically to Commerce’s final determinations on LTFV imports from Italy, Malaysia, and the Philippines;² critical circumstances information with regard to Italy and the Philippines;³ and COMPAS runs based on the final Commerce margins. All other information regarding these investigations is provided in the Commission’s report on Germany, Inv. No. 731-TA-864 (Final), USITC Pub. 3372.⁴ A summary of data collected in these investigations is presented in appendix B, table B-1. Information relating to the background of these investigations is provided below.

¹ For purposes of these investigations, certain stainless steel butt-weld pipe fittings are under 355.6 mm (14 inches) in outside diameter (based on nominal pipe size), whether finished or unfinished. The product encompasses all grades of stainless steel and “commodity” and “specialty” fittings. Specifically excluded from the definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel. The fittings subject to these investigations are generally designated under specification ASTM A403/A403M, the standard specification for wrought austenitic stainless steel piping fittings, or its foreign equivalents (e.g., DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, which are wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revisions of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Pipe fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by these investigations. These investigations do not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M. Certain stainless steel butt-weld pipe fittings are provided for in subheading 7307.23.00 of the United States Harmonized Tariff Schedule (“HTS”) with a normal trade relations tariff rate of 5 percent *ad valorem*, applicable to imports from Germany, Italy, Malaysia, and the Philippines. Although the HTS subheading is provided for convenience and customs purposes, Commerce’s written description of the scope in these investigations is dispositive.

² Commerce’s *Federal Register* notices are provided in app. A.

³ The critical circumstances information was provided to the Commission before the closing of the factual records in these investigations.

⁴ Commerce made its final LTFV determination on imports from Germany in October 2000, but extended the investigations on imports from Italy, Malaysia, and the Philippines, not making final determinations until December. Section 735(b)(2) of the Tariff Act of 1930 (the Act) requires that the Commission make its final injury determination within 45 days of Commerce’s final LTFV determination and, accordingly, that determination concerning imports from Germany was made on November 29, 2000. In its preliminary determination concerning imports from Malaysia, Commerce found a *de minimis* LTFV margin for Kanzen Tetsu Sdn. Bhd. (65 FR 47398, August 2, 2000) and, accordingly, imports from Kanzen Tetsu were not eligible for cumulation in the Commission’s investigation and determination concerning Germany. In its final determination on imports from Malaysia, however, Commerce found a 7.51 percent LTFV margin for Kanzen Tetsu and all other Malaysian exporters/manufacturers. This report is the same as the one in the investigation concerning Germany except for changes required to depict U.S. imports from Malaysia as subject merchandise.

<i>Date</i>	<i>Action</i>
December 29, 1999	Petition filed with Commerce and the Commission; institution of Commission investigations (65 FR 1174, January 7, 2000)
January 31, 2000	Commerce's notice of initiation (65 FR 4595)
February 24, 2000	Commission's preliminary determinations (65 FR 9298)
August 2, 2000	Commerce's preliminary determinations (65 FR 47384 (Germany), 65 FR 47388 (Italy), 65 FR 47393 (Philippines), and 65 FR 47398 (Malaysia)); scheduling of final phase of Commission investigations (65 FR 51328, August 23, 2000)
October 10, 2000	Commerce's final determination (Germany, 65 FR 61142, October 16, 2000)
October 17, 2000	Commission's hearing
November 20, 2000	Commission's vote (Germany)
November 29, 2000	Commission determination sent to Commerce (Germany)
December 27, 2000	Commerce's final determinations (65 FR 81830 (Italy), 65 FR 81825 (Malaysia), 65 FR 81823 (Philippines))
January 18, 2001	Commission's votes (Italy, Malaysia, Philippines)
January 29, 2001	Commission determinations sent to Commerce (Italy, Malaysia, Philippines)

NATURE AND EXTENT OF SALES AT LTFV

On December 27, 2000, Commerce published in the *Federal Register* its notice of affirmative final determinations regarding sales at LTFV of butt-weld fittings from Italy, Malaysia, and the Philippines. The following tabulation provides Commerce's final dumping margins with regard to Italy, Malaysia and the Philippines.

Country and firm	Margins (percent)
Italy	
Coprosider	26.59
All others	26.59
Malaysia	
Kanzen Tetsu	7.51
All others	7.51
Philippines	
Enlin Steel	33.81
Tung Fong	33.81
All others	33.81

CRITICAL CIRCUMSTANCES

In its final determinations, Commerce found that critical circumstances exist for imports from the Italian firm Coprosider, and with regard to imports from the Philippine firms Enlin Steel and Tung Fong. Commerce determined that critical circumstances do not exist with regard to imports from Malaysia. In all investigations, Commerce found that critical circumstances do not exist with regard to imports from producers in the "all others" category. Monthly data for the 6-month periods before and after the filing of the petition on December 29, 1999 (i.e., July 1999 through June 2000) on exports to the United States from the Italian producer Coprosider are presented in table I-1 below, from the Philippine producer Enlin Steel in table I-2, and from the Philippine producer Tung Fong in table I-3.

Table I-1

Butt-weld fittings: Monthly exports to the United States from Coprosider (Italy), July 1999 to June 2000

* * * * *

Table I-2

Butt-weld fittings: Monthly exports to the United States from Enlin Steel (Philippines), July 1999 to June 2000

* * * * *

Table I-3

Butt-weld fittings: Monthly exports to the United States from Tung Fong (Philippines), July 1999 to June 2000

* * * * *

MODEL RESULTS

This analysis uses a nonlinear partial equilibrium model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used for the analysis of trade policy changes in both partial and general equilibrium. Based on discussion earlier, staff has selected a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticities, demand elasticity, and substitution elasticity) in the U.S. butt-weld fittings market. The model uses these estimates along with data on market shares and Commerce's final dumping margins. In this modeling exercise, staff has calculated a weighted-average margin for subject imports using available data for 1999.⁵

The analysis uses the most recent one-year period for which data are available, 1999, as the base year. The model results estimate the effects of dumping on the domestic butt-weld fittings industry over a one-year time period only. Effects over a longer time period are not part of this modeling exercise.

⁵ Staff applied the market shares of subject imports from Italy, Malaysia, and the Philippines for 1999 to the dumping margins estimated by Commerce for each subject country; these margins were combined for a weighted-average margin for all subject countries.

Finally, the model does not assume that all of the dumping margin is passed forward to U.S. prices of the subject imports. The modeling results are presented in table I-4. Details are presented in appendix C.

Table I-4
Model results

* * * * *

APPENDIX A

FEDERAL REGISTER NOTICES

with notice of issuance of the charging letter * * * Hence, as service was effected on June 30, 1997, MES's answer to the charging letter was due no later than August 1, 1997. MES did not file an answer to the charging letter. MES is therefore in default. Thus, pursuant to section 766.7 of the Regulations, BXA moved the Administrative Law Judge (hereinafter the "ALJ") to find the facts to be as alleged in the charging letter and render a Recommended Decision and Order.

Following BXA's motion, the ALJ issued a Recommended Decision and Order in which he found the facts to be as alleged in the charging letter, and concluded that those facts constitute two violations of section 787.5(a)(1) of the former Regulations by MES, as BXA alleged. The ALJ also agreed with BXA's recommendation that the appropriate penalty to be imposed for the violations is a denial of MES's export privileges for ten years.

As provided by section 766.22 of the Regulations, the Recommended Decision and Order has been referred to me for final action. Based on my review of the entire record, I affirm the findings of fact and conclusions of law in the Recommended Decision and Order of the ALJ.

Accordingly, It Is Therefore Ordered, First, that, for a period of ten years from the date of this Order, Modern Engineering Services, House No. 2262 I-10/2, Islamabad, Pakistan, also known as Engineering and Technical Services, No. 1 Street #17, f-8-3 Rawalpindi, Islamabad, Pakistan, and all of its successors or assigns, officers, representatives, agents, and employees, may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefitting in any way from any transaction involving any item exported

or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

Second, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the denied person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the denied person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from the denied person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and that is owned, possessed or controlled by the denied person, or service any item, of whatever origin, that is owned, possessed or controlled by the denied person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Third, that, after notice and opportunity for comment as provided in section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the denied person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

Fourth, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

Fifth, that this Order shall be served on MES and on BXA, and shall be published in the Federal Register.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Dated: December 14, 2000.

William A. Reinsch,
Under Secretary for Export Administration.
[FR Doc. 00-32908 Filed 12-26-00; 8:45 am]
BILLING CODE 3510-DT-M

DEPARTMENT OF COMMERCE

International Trade Administration
[A-565-801]

Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Butt-Weld Pipe Fittings From the Philippines

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final determination of sales at less than fair value.

EFFECTIVE DATE: December 27, 2000.

FOR FURTHER INFORMATION CONTACT: Fred Baker or Robert James at (202) 482-2924 and (202) 482-0649, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all references to the Department of Commerce's (the Department's) regulations are to 19 CFR Part 351 (1999).

Final Determination

We determine that stainless steel butt-weld pipe fittings from the Philippines are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margin of sales are shown in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

The Department published the preliminary determination of sales at less-than-fair-value on August 2, 2000. See *Notice of Preliminary Determination of Sales at Less Than Fair Value*.³

Stainless Steel Butt-Weld Pipe Fittings from the Philippines, 65 FR 47393 (August 2, 2000) (Preliminary Determination). Since then the following events have occurred:

The Department conducted verifications of the cost responses of Tung Fong Industrial Co., Ltd. (Tung Fong) from September 25 through September 29, 2000 and the sales responses of Tung Fong from October 2 to October 6, 2000. See the "Verification" section (below).

The Department performed a post-preliminary analysis for Tung Fong. It put this analysis on the record of this investigation on November 2, 2000.

The petitioners, Tung Fong, and Enlin Steel Corporation (Enlin) filed case briefs on November 15, 2000. The petitioners and Enlin filed rebuttal briefs on November 22, 2000. Tung Fong filed its rebuttal brief on November 24, 2000.

Critical Circumstances

According to section 733(e) of the Tariff Act, the Department must examine whether there is a reasonable basis to believe or suspect that (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) The volume and value of the imports; (ii) Seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports during the "relatively short period" of over 15 percent may be considered "massive." Section 351.206(i) of the Department's regulations defines "relatively short period" normally as the period beginning on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later.

As in the preliminary determination, we continue to find critical circumstances for respondent Enlin. (Enlin did not comment on this determination in its case brief.) See the Preliminary Determination at 47396 for

an explanation of the basis for the Department's determination.

With respect to Tung Fong, we impute knowledge of dumping with regard to exports by this company based on Tung Fong's final dumping margin being greater than 25 percent. See *Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China: Preliminary Determination of Sales at Less-Than-Fair-Value*, 62 FR 31972, 31978 (June 11, 1997). We also find that there was a massive increase in imports over a relatively short period of time. See Tung Fong's export volumes provided in its August 8, 2000 submission, p. E447. Based on this information we make an affirmative final determination of critical circumstances with regard to Tung Fong.

With respect to companies in the "all others" category, it is the Department's normal practice to base its determination on the experience of investigated companies. See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon-Quality Steel Plate From Japan*, 64 FR 73215, 73218 (December 29, 1999), and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Steel Concrete Reinforcing Bars from Turkey*, 62 FR 9737, 9741 (March 4, 1997). However, for companies in the "all others" category, we do not use adverse facts available. Accordingly, we cannot utilize the dumping margins of Tung Fong or Enlin in making this determination because they were both based, at least partially, on adverse facts available. Therefore, since we have no other basis on which to impute knowledge of dumping, we make a negative final determination with respect to "all others." See also the Preliminary Determination at 47396.

Period of Investigation

The period of investigation is October 1, 1998 through September 30, 1999.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the "Issues and Decision Memorandum" (Decision Memorandum) from Joseph Spetrini, Deputy Assistant Secretary, Import Administration, to Troy Cribb, Assistant Secretary for Import Administration, dated the same date as publication of this notice, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as an appendix. Parties can find a

complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in room B-099 of the Department of Commerce building. In addition, a complete version of the Decision Memo can be accessed directly on the internet at <http://ia.ita.doc.gov>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Scope of Investigation

For purposes of this investigation, the product covered is certain stainless steel butt-weld pipe fittings. Certain stainless steel butt-weld pipe fittings are under 14 inches in outside diameter (based on nominal pipe size), whether finished or unfinished. The product encompasses all grades of stainless steel and "commodity" and "specialty" fittings. Specifically excluded from the definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel.

The fittings subject to these investigations are generally designated under specification ASTM A403/A403M, the standard specification for Wrought Austenitic Stainless Steel Piping Fittings, or its foreign equivalents (*e.g.*, DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, of wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revision of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Pipe fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by these investigations.

These investigations do not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M.

The stainless steel butt-weld pipe fittings subject to these investigations are currently classifiable under subheading 7307.23.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Currency Conversion

We made currency conversions into United States dollars in accordance with section 77A(a) of the Tariff Act based on exchange rates in effect on the dates of the United States sales, as provided by the Dow Jones Business Information Services.

Verification

As provided in section 782(i) of the Tariff Act, we verified the information submitted by the respondent for use in our final determination. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by the respondent.

Fair Value Comparisons

To determine whether sales of stainless steel butt-weld pipe fittings from the Philippines were made in the United States at less than fair value, we compared U.S. export price sales to the normal value (NV). Our calculations followed the methods described in the preliminary determination, except as noted below and in the final determination calculation memorandum, dated the same date as the date of this notice, which has been placed in the file in Room B-099 of the Department of Commerce.

1. EP

For the price to the United States, we used EP as defined in section 772 of the Tariff Act. We calculated EP using the same method as in the preliminary determination, with the following exception:

1. We made corrections to Tung Fong's data for individual sales for bank charges and imputed credit benefit based on findings at the sales verification. For specifics, see the final determination analysis memorandum from Fred Baker to the file (analysis memorandum) dated the same date as the date of publication of this notice.

2. NV

We used the same method to calculate NV as that described in the preliminary determination, with the following exceptions:

1. We included all third-country sales in the calculation regardless of whether they were above or below the cost of production;

2. We compared U.S. sales only to third-country sales with identical product characteristics;

3. For all U.S. sales without an identical match in the third-country market, we assigned an NV comparison equivalent to the highest margin for any U.S. sale that had an identical match in the third-country market;

4. We made corrections to Tung Fong's data for individual sales for sales dates and international freight based on findings at the sales verification. See the analysis memorandum for specifics.

Use of Facts Available

For a discussion of our application of facts available, see the "Facts Available" section of the Decision Memo, which is on file in B-099 and available on the internet at *ia.ita.doc.gov*.

All Others

Pursuant to section 735(5)(A) of the Tariff Act, the estimated "all-others" rate is equal to the estimated weighted-average dumping margin established for Tung Fong.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Tariff Act, we are directing the Customs Service to continue to suspend the liquidation of all entries of stainless steel butt-weld pipe fittings from the Philippines manufactured by Enlin that are entered, or withdrawn from warehouse, for consumption on or after May 4, 2000, the date ninety days prior to the August 2, 2000 publication of the Preliminary Determination in the Federal Register. We will also instruct the Customs Service to suspend liquidation of all entries of stainless steel butt-weld pipe fittings manufactured by Tung Fong that are entered, or withdrawn from warehouse, for consumption on or after May 4, 2000. We will instruct the Customs Service to suspend liquidation for all other exporters of stainless steel butt-weld pipe fittings that are entered, or withdrawn from warehouse, beginning August 2, 2000. The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the weighted average dumping margin, as indicated in the chart below. These cash deposit instructions will remain in effect until further notice.

Manufacturer/exporter	Margin (percent)
Enlin Steel Corporation	33.81
Tung Fong Industrial Co., Ltd.	33.81
All Others	33.81

ITC Notification

In accordance with section 735(d) of the Tariff Act, we have notified the International Trade Commission (ITC) of the determination. As the final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury

does exist, the Department will issue an antidumping duty order directing the Customs Service to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published pursuant to section 735(d) and 777(i)(1) of the Tariff Act.

Dated: December 15, 2000.

Troy H. Cribb,

Assistant Secretary for Import Administration.

Appendix*Comments and Responses*

- A. Initiation of Sale-Below-Cost Investigation
- B. Use of Adverse Facts Available
- C. Appropriate Treatment of Miscellaneous Cost Items
- D. Model Match Method
- E. Critical Circumstances
- F. Rescinding the Investigation

[FR Doc. 00-32978 Filed 12-26-00; 8:45 am]

BILLING CODE 3510-DS-U

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-557-809]

Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Butt-Weld Pipe Fittings From Malaysia

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of the final determination in the less than fair value investigation of stainless steel butt-weld pipe fittings from Malaysia.

SUMMARY: On August 2, 2000, the Department of Commerce ("Department") published the preliminary determination in the less than fair value ("LTFV") investigation of stainless steel butt-weld pipe fittings from Malaysia. See Notice of Preliminary Determination of Sales at Not Less Than Fair Value and Postponement of Final Determination: Stainless Steel Butt-Weld Pipe Fittings from Malaysia, 65 FR 47398 (August 2, 2000) ("Preliminary Determination"). This investigation covers one manufacturer/exporter of the subject merchandise. The period of investigation ("POI") is October 1, 1998 through September 30, 1999.

Based upon our verification of the data and analysis of the comments received, we have made changes to our determination. Therefore, the final

determination differs from the preliminary determination of this investigation. The final weighted-average dumping margin is listed below in the section titled "Final Determination of the Investigation."

EFFECTIVE DATE: December 27, 2000.

FOR FURTHER INFORMATION CONTACT:

Juanita H. Chen or Rick Johnson, Enforcement Group III, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230, telephone 202-482-0409 (Chen) or 202-482-3818 (Johnson), fax 202-482-1388.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930 ("Act") are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR Part 351 (1999).

Period of Investigation

The period of investigation ("POI") is October 1, 1998 through September 30, 1999.

Background

On January 18, 2000, the Department initiated an antidumping duty investigation on stainless steel butt-weld pipe fittings from Malaysia. See Initiation of Antidumping Duty Investigations: Stainless Steel Butt-Weld Pipe Fittings From Germany, Italy, Malaysia and the Philippines, 65 FR 4595 (January 31, 2000). On August 2, 2000, the Department published a notice of its preliminary determination in the investigation. See Preliminary Determination, 65 FR 47398. On September 25, 2000 through September 29, 2000, the Department conducted the sales verification for Kanzen Tetsu Sdn. Bhd. ("Kanzen"). See Sales Verification Report (October 11, 2000). On October 2, 2000 through October 6, 2000, the Department conducted the cost verification for Kanzen. See Verification Report on the Cost of Production and Constructed Value Data (October 31, 2000). We invited parties to comment on our Preliminary Determination. Petitioners submitted their case brief ("Petitioners" Brief) on November 13, 2000. Kanzen did not submit a case brief. Kanzen submitted its rebuttal brief ("Kanzen Rebuttal") on November 20, 2000. Pursuant to a September 1, 2000 request by petitioners, the Department

held a public hearing on the issues on November 22, 2000. The Department has conducted and completed the investigation in accordance with section 735 of the Act.

Scope of the Investigation

For purposes of this investigation, the product covered is certain stainless steel butt-weld pipe fittings ("pipe fittings"). Certain pipe fittings are under 14 inches in outside diameter (based on nominal pipe size), whether finished or unfinished. The product encompasses all grades of stainless steel and "commodity" and "specialty" fittings. Specifically excluded from the definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel.

The pipe fittings subject to this investigation are generally designated under specification ASTM A403/A403M, the standard specification for Wrought Austenitic Stainless Steel Piping Fittings, or its foreign equivalents (e.g., DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, of wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revision of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Pipe fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by this investigation.

This investigation does not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M.

The pipe fittings subject to this investigation are currently classifiable under subheading 7307.23.0000 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs to this investigation are addressed in the December 15, 2000 Issues and Decision Memorandum ("Decision Memo") from Joseph A. Spetrini, Deputy Assistant Secretary, Import Administration, to Troy H. Cribb, Assistant Secretary for Import Administration, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, and other issues addressed, all of which are in the Decision Memo, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues

raised in this investigation and the corresponding recommendations in the Decision Memo, a public memorandum which is on file at the U.S. Department of Commerce, in the Central Records Unit, in room B-099. In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Use of Facts Available

In accordance with section 776 of the Act, we have determined that the use of facts available is appropriate for certain portions of our analysis of Kanzen. For a discussion of our determination with respect to this matter, see the Decision Memo.

Fair Value Comparisons

To determine whether sales of pipe fittings from Malaysia to the United States were made at LTFV, we compared the export price ("EP") to the normal value ("NV"), as described in the "Export Price" and "Normal Value" sections of our Preliminary Determination, except as noted below, and as set forth in the Decision Memo, and the Analysis Memorandum for Kanzen Tetsu Sdn. Bhd.: Final Determination in the Less Than Fair Value Investigation of Stainless Steel Butt-Weld Pipe Fittings from Malaysia (December 15, 2000) ("Final Analysis Memo").

Export Price

We are calculating and applying an average unit bank charge per ton on U.S. sales, applying facts available from Kanzen's U.S. sales to calculate marine insurance expense on certain sales, correcting the marine insurance denomination in our margin analysis program, applying facts available on Kanzen's returns during the POI, allocating a percentage of miscellaneous unreported bank charges to Kanzen's U.S. sales, applying partial adverse facts available to Kanzen's unreported U.S. sale, and including the quantity for the unshipped sale reported by Kanzen, applying facts available for certain variables. See Decision Memo and Final Analysis Memo.

Normal Value

We are applying invoice date as the date of sale for U.K. sales, rather than contract date as in the Preliminary Determination. We are disallowing direct selling expenses on Kanzen's U.K. sales, adjusting domestic inland freight on certain invoices, correcting the reported payment date for certain sales observations, and allocating a^{A-6}

percentage of miscellaneous unreported bank charges to Kanzen's U.K. sales. See Decision Memo and Final Analysis Memo.

Cost of Production

We have revised the calculations for the variance ratios, scrap, adjustment for differences in merchandise, and the general and administrative expense factors. See Decision Memo and Final Analysis Memo.

Sales Below Cost in the Comparison Market

The Department disregarded comparison market below-cost sales that failed the cost test in the final results of the investigation.

Changes Since the Preliminary Determination

Based on our verification and analysis of the comments received, including ministerial error comments, we have made certain changes in the model match and margin calculation programs, as discussed in the Decision Memo, the Final Analysis Memo, and the Ministerial Error Memorandum for the Preliminary Determination of Sales at Not Less Than Fair Value (August 17, 2000) ("Ministerial Error Memo").

Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the U.S. Customs Service ("Customs") to suspend liquidation of all entries of subject merchandise from Malaysia that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this Final Determination in the Federal Register, as provided by section 735(c)(1)(C) of the Act. We will instruct Customs to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the U.S. price, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

STAINLESS STEEL BUTT-WELD PIPE FITTINGS

Producer/manufacturer/exporter	Weighted-average margin (percent)
Kanzen	7.51
All others	7.51

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our final determination. As our final

determination is affirmative, the ITC will, within 75 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: December 15, 2000.

Troy H. Cribb,
Assistant Secretary for Import Administration.

Appendix—Issues in the Decision Memo

General Issues:

- Ministerial Errors From the Preliminary Determination

General Sales Issues:

- Date of Sale/Market Viability
- Bank Charges

U.K. Sales Issues:

- Domestic Inland Freight
- Credit Period
- FOB v. CIF
- Early Payment Discount

U.S. Sales Issues:

- Marine Insurance Expense
- Marine Insurance Expense Discount and Denomination
- Returns
- Miscellaneous Bank Charges
- Unreported U.S. Sales
- Unshipped Sale
- Inland Freight

Cost Issues:

- Total Adverse Facts Available
- Allocation of Cost Variances
- Standard Cost Reduction Factor for Pipes Used for Fittings
- Cost of Fittings Made of Finished Pipes
- G&A Expense Ratio

[FR Doc. 00-32979 Filed 12-26-00; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-583-816]

Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan: Final Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results in the antidumping duty administrative review of certain stainless steel butt-weld pipe fittings from Taiwan and intent not to revoke in part.

SUMMARY: On July 6, 2000, the Department of Commerce ("Department") published the preliminary results of the administrative review of the antidumping duty order on certain stainless steel butt-weld pipe fittings from Taiwan. This review covers one manufacturer/exporter of the subject merchandise. The period of review ("POR") is June 1, 1998 through May 31, 1999.

We gave interested parties an opportunity to comment on the preliminary results. Based upon our verification of the data and analysis of the comments received, we have made changes in the margin calculation. Therefore, the final results differ from the preliminary results of this review. The final weighted-average dumping margin is listed below in the section titled "Final Results of the Review."

EFFECTIVE DATE: December 27, 2000.

FOR FURTHER INFORMATION CONTACT: Jim Doyle or Alex Villanueva, Enforcement Group III, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230, telephone 202-482-0159 (Doyle) or 202-482-6412 (Villanueva), fax 202-482-1388.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930 ("Act") are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR Part 351 (1999).

Background

On June 16, 1993, the Department published the antidumping duty order

- e. Ocean Freight and U.S. Brokerage Charges
- f. U.S. Repacking Expense for Tampa Warehouse
- 5. Correction of Ministerial Errors in SAS Program
 - a. Reformatting of Entry Date
 - b. Definition of CEP Sales

Discussion of the Issues:

1. Resales of Purchased Fittings
2. CEP Profit Adjustment Calculation
3. Reclassification of Export Price Sales to CEP Sales
4. Short-Term Interest Rate Used in Calculation of U.S. Credit and Inventory Carrying Costs
5. U.S. Indirect Selling Expenses
6. Decision Not to Revoke the Order in Part [FR Doc. 00-32980 Filed 12-26-00; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-828]

Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Butt-Weld Pipe Fittings From Italy

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: December 27, 2000.

FOR FURTHER INFORMATION CONTACT: Helen Kramer or Nancy Decker at (202) 482-0405 and (202) 482-0196, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce ("the Department") regulations are to the regulations at 19 CFR Part 351 (2000).

Final Determination

We determine that stainless steel butt-weld pipe fittings ("pipe fittings") from Italy are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 735 of the Act. The estimated margin of sales at LTFV is shown in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

The preliminary determination in this investigation was published on August 2, 2000. See Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Butt-Weld Pipe Fittings from Italy, 65 FR 47388 (August 2, 2000) ("Preliminary Determination"). The investigation covers one manufacturer/exporter, Coprosider S.p.A. ("Coprosider").

The Department verified Coprosider's responses to the antidumping questionnaire from September 11-15, 2000 (sales verification) and from September 18-22, 2000 (cost verification). We invited parties to comment on our Preliminary Determination. Based on our analysis of the comments received, we have made changes in the margin calculation. Therefore, the final determination differs from the preliminary determination.

Period of Investigation

The Period of Investigation ("POI") is October 1, 1998 through September 30, 1999.

Scope of Investigation

For purposes of this investigation, the product covered is certain stainless steel butt-weld pipe fittings. Pipe fittings are under 14 inches in outside diameter (based on nominal pipe size), whether finished or unfinished. The product encompasses all grades of stainless steel and "commodity" and "specialty" fittings. Specifically excluded from the definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel.

The fittings subject to this investigation are generally designated under specification ASTM A403/A403M, the standard specification for Wrought Austenitic Stainless Steel Piping Fittings, or its foreign equivalents (e.g., DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, of wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revision of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Pipe fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by this investigation.

This investigation does not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M.

The stainless steel butt-weld pipe fittings subject to this investigation are currently classifiable under subheading

7307.23.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Stainless Steel Butt-weld Pipe Fittings from Italy" ("Decision Memorandum") from Joseph A. Spetrini, Deputy Assistant Secretary, Enforcement Group III, to Troy H. Cribb, Assistant Secretary for Import Administration, dated December 15, 2000, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in the public memorandum which is on file in the Central Records Unit, Room B-099 of the main Department building. In addition, the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our corrections to Coprosider's reported cost of production, findings at verification and analysis of comments received, we have made certain changes in the margin calculations. We have also corrected certain programming and clerical errors in our preliminary determination. These changes are discussed in the relevant sections of the Decision Memorandum.

Final Critical Circumstances Determination

As set forth in our Decision Memorandum, because the importer knowledge of dumping criterion (i.e., margins of 25 percent or more for export price sales) necessary to find critical circumstances continues to be met with respect to Coprosider, the Department affirms, for the purposes of this final determination, that critical circumstances exist for imports of pipe fittings from Coprosider.

Continuation of Suspension of Liquidation

We are directing the Customs Service to continue to suspend liquidation of entries of subject merchandise from Coprosider that are entered, or withdrawn from warehouse, for consumption on or after May 4, 2000, and to continue to suspend liquidation of any imports from other companies of subject merchandise entered, or withdrawn from warehouse, for consumption on or after August 2, 2000. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the U.S. price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice.

The margins in the final determination are as follows:

	Margin (Percent)
Exporter/Manufacturer:	
Coprosider	26.59
All Others	26.59

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: December 15, 2000.

Troy H. Cribb,
Assistant Secretary for Import Administration.

Appendix—Issues in Decision Memo

Comments and Responses

- 1 Cost of Production
 - A. Combining Costs of the Affiliated Suppliers/Major Input Rule
 - B. Facts Available

- C. Selling, General and Administrative Expenses
- D. Financial Expenses
- 2 Level of Trade
- 3 Usual Commercial Quantities and Ordinary Course of Trade
- 4 Circumstance-of-Sale Adjustment-Imputed Credit Expenses
- 5 U.S. Movement Expenses
- 6 Indirect Selling Expenses (ISE)
- 7 Ministerial Error
- 8 Critical Circumstances
- 9 Miscellaneous Issues
 - A. Model Match
 - B. Sample Sales and Sales to Affiliated Party
 - C. Correction of Errors Found At Verification
 - D. Use of Updated Cost Data

[FR Doc. 00-32981 Filed 12-26-00; 8:45 am]
BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

University of Florida; Notice of Decision on Application for Duty-Free Entry of Scientific Instrument

This decision is made pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 A.M. and 5:00 P.M. in Room 4211, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC.

Docket Number: 00-033. *Applicant:* University of Florida, Gainesville, FL 32611. *Instrument:* Multi-Sensor Core Logger. *Manufacturer:* GEOTEK Ltd., United Kingdom. *Intended Use:* See notice at 65 FR 65296, November 1, 2000.

Comments: None received. *Decision:* Approved. No instrument of equivalent scientific value to the foreign instrument, for such purposes as it is intended to be used, is being manufactured in the United States. *Reasons:* The foreign instrument provides extraction of sediment cores for measurements of P-wave velocity, density, magnetic susceptibility, core thickness and high resolution color images. Woods Hole Oceanographic Institution and a university oceanography department advise that (1) these capabilities are pertinent to the applicant's intended purpose and (2) they know of no domestic instrument or apparatus of equivalent scientific value to the foreign instrument for the applicant's intended use.

We know of no other instrument or apparatus of equivalent scientific value

to the foreign instrument which is being manufactured in the United States.

Gerald A. Zerdy,
Program Manager, Statutory Import Programs Staff.

[FR Doc. 00-32984 Filed 12-26-00; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

**International Trade Administration
Washington University School of Medicine; Notice of Decision on Application for Duty-Free Entry of Scientific Instrument**

This decision is made pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 A.M. and 5:00 P.M. in Room 4211, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC.

Docket Number: 00-035. *Applicant:* Washington University School of Medicine, St. Louis, MO 63110. *Instrument:* Motorized Manipulator. *Manufacturer:* Luigs and Neumann, Germany. *Intended Use:* See notice at 65 FR 68981, November 15, 2000.

Comments: None received. *Decision:* Approved. No instrument of equivalent scientific value to the foreign instrument, for such purposes as it is intended to be used, is being manufactured in the United States. *Reasons:* The foreign instrument provides a positional accuracy of 0.1 microns to place microelectrodes for patch clamp studies of synaptic transmission in neurons. The National Institutes of Health advises in its memorandum of October 30, 2000 that (1) this capability is pertinent to the applicant's intended purpose and (2) it knows of no domestic instrument or apparatus of equivalent scientific value to the foreign instrument for the applicant's intended use.

We know of no other instrument or apparatus of equivalent scientific value to the foreign instrument which is being manufactured in the United States.

Gerald A. Zerdy,
Program Manager, Statutory Import Programs Staff.

[FR Doc. 00-32985 Filed 12-26-00; 8:45 am]

BILLING CODE 3510-DS-P

APPENDIX B
SUMMARY DATA

Table B-1

Butt-weld fittings: Summary data concerning the U.S. market, 1997-99, January-June 1999, and January-June 2000

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1997	1998	1999	January-June		1997-99	1997-98	1998-99	Jan.-June 1999-2000
				1999	2000				
U.S. consumption quantity:									
Amount	17,049	15,524	18,045	8,496	12,023	5.8	-8.9	16.2	41.5
Producers' share (1)	43.0	48.3	48.0	54.2	38.9	5.0	5.3	-0.3	-15.3
Importers' share (1):									
Italy	***	***	***	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***	***	***	***
Philippines	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	57.0	51.7	52.0	45.8	61.1	-5.0	-5.3	0.3	15.3
U.S. consumption value:									
Amount	118,335	95,335	104,862	48,669	70,542	-11.4	-19.4	10.0	44.9
Producers' share (1)	59.7	63.5	54.4	60.1	45.7	-5.3	3.7	-9.1	-14.4
Importers' share (1):									
Italy	***	***	***	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***	***	***	***
Philippines	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	40.3	36.5	45.6	39.9	54.3	5.3	-3.7	9.1	14.4
U.S. imports from:									
Italy:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Malaysia:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Philippines:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Germany:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	9,715	8,021	9,379	3,894	7,348	-3.5	-17.4	16.9	88.7
Value	47,661	34,823	47,827	19,402	38,310	0.3	-26.9	37.3	97.5
Unit value	\$4.91	\$4.34	\$5.10	\$4.98	\$5.21	3.9	-11.5	17.5	4.7
Ending inventory quantity	1,890	1,851	1,901	1,742	2,138	0.6	-2.1	2.7	22.7

Table continued on next page.

Table B-1--Continued

Butt-weld fittings: Summary data concerning the U.S. market, 1997-99, January-June 1999, and January-June 2000

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1997	1998	1999	January-June		1997-99	1997-98	1998-99	Jan.-June 1999-2000
				1999	2000				
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	5,771	5,494	5,780	3,183	3,369	0.2	-4.8	5.2	5.8
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	7,334	7,502	8,666	4,602	4,675	18.1	2.3	15.5	1.6
Value	70,674	60,513	57,034	29,267	32,231	-19.3	-14.4	-5.7	10.1
Unit value	\$9.64	\$8.07	\$6.58	\$6.36	\$6.89	-31.7	-16.3	-18.4	8.4
Export shipments:									
Quantity	167	304	228	132	86	36.5	82.0	-25.0	-34.8
Value	1,731	2,765	1,748	1,071	804	1.0	59.7	-36.8	-24.9
Unit value	\$10.37	\$9.10	\$7.67	\$8.11	\$9.35	-26.0	-12.3	-15.7	15.2
Ending inventory quantity	1,791	1,588	1,814	1,777	2,571	1.3	-11.4	14.3	44.7
Inventories/total shipments (1)	23.9	20.3	20.4	18.8	27.0	-3.5	-3.5	0.1	8.2
Production workers	595	530	445	433	491	-25.2	-10.9	-16.0	13.4
Hours worked (1,000s)	1,099	970	843	526	587	-23.2	-11.7	-13.1	11.6
Wages paid (\$1,000s)	12,424	11,624	10,324	6,640	7,124	-16.9	-6.4	-11.2	7.3
Hourly wages	\$11.31	\$11.98	\$12.24	\$12.63	\$12.14	8.2	5.9	2.2	-3.9
Productivity (pounds per hour)	5.3	5.7	6.9	6.1	5.7	30.5	7.8	21.0	-5.2
Unit labor costs	\$2.15	\$2.12	\$1.79	\$2.09	\$2.11	-17.0	-1.7	-15.6	1.4
Net sales:									
Quantity	7,810	7,487	8,971	4,616	4,672	14.9	-4.1	19.8	1.2
Value	75,349	61,165	60,229	30,360	32,729	-20.1	-18.8	-1.5	7.8
Unit value	\$9.65	\$8.17	\$6.71	\$6.58	\$7.01	-30.4	-15.3	-17.8	6.5
Cost of goods sold (COGS)	51,363	45,114	46,714	23,621	24,361	-9.1	-12.2	3.5	3.1
Gross profit or (loss)	23,986	16,051	13,515	6,739	8,368	-43.7	-33.1	-15.8	24.2
SG&A expenses	12,088	11,848	10,586	5,506	5,368	-12.4	-2.0	-10.7	-2.5
Operating income or (loss)	11,898	4,203	2,929	1,233	2,999	-75.4	-64.7	-30.3	143.2
Capital expenditures	819	2,240	1,904	962	293	132.4	173.5	-15.0	-69.5
Unit COGS	\$6.58	\$6.03	\$5.21	\$5.12	\$5.21	-20.8	-8.4	-13.6	1.9
Unit SG&A expenses	\$1.55	\$1.58	\$1.18	\$1.19	\$1.15	-23.8	2.2	-25.4	-3.6
Unit operating income or (loss)	\$1.52	\$0.56	\$0.33	\$0.27	\$0.64	-78.6	-63.2	-41.8	140.3
COGS/sales (1)	68.2	73.8	77.6	77.8	74.4	9.4	5.6	3.8	-3.4
Operating income or (loss)/ sales (1)	15.8	6.9	4.9	4.1	9.2	-10.9	-8.9	-2.0	5.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

APPENDIX C
MODEL RESULTS

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