# CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM THE REPUBLIC OF KOREA AND TAIWAN

Determinations of the Commission in Investigations Nos. 731-TA-131 and 132 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

USITC PUBLICATION 1389

JUNE 1983

United States International Trade Commission / Washington, D.C. 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Alfred E. Eckes, Chairman

Paula Stern

Veronica A. Haggart

---

Kenneth R. Mason, Secretary to the Commission

---

Robert Carpenter, Investigator
Patrick Magrath, Industry Analyst
Wallace Fullerton, Economist
William Perry, Attorney
Marvin Claywell, Accountant

---

Vera A. Libeau, Supervisory Investigator

Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

C O N T E N T S


| | Page |
|---|---|
| Determinations | 1 |
| Views of the Commission | 3 |
| Views of Commissioner Veronica A. Haggart | 17 |
| Information obtained in the investigations: | |
| Introduction | A- 1 |
| Previous Commission investigations | A- 1 |
| The product: | |
| Description and uses | A- 2 |
| Manufacturing processes | A- 4 |
| U.S. tariff treatment | A- 7 |
| Nature and extent of alleged sales at LTFV | A- 8 |
| The domestic market: | |
| U.S. consumption | A- 8 |
| Channels of distribution | A- 9 |
| U.S. producers | A- 9 |
| U.S. importers | A-10 |
| The Korean industry | A-10 |
| The Taiwan industry | A-11 |
| The question of material injury | A-12 |
| U.S. production, capacity, and capacity utilization | A-13 |
| U.S. producers' shipments and inventories | A-13 |
| U.S. employment | A-16 |
| Financial experience of U.S. producers | A-16 |
| Overall establishment operations | A-18 |
| Welded carbon steel pipes and tubes | A-19 |
| Small round pipes and tubes | A-19 |
| Heavy-walled rectangular pipes and tubes | A-21 |
| Light-walled rectangular pipes and tubes | A-22 |
| The question of the threat of material injury | A-23 |
| Consideration of the causal relationship between imports allegedly sold at LTFV and the alleged injury: | |
| U.S. imports | A-24 |
| Market penetration of imports | A-29 |
| Prices: | |
| Prices reported by producers and importers | A-31 |
| Round sprinkler pipe | A-31 |
| Round fence tubing | A-33 |
| Light-walled mechanical tubing | A-33 |
| Heavy-walled structural tubing | A-33 |
| Prices reported by purchasers | A-34 |
| Lost sales | A-36 |
| Allegations concerning imports of small round pipes and tubes | A-37 |
| Allegations concerning imports of heavy-walled rectangular pipes and tubes | A-38 |
| Allegations concerning imports of light-walled rectangular pipes and tubes | A-38 |
| Appendix A. Notice of the Commission's institution of preliminary antidumping investigations | A-41 |
| Appendix B. Notice of the Department of Commerce's institution of preliminary antidumping investigations | A-43 |
| Appendix C. The Commission's calendar of the public conference | A-45 |

CONTENTS

Figures

Page

1. The manufacture of continuous weld pipe ..... A- 5
2. The manufacture of electric weld pipe ..... A- 6

Tables

1. Small round and rectangular welded carbon steel pipes and tubes: Korean production, domestic shipments, and exports, 1980-82 ..... A-11
2. Round welded carbon steel pipes and tubes, 1/2 inch to 16 inches nominal outside diameter: Taiwanese capacity, export sales, and home market sales, 1980-82 ..... A-12
3. Certain welded carbon steel pipes and tubes: U.S. production, capacity, and capacity utilization, by product lines, 1980-82, January-March 1982, and January-March 1983 ..... A-14
4. Certain welded carbon steel pipes and tubes: U.S. producers' domestic shipments and inventories, by product lines, 1980-82, January-March 1982, and January-March 1983 ..... A-15
5. Average number of production and related workers engaged in the manufacture of certain welded carbon steel pipes and tubes, hours worked by such workers, wages paid, and total compensation, by product lines, 1980-82, January-March 1982, and January-March 1983 ..... A-17
6. Income-and-loss experience of 9 U.S. producers on the overall operations of their establishments within which welded carbon steel pipes and tubes are produced, 1980-82, interim 1982, and interim 1983 ..... A-18
7. Income-and-loss experience of 9 U.S. producers on their operations producing welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983 ..... A-19
8. Income-and-loss experience of 7 U.S. producers on their operations producing small round welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983 ..... A-20
9. Income-and-loss experience of 7 U.S. producers of small round welded carbon steel pipes and tubes, by methods of manufacture, 1980-82, interim 1982, and interim 1983 ..... A-21
10. Income-and-loss experience of 3 U.S. producers on their operations producing heavy-walled rectangular welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983 ..... A-22
11. Income-and-loss experience of 2 U.S. producers on their operations producing light-walled rectangular welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983 ..... A-23

CONTENTS

Page

12. Certain welded carbon steel pipes and tubes: U.S. imports for consumption, by product lines and by specified sources, 1980-82, January-March 1982, and January-March 1983---- A-25
13. Small round welded carbon steel pipes and tubes: U.S. imports for consumption, by specified sources, 1982, January-March 1982, and January-March 1983---- A-26
14. Welded carbon steel pipes and tubes of heavy-walled rectangular cross section: U.S. imports for consumption, by specified sources, 1980-82, January-March 1982, and January-March 1983---- A-27
15. Welded carbon steel pipes and tubes of light-walled rectangular cross section: U.S. imports for consumption, by specified sources, 1982, January-March 1982, and January-March 1983---- A-28
16. Certain welded carbon steel pipes and tubes: Ratios of U.S. producers' domestic shipments and of imports to U.S. consumption, by product lines and by specified sources, 1980-82, January-March 1982, and January-March 1983---- A-30
17. U.S. producers' and importers' average prices to service centers/ distributors for 2-inch black sprinkler pipe, by quarters, January 1981-March 1983---- A-32
18. U.S. producers' and importers' average prices to service centers/ distributors for galvanized fence tubing, by quarters, January 1981-March 1983---- A-34
19. U.S. producers' and importers' average prices to service centers/ distributors for 4-inch structural tubing, by quarters, January 1981-March 1983---- A-35

Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. These deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 731-TA-131 and 132 (Preliminary)

CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM THE REPUBLIC OF KOREA AND TAIWAN

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from the Republic of Korea (Korea) and Taiwan of certain small diameter circular welded carbon steel pipes and tubes, 2/ which are alleged to be sold in the United States at less than fair value (LTFV).

The Commission further determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of imports from Korea 3/ and Taiwan of welded carbon steel pipes and tubes, of heavy-walled rectangular (including square) cross section, provided for in item 610.3955 of the TSUSA, which are alleged to be sold at LTFV.

---

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

2/ For purposes of these investigations, the term "certain small diameter circular welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes, of circular cross section, with walls not thinner than 0.065 inch, 0.375 inch or more but not over 4.5 inches in outside diameter, provided for in items 610.3231, 610.3232, 610.3241, and 610.3244 of the Tariff Schedules of the United States Annotated (1983) (TSUSA).

3/ Commissioner Haggart determines that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Korea of welded carbon steel pipes and tubes, of heavy-walled rectangular (including square) cross section, which are alleged to be sold at LTFV.

The Commission further determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of imports fom Korea 1/ and Taiwan of welded carbon steel pipes and tubes, of light-walled rectangular (including square) cross section, provided for in item 610.4975 of the TSUSA, which are alleged to be sold at LTFV.

Background

On April 21, 1983, counsel for the Committee on Pipe and Tube Imports (CPTI) filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is materially injured or is threatened with material injury, by reason of imports from Korea and Taiwan of certain welded carbon steel pipes and tubes which are alleged to be sold at LTFV. Accordingly, effective April 21, 1983, the Commission instituted preliminary antidumping investigations under section 733(a) of the Act (19 U.S.C. § 1673b(a)).

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on May 4, 1983 (48 F.R. 20164). The conference was held in Washington, D.C. on May 16, 1983, and all persons who requested the opportunity were permitted to appear in person or by counsel.

1/ Commissioner Haggart determines that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Korea of welded carbon steel pipes and tubes, of light-walled rectangular (including square) cross section, which are alleged to be sold at LTFV.

## VIEWS OF THE COMMISSION

We determine that the record in these investigations provides a reasonable indication that an industry in the United States is materially injured by reason of imports of small-diameter circular welded pipes and tubes from the Republic of Korea and Taiwan allegedly sold at less than fair value (LTFV). We also determine that there is no reasonable indication that an industry is materially injured or threatened with material injury by reason of imports of heavy-walled rectangular (including square) welded pipes and tubes from the Republic of Korea 1/ and Taiwan allegedly sold at LTFV. Finally, we determine that there is no reasonable indication that an industry is materially injured or threatened with material injury by reason of imports of light-walled rectangular (including square) welded pipes and tubes from the Republic of Korea 2/ and Taiwan allegedly sold at LTFV. 3/

### Summary

In our views, we first discuss the basis for our findings that there are three domestic industries. Then we discuss the condition of each of the respective industries. We have found a reasonable indication of material injury to each, though in varying degrees. Finally, we consider the causal

---

1/ Commissioner Haggart determines that there is a reasonable indication that an industry is materially injured by reason of imports of heavy-walled rectangular (including square) welded pipes and tubes from the Republic of Korea. See her separate Views at pp. 17-19.

2/ Commissioner Haggart determines that there is a reasonable indication that an industry is materially injured by reason of imports of light-walled rectangular (including square) welded pipes and tubes from the Republic of Korea. See her separate Views at pp. 17-19.

3/ Retardation of establishment of an industry in the United States is not an issue in these investigations and will not be discussed further.

nexus between the alleged LTFV imports and the condition of each industry. For small-diameter circular pipes and tubes we have found a reasonable indication of a causal link. However, for both heavy-walled and light-walled rectangular pipes and tubes, the insignificant or nonexistent impact of the imports from Korea and Taiwan has precluded a finding of any link between these imports and material injury to the relevent domestic industries. 4/

Domestic industry

The domestic industry against which the impact of alleged LTFV imports is to be assessed is defined in section 771(4)(A) of the Tariff Act of 1930 as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 5/ "Like product" is defined in section 771(10) as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 6/

Steel pipes and tubes can be divided into two categories based on the method of manufacture--welded or seamless pipes and tubes. Welded pipes and tubes can be made either by the electric-resistance-weld (ERW) process or the continuous-weld (CW) process. 7/ Both the welded and seamless categories can be further subdivided according to the grade of steel: carbon, heat-resisting, stainless, and other alloy. Pipes and tubes can also be divided on the basis of shape--circular or rectangular (including square) and

---

4/ Commissioner Haggart dissents from this conclusion with respect to imports from Korea. See her separate Views at pp. 17-19.

5/ 19 U.S.C. § 1677(4)(A).

6/ 19 U.S.C. § 1677(10).

7/ There are two other processes for producing pipes and tubes, but they are not used to produce the sizes of the pipes or tubes under investigation. Report at A-4.

use--standard, line, structural, mechanical, pressure, and oil country tubular goods. 8/

There are three groups of imports from Korea and Taiwan allegedly sold at LTFV in these investigations. The first group of imports is small-diameter circular pipes and tubes, 0.375 inch or more but not over 4.5 inches in outside diameter and with a wall thickness of not less than 0.065 inch, commonly used as standard pipes and tubes. The second group of imports is heavy-walled rectangular (including square) pipes and tubes having a wall thickness of 0.156 inch or greater, commonly used as structural pipes and tubes. The third import group is light-walled rectangular (including square) pipes and tubes having a wall thickness of less than 0.156 inch, commonly used as mechanical pipes and tubes. All of the pipes and tubes imported from Korea and Taiwan are made from carbon-based steel by the ERW process. 9/ 10/

---

8/ End use definitions are general industry definitions and are not precise. The end use definitions for certain pipes and tubes can be overlapping. Certain pipes and tubes can be dual stenciled, e.g., they could meet the specifications for both a structural and a line pipe or tube.

9/ A question presented in these investigations with regard to the circular pipe and tube industry is whether domestically produced pipes and tubes made by the CW process should be considered like the imported circular pipes and tubes made by the ERW process. (All rectangular pipes and tubes are made by the ERW process.) Under the CW process, flat-rolled steel products are heated to approximately 2,600 degrees and hot-formed into a cylinder. Under the ERW process, the flat-rolled steel products are cold-formed and only the edges are heated to form the weld. Although the ERW process uses less energy than the CW process, other factors may cause pipes and tubes made by the CW process to be competitive in the market with pipes and tubes made by the ERW process. Report at A-4. Further, it appears that customers do not care whether circular pipes and tubes are made by the CW or ERW process so long as they meet the particular specification and are competitively priced. The petitioners (ERW producers) agree. Preliminary conference transcript at 52. Thus, at this preliminary stage, we determine that domestically produced circular pipes and tubes made by both the ERW and the CW process should be considered like the imported circular pipes and tubes made by the ERW process.

10/ Some of the imported pipes and tubes under investigation are coupled and threaded. Thus, there is a question as to whether domestic fabricators that couple and thread pipes and tubes should be included in the domestic industry. In a final investigation, the Commission will seek further information as to whether these fabricators should be included in the domestic industry.

The Commission has previously determined that seamless pipes and tubes are not like imported welded pipes and tubes. 11/ The Commission also has previously concluded that domestically produced heat-resisting, stainless, and other alloy pipes and tubes are not like carbon steel pipes and tubes. 12/ For purposes of these investigations, we adopt the same conclusions and, therefore, find that domestically produced seamless pipes and tubes as well as heat-resisting, stainless, and other alloy pipes and tubes are not like the imported products in these investigations.

The first issue presented in these investigations is whether the domestically produced circular pipes and tubes are like the imported rectangular pipes and tubes. 13/ Certain customers prefer rectangular pipes and tubes over circular pipes and tubes because the configuration of rectangular pipes and tubes makes them more suitable for certain design applications and facilitates their further fabrication. 14/ On the basis of the differences between the characteristics and uses of rectangular and circular pipes and tubes, we conclude that domestically produced circular pipes and tubes are not like the imported rectangular pipes and tubes.

The imported circular pipes and tubes which are the subject of this investigation include standard and structural pipes and tubes. Domestically

---

11/ Recently in Certain Welded Carbon Steel Pipes and Tubes From the Republic of Korea, Inv. No. 701-TA-168 (Final), USITC Pub. 1345 (February 1983), the Commission conducted a countervailing duty investigation on subsidized imports of welded carbon steel pipes and tubes of circular cross section, 0.375 inch to 16 inches in outside diameter (with walls not thinner than 0.065 inch), generally including standard, line, and structural pipes and tubes. The domestic industry was defined as the producers of standard, line, and structural pipes and tubes, excluding mechanical, pressure, and oil country tubular goods.

12/ Id.

13/ There is very little difference in the cost of production between circular and rectangular pipes and tubes. Preliminary conference transcript at 62.

14/ See Preliminary conference transcript at 60-62.

produced circular pipes and tubes include standard, structural, line, mechanical, and pressure pipes and tubes, and oil country tubular goods.

Since domestically produced circular standard and structural pipes and tubes are generally substitutable for each other and for the imported products, we conclude that small-diameter circular welded pipes and tubes for standard and structural uses are like the imported small-diameter circular welded pipes and tubes under investigation. We adopt our previous finding that domestically produced mechanical and pressure pipes and tubes and oil country tubular goods are not like the imported circular standard and structural pipes and tubes. 15/ We also conclude that domestically produced line pipes and tubes are not like the imported standard and structural pipes and tubes. 16/

Thus, we find that there is a domestic industry consisting of the domestic producers of small-diameter circular pipes and tubes for use as

---

15/ See Certain Welded Carbon Steel Pipes and Tubes From the Republic of Korea, supra n. 11.

16/ We have excluded line pipes and tubes from the scope of the domestic industry in these investigations whereas line pipes and tubes were included as part of the domestic industry in the prior investigation because there was some evidence that there was a certain degree of interchangeability among end uses. Line pipes and tubes are made to higher specifications than standard or structural pipes and tubes, and therefore standard and structural pipes and tubes cannot be substituted for line pipes and tubes. Further, the outside diameter of most line pipes is larger than 4.5 inches, whereas the outside diameter of the imported circular pipes and tubes is not greater than 4.5 inches. Thus, imported circular line pipes and tubes are not a subject of these investigations. The respondent Korean producers did not object to including line pipe in the domestic industry in the prior investigation (Commission hearing transcript on Certain Welded Carbon Steel Pipes and Tubes From the Republic of Korea, Inv. No. 701-TA-168, at 90-95). Respondents in the current investigations have not objected to excluding line pipe from the domestic industry (preliminary conference transcript at 133).

standard and structural circular pipes and tubes, excluding line, mechanical and pressure pipes and tubes and oil country tubular goods.

There are two types of rectangular pipes and tubes being imported--the heavy-walled rectangular pipes and tubes and the light-walled rectangular pipes and tubes. With regard to rectangular pipes and tubes, the first issue presented is whether the domestically produced heavy-walled rectangular pipes and tubes are like the imported light-walled rectangular pipes and tubes. Heavy-walled pipes and tubes cannot generally be substituted for the light-walled pipes and tubes because of their characteristics and uses. Heavy-walled rectangular pipes and tubes have thicker walls than light-walled pipes and tubes and are generally used for such structural applications as support and load bearing. In contrast, light-walled pipes and tubes have thinner walls than heavy-walled pipes and tubes and are generally used for such mechanical applications as swing sets, furniture, and other design applications. Domestically produced and imported light-walled pipes and tubes are generally made to the same specifications and have the same characteristics and uses. Domestically produced and imported heavy-walled pipes and tubes are generally made to the same specifications and have the same characteristics and uses.

We determine that domestically produced light-walled rectangular pipes and tubes are only like imported light-walled rectangular pipes and tubes and that domestically produced heavy-walled rectangular pipes and tubes are only like imported heavy-walled rectangular pipes and tubes. Thus, we find two additional domestic industries, one consisting of the domestic producers of

heavy-walled rectangular pipes and tubes with not less than 0.156 inch wall thickness 17/ and the second consisting of the domestic producers of light-walled rectangular pipes and tubes with less than 0.156 inch wall thickness. 18/

On the basis of the foregoing, we conclude that there are three domestic industries in these investigations: the domestic producers of small-diameter circular pipes and tubes, the domestic producers of heavy-walled rectangular pipes and tubes, and the domestic producers of light-walled rectangular pipes and tubes. 19/

## CONDITION OF THE INDUSTRIES

### Small-Diameter Circular Pipe and Tube Industry

U.S. production of the small-diameter circular pipes and tubes subject to the investigations increased slightly between 1980 and 1981, decreased 36 percent from 1981 to 1982, and then decreased 11 percent in January-March 1983

17/ Industry sources indicated that a 0.156-inch wall thickness is a reasonable dividing line between the heavy-walled and light-walled rectangular pipes and tubes. Preliminary conference transcript at 56. A wall thickness of 0.156 inch is also the breakout point used in the Tariff Schedules of the United States. Thus, this is the dividing line we have adopted.

18/ There is no domestic production of standard rectangular pipes and tubes. Therefore, standard pipes and tubes should not be included within the scope of the light-walled and heavy-walled rectangular pipe and tube industries.

19/ The Korean producers have suggested that we exclude certain specific imported products because they are not like the products under investigation or because the domestic producers do not produce the specific pipe in question. Specifically, the Koreans have suggested that the Commission exclude finished and unfinished rigid conduit tube; ERW, hot stretch-reduced, semifinished tube hollows for cold drawing; and ASTM A-53B gas line pipe. We do not have sufficient information in these preliminary investigations to determine whether these products should be excluded from these investigations. We will investigate this issue further if these cases return for final investigations.

compared with January-March 1982. 20/ Capacity utilized in the production of the small circular pipes and tubes increased slightly from 1980 to 1981, declined from 48 percent in 1981 to 30 percent in 1982, and further declined from 37 percent in January-March 1982 to 32 percent in January-March 1983. 21/

U.S. producers' domestic shipments of the small circular pipes and tubes followed the same trend as production, increasing slightly between 1980 and 1981 and then decreasing 30 percent between 1981 and 1982. Producers' domestic shipments further declined during January-March 1983 compared with January-March 1982. 22/ Employment and hours worked by workers producing the small circular pipes and tubes decreased slightly between 1980 and 1981, decreased significantly between 1981 and 1982, and then declined further in January-March 1983 compared with January-March 1982. 23/

Reporting firms' net sales of small circular pipes and tubes increased slightly between 1980 and 1981, declined 30 percent between 1981 and 1982, and then declined by 14 percent during interim 1983 compared with interim 1982. 24/ In the aggregate, the reporting firms sustained operating losses in each of the periods, ranging from less than 1 percent of net sales in 1980 and 1981 to 11.2 percent in 1982 and 9.8 percent in interim 1983. 25/ We conclude that there is a reasonable indication of material injury to the domestic producers of small-diameter circular pipes and tubes.

---

20/ Report at A-14.
21/ Id.
22/ Id. at A-15.
23/ Id. at A-17.
24/ These firms accounted for 83 percent of reported production in 1982. Id. at A-19/-/20.
25/ Report at A-20.

Heavy-Walled Rectangular Pipe and Tube Industry

Both U.S. production and shipments of heavy-walled rectangular pipes and tubes followed the same trend, increasing slightly from 1980 to 1981 but then falling dramatically in 1982. 26/ During 1980-82, capacity utilization steadily declined. 27/ Employment increased slightly from 1980 to 1981, but then fell dramatically in 1982. 28/ Net sales followed the same trend from 1980 to 1982. Operating profit declined from 1980 to 1981, and there was a loss in 1982. 29/ We conclude that there is a reasonable indication of material injury to domestic producers of heavy-walled rectangular pipes and tubes.

Light-Walled Rectangular Pipe and Tube Industry

Production of light-walled rectangular pipes and tubes declined slightly from 43,429 short tons in 1980 to 40,149 short tons in 1982. 30/ Capacity utilization also declined slightly, from 43.4 percent in 1980 to 40.1 percent in 1982. 31/ Domestic shipments followed the same trend as production, declining during 1980-82. 32/ Although employment increased during 1980 to 1982, the number of hours worked declined during the same period. 33/ Net sales of domestic producers declined during 1980 to 1982 and profit declined dramatically during the period. 34/ We conclude that there is a reasonable indication of material injury to domestic producers of light-walled rectangular pipes and tubes.

---

26/ Id. at A-13-15.
27/ Id. at A-13.
28/ Id. at A-16-17.
29/ Id. at A-22.
30/ Id. at A-14.
31/ Id.
32/ Id. at A-15.
33/ Id. at A-16.
34/ Id. at A-23.

CAUSATION

Imports From Korea

Small Diameter Circular Pipes and Tubes

In 1982, Korea was the largest exporter of small circular pipes and tubes to the United States. Although imports of small circular pipes and tubes from Korea declined 22 percent during the period 1980-82, they remained at significant import penetration levels during the period when domestic consumption and production were declining. 35/ Imports from Korea of this product increased by 9 percent in January-March 1983 compared with January-March 1982. 36/ The ratio of imports from Korea to U.S. consumption was relatively high, rising from 17.5 percent in 1980 to 18.5 percent in 1982 and further climbing to 19 percent in January-March 1983, compared with 17.7 percent in the corresponding period of 1982. 37/

Pricing data for round sprinkler pipes and tubes indicate that imports from Korea undersold domestic pipes and tubes produced by the CW process. However, such imports did not undersell domestic pipes and tubes produced by the ERW process. 38/ Although Korean ex-dock prices were higher than the U.S. ERW producer's prices on an f.o.b. plant basis, this difference may be the result of differences in inland transportation costs. 39/ Finally, the

---

35/ Id. at A-25.
36/ Id.
37/ Id. at A-30.
38/ The Commission, however, received price data on round sprinkler pipe from only one ERW producer. There was also a lack of consistency among respondent importers in reporting price data and for no product did a large number of both U.S. producers and importers report prices.
39/ This same pattern has occurred in many Title VII steel investigations. See, e.g., Carbon Steel Wire Rod From Brazil, Belgium, France, and Venezuela, Inv. Nos. 701-TA-148-150, 731-TA-88 (Preliminary), USITC Pub. 1230 (1982). The question of prices will be further explored if this case returns for a final determination.

Commission was able to confirm that two firms rejected offers from domestic producers in favor of the Korean products because of lower price.

Heavy-Walled Rectangular Pipes and Tubes 40/ 41/

Although the domestic heavy-walled rectangular pipe and tube industry clearly is injured, imports from Korea were not the cause of the material injury. Imports of Korean heavy-walled rectangular pipes and tubes declined dramatically in 1981 and 1982 compared with imports in 1980. The import penetration rate for Korea during the entire period never exceeded 1 percent. On the basis of the information in these investigations, we cannot conclude that imports from Korea were a cause of material injury.

Light-Walled Rectangular Pipes and Tubes 42/ 43/

Although the domestic light-walled rectangular industry may be experiencing difficulties, Korean imports were not the cause of the injury. Imports of Korean light-walled rectangular pipes and tubes declined absolutely and relative to domestic consumption from 1980 to 1982. After 1980 the import penetration rate was never above 5 percent. On the basis of the information

---

40/ The petitioners have alleged that imports of heavy-walled and light-walled rectangular (including square) structural and mechanical tubing from Korea and Taiwan were understated in the official Commerce statistics as a result of classification errors by Customs officials. The petitioners provided a list of eight importers and distributors that were allegedly warehousing and selling these products. The Commission staff contacted and received information from all eight of these firms. The information obtained by the Commission does not support the allegations by the petitioners. All of the firms contacted were in agreement that virtually all of the rectangular tubing sold domestically is U.S.-produced or Japanese. Report at A-28 - 29.

41/ Commissioner Haggart dissents from this determination. See her separate Views at pp. 17-19.

42/ See note 40, supra.

43/ Commissioner Haggart dissents from this determination. See her separate Views at pp. 17-19.

in these investigations, we cannot conclude that imports from Korea were a cause of material injury.

No Threat of Material Injury

There is no reasonable indication that imports of heavy-walled or light-walled rectangular pipes and tubes from Korea threaten to cause material injury to the domestic industry. As noted above, imports of these products from Korea have declined dramatically since 1980. During the period under investigation, the import penetration rate for heavy-walled rectangular pipes never exceeded 1 percent and after 1980, the import penetration rate for light-walled rectangular pipes and tubes never exceeded 5 percent. There are no data on Korean capacity; however, the Korea Iron and Steel Association has stated that there are no plans to increase capacity for the products under investigation. 44/ Finally, importers reported no inventories of rectangular pipe and tube imports from Korea. 45/ Thus there is no indication that there is a real or imminent threat of material injury to the domestic industry from such imports.

Imports From Taiwan

Small-Diameter Circular Pipes and Tubes

Imports from Taiwan of small circular pipes and tubes nearly doubled between 1980 and 1981. Imports then decreased slightly from 1981 to 1982, but rose again during January-March 1983 compared with January-March 1982. The penetration rate of imports from Taiwan more than doubled from 1980 to 1982. As in the case of imports of this product from Korea, imports of sprinkler pipe from Taiwan sold at lower prices than domestic CW sprinkler

44/ See Report at A-11.
45/ See Report at A-24.

pipe, but above the prices for domestically produced ERW pipe. 46/ The Commission did confirm one sale lost on the basis of price to imports from Taiwan.

Heavy-Walled Rectangular Pipes and tubes 47/

From 1980 to 1982, according to questionnaire responses, there were no imports of heavy-walled rectangular pipes and tubes from Taiwan. Thus, there is no causal nexus between the condition of the domestic industry and the subject imports from Taiwan.

Light-Walled Rectangular Pipes and Tubes 48/

There were no imports of light-walled rectangular pipes and tubes from Taiwan for January 1980-March 1983 with the exception of a few short tons in 1981, according to questionnaire responses. 49/ On the basis of the foregoing, we conclude that there is no causal nexus between the condition of the domestic industry and the subject imports from Taiwan.

No Threat of Material Injury

There is no reasonable indication that imports of heavy-walled or light-walled rectangular pipes and tubes from Taiwan threaten to cause material injury to the respective domestic industries. As noted above, with the exception of a few short tons, there were no imports of rectangular pipes and tubes from Taiwan. There are no data on Taiwan's capacity for producing

---

46/ Available import price data were f.o.b. port, and domestic price data were f.o.b. plant. Therefore, because of possible transportation cost differentials for domestic producers, import prices were higher. If there is a final investigation, the Commission will more fully explore the question of prices.

47/ See note 40, supra.

48/ Id.

49/ Report at A-26.

rectangular pipes and tubes; however, importers did not report any inventories of rectangular pipes and tubes from Taiwan. There is no indication of any real or imminent threat of material injury to the respective domestic industries from imports of heavy-walled or light-walled rectangular pipes and tubes from Taiwan.

Conclusion

On the basis of the foregoing, we determine that there is no reasonable indication that imports of light-walled or heavy-walled rectangular pipes and tubes from Korea 50/ or Taiwan cause or threaten to cause material injury to the respective domestic industries.

50/ Commissioner Haggart dissents from this determination with respect to imports from Korea. See her separate Views at pp. 17-19.

Views of Commissioner Veronica A. Haggart

I. Heavy-Walled Rectangular (Including Square) Welded Pipes and Tubes from Korea

I concur with my colleagues' conclusion that the domestic industry producing heavy-walled rectangular (including square) welded pipes and tubes is experiencing serious difficulties. My analysis of the available information, however, demonstrates a reasonable indication that imports from Korea are a cause of material injury to this industry. Significantly, imports from Korea, both absolutely and as a share of consumption, increased in 1982, a year when domestic consumption declined significantly; U.S. producers' share of the market decreased; imports from other sources increased; and the domestic industry experienced its most serious difficulties. 1/ Although the absolute level of imports decreased during the period 1980-1982, with the exception of 1981, imports from Korea maintained more than an insignificant market share during the period. 2/ The level of imports and the market penetration of imports from Korea declined in the first quarter of 1983. However, undue reliance should not be placed on quarterly data in this preliminary investigation because quarterly levels of imports of this product have fluctuated widely in the past. 3/

With respect to the impact of imports on prices, the Commission obtained limited data on sales of Korean heavy walled structural tubing in the context

---

1/ Id. at A-8, 13, 22, 25 and 30.
2/ Report at A-25, 30.
3/ Based on the data found in U.S. Dept. of Commerce Publication IM 146.

of this preliminary investigation. However, in each of the three quarters where price comparisons are available, the price of the Korean product was below the price of the domestically produced product by 5 to 7 percent. 4/

The Commission received four allegations of lost sales involving heavy walled rectangular tubing from Korea and/or Taiwan. A representative of one of the four firms involved confirmed that the firm increased significantly its purchases of Korean tubing in 1982 and in fact rejected offers from U.S. producers because of price considerations. 5/

Based on the foregoing information developed during this preliminary investigation, I conclude that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of heavy-walled rectangular (including square) pipes and tubes from Korea.

## II. Light-Walled Rectangular (Including Square) Pipes and Tubes from Korea

I concur with my colleagues' discussion of the condition of the subject domestic industry. However, I determine that there is a reasonable indication that imports from Korea are a cause of material injury to this domestic industry. Imports of the subject pipes and tubes maintained a significant presence in the U.S. market throughout the period of this investigation. Although absolute levels of imports declined in 1981 from their 1980 levels, these imports increased in 1982, both in absolute terms and as a share of declining comsumption. 6/ At the same time, imports from other sources

---

4/ Report at A-35.
5/ Id. at A-38.
6/ Id. at A-25, 29.

increased and the share of the market held by domestic producers decreased. Although Korea's share of the domestic market declined in the first quarter of 1983, for the reasons indicated above, 7/ undue reliance should not be placed on quarterly import data for this particular product.

With respect to the available pricing data, four U.S. producers reported prices of sales of 1" square light wall mechanical tubing. No importers reported sales of this product in the questionnaire responses received by the Commission. However, the prices reported by the domestic producers indicate that domestic prices decreased at the same time that imports increased their market share. 8/ One of two firms which allegedly purchased light-walled rectangular tubing after rejecting offers to buy the domestic product confirmed this allegation and indicated that Korean prices were about 15 percent lower than domestic prices. 9/

Based principally upon information demonstrating the depressed condition of the industry in 1982, the increase in Korean imports as a share of declining consumption in 1982, decreasing U.S. prices in 1982, and the confirmed lost sales information, I conclude that there is a reasonable indication that the subject imports of pipes and tubes from Korea are a cause of material injury to the domestic industry.

---

7/ See page 17, supra.
8/ Id. at A-33.
9/ The other domestic firm reported no purchases of Korean light-walled rectangular tubing during the last two years. However, this firm did indicate that the Korean porducts were priced less than the domestic product in addition to noting that it considered the imported product inferior in quality. Id. at A-39.

# INFORMATION OBTAINED IN THE INVESTIGATIONS

## Introduction

On April 21, 1983, counsel for the Committee on Pipe and Tube Imports (CPTI) 1/ filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from the Republic of Korea (Korea) and Taiwan of certain welded carbon steel pipes and tubes 2/, which are allegedly being sold at less than fair value (LTFV). Accordingly, the Commission instituted investigations Nos. 731-TA-131 and 731-TA-132 (Preliminary) under section 731 of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the importation of such merchandise into the United States. The statute directs that the Commission make its determinations within 45 days after receipt of a petition, or in this case, by June 6, 1983.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on May 4, 1983 (48 F.R. 20164). 3/ The conference was held in Washington, D.C., on May 16, 1983. 4/ The Commission voted on these cases on May 31, 1983.

## Previous Commission Investigations

Although the Commission has conducted a number of pipe and tube investigations, the only investigation pertaining to any of the welded carbon steel pipe and tube products covered by the current investigations was No. 701-TA-168, Certain Welded Carbon Steel Pipes and Tubes from the Republic of

---

1/ The nine member producers of CPTI are Allied Tube & Conduit Corp., American Tube Co., Inc., Bull Moose Tube Co., Copperweld Tubing Group, Kaiser Steel Corp., Merchants Metals, Inc., Pittsburgh-International, Southwestern Pipe, Inc., and Western Tube & Conduit.

2/ For purposes of these investigations, the term "certain welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes, of circular cross section, with walls not thinner than 0.065 inch, 0.375 inch or more but not over 4.5 inches in outside diameter, provided for in items 610.3231, 610.3232, 610.3241, and 610.3244 of the Tariff Schedules of the United States Annotated (1983) (TSUSA) or of rectangular (including square) cross section, provided for in TSUSA items 610.3955 and 610.4975.

3/ A copy of the Commission's notice of institution of preliminary investigations is presented in app. A. A copy of the Department of Commerce's notices of institution are presented in app. B.

4/ A copy of the list of witnesses appearing at the conference is presented in app. C.

Korea. On February 8, 1983, the Commission determined 1/ that an industry in the United States was materially injured by reason of imports of certain welded carbon steel pipes and tubes which were found by the Department of Commerce to be subsidized by the Republic of Korea. That investigation covered certain round pipes and tubes (including American Petroleum Institute (API) line pipe) up to 16 inches in outside diameter; the current investigations cover certain round pipes and tubes up to 4.5 inches in outside diameter and rectangular (including square) pipes and tubes. 2/

## The Product

### Description and uses

For the most part, the terms "pipes," "tubes," and "tubular products" can be used interchangeably. In some industry publications, however, a distinction is made between pipes and tubes. According to these publications, pipes are produced in large quantities to a few standard sizes, whereas tubes are made to customers' specifications for dimensions, finish, chemical composition, and mechanical properties. Pipes are normally used as a conduit for liquids or gases, whereas tubes are generally used for other purposes. There is apparently no clear line of demarcation in many cases between pipes and tubes.

Steel pipes and tubes can be divided into two general categories on the basis of method of manufacture--welded or seamless. Each category can be further subdivided by grade of steel: carbon, heat-resisting, stainless, or other alloy. This method of distinguishing among steel pipe and tube product lines is one of several such methods used by the industry. Pipes and tubes typically come in circular, square, or rectangular cross section.

The American Iron & Steel Institute (AISI) distinguishes among the various types of pipes and tubes according to six end uses: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods. 3/

The pipes and tubes in all six AISI categories can be of either welded or seamless construction and can be produced from various grades of steel. In addition, some may be suitable for multiple applications. For example, round mechanical tubing which has been tested and warranted to withstand high pressures could be sold as pressure tubing, but the same tube not passing such test could not; line pipe might be substituted for oil country tubular goods in drilling shallow oil wells; and standard pipe may be used in structural applications. In many applications, a tubular product can be either welded or seamless and meet required specifications. In selecting a tubular product, an

---

1/ Commissioner Stern dissenting.

2/ Neither the earlier investigation nor the current investigations cover API oil country tubular goods, pressure tubes, or cold-drawn pipes and tubes.

3/ For a full description of these items, see Certain Welded Carbon Steel Pipes and Tubes From the Republic of Korea, Inv. No. 701-TA-168 (Final), USITC Publication 1345, February 1983.

end user frequently has the option of choosing between a longer lasting and more expensive high-alloy product and a shorter lived and less expensive low-alloy product. The end user's choice is likely to be determined by a combination of initial cost considerations and the ease with which a worn pipe or tube can be replaced.

Steel pipes and tubes are generally produced according to standards and specifications published by a number of organizations, including the American Society for Testing & Materials (ASTM); the American Society of Mechanical Engineers; and the American Petroleum Institute (API). Comparable organizations in Japan, West Germany, the United Kingdom, the U.S.S.R., and other countries have also developed standard specifications for steel pipes and tubes.

The imported pipe and tube products which are the subjects of these investigations are the following welded carbon steel products:

(1) Small-diameter circular pipes and tubes, 0.375 inch or more but not over 4.5 inches in outside diameter, and with a wall thickness of not less than 0.065 inch. For the purpose of these investigations, these products are hereinafter referred to as small round pipes and tubes. This is a general-purpose, commodity-type product used in such applications as sprinkler systems and fence posts, and is commonly referred to in the industry as a standard pipe. It may be supplied with an oil coating (black pipe) or may be galvanized, and is sold in plain ends, threaded, threaded and coupled, or beveled for welding form. This product is generally produced to ASTM specification A-120, a lenient specification requiring hydrostatic testing but not specifying grade, chemistry, yield, or tensile strength minimums.

(2) Rectangular (including square) pipes and tubes having a wall thickness of 0.156 inch or greater, hereinafter referred to as heavy-walled rectangular pipes and tubes. This product is supplied in rectangles ranging from 3 x 2 inches to 20 x 12 inches and 2-inch to 16-inch squares. It is used for forming and support members for construction or load-bearing purposes in construction, transportation, farm, and material-handling equipment. The product is generally produced to ASTM specification A-500 and is commonly referred to in the industry as structural tubing.

(3) Rectangular (including square) 1/ pipes and tubes having a wall thickness of less than 0.156 inch, hereinafter referred to as light-walled rectangular pipes and tubes. This product is supplied in rectangles ranging from 0.375 x 0.625 inch to 4 x 8 inches and 0.375 inch to 6-inch squares. It is employed in a variety of end uses not involving the conveyance of liquid or gas, such as agricultural equipment frames and parts and furniture parts. The product is generally produced to ASTM specification A-513 and is commonly referred to in the industry as mechanical tubing.

---

1/ Although the applicable TSUSA item, 610.4975, includes products of "shaped" cross section (other than circular or rectangular), there are few or no such imports from Korea and Taiwan, according to counsel for the Korean and Taiwanese producers (telephone conversations on May 23, 1983).

Manufacturing processes

Welded steel pipes and tubes are made by forming flat-rolled steel into a tubular configuration and welding along the joint axis. There are various ways to weld pipes and tubes; the most popular are the continuous weld (butt weld) (CW), the electric-resistance weld (ERW), the submerged-arc weld, and the spiral weld. Submerged-arc weld and spiral weld are normally used to produce pipes and tubes of larger diameter than those of the pipes and tubes covered in these investigations. The small round pipes and tubes which are the subject of these investigations are produced by either the CW or the ERW process, whereas the rectangular pipes and tubes are produced only by the ERW process. 1/ All pipes and tubes are formed and welded in a cylindrical configuration; immediately after welding, the product may be reduced by rolling or stretch reducing, or may be further formed into squares, rectangles, or other shapes by forming rolls.

In the CW process, skelp 2/ is heated to approximately 2,600° F and hot-formed into a cylinder. The heat in combination with the pressure of the rolls forms the weld. Continuous-weld mills generally produce the high volume standardized pipe products from 0.375 through 4.5 inches in outside diameter. A diagram of the CW process is presented in figure 1.

In the ERW process, skelp is cold-formed by tapered rolls into a cylinder. The weld is formed when the joining edges are heated to approximately 2,600° F. Pressure exerted by rolls squeezes the heated edges together to form the weld. ERW mills produce both pipe in standard sizes and tubular products between 0.375 and 24 inches in outside diameter. A diagram of the ERW process is presented in figure 2.

In recent years, the ERW process has gained increased popularity with U.S. producers of small-diameter pipe and tube products. This process uses significantly less energy per pipe produced, as only the joining edges of the product are heated. The process also produces a weld of comparatively high integrity within the product specification, and can produce such products in sizes up to 24 inches in outside diameter, compared with the 4.5-inch maximum outside diameter usually attainable in the CW process.

The advantage of the CW process lies in its ability to produce pipe at speeds up to 1,200 feet per minute, compared with the ERW process' maximum of approximately 110 feet per minute. Thus, economies associated with high-volume production may make CW pipe cheaper to produce than ERW pipe of the same grade and specification. The CW process is especially suited for the manufacture of standardized, high-volume, small-diameter pipe products, such as the ASTM A-120 circular pipe included in these investigations.

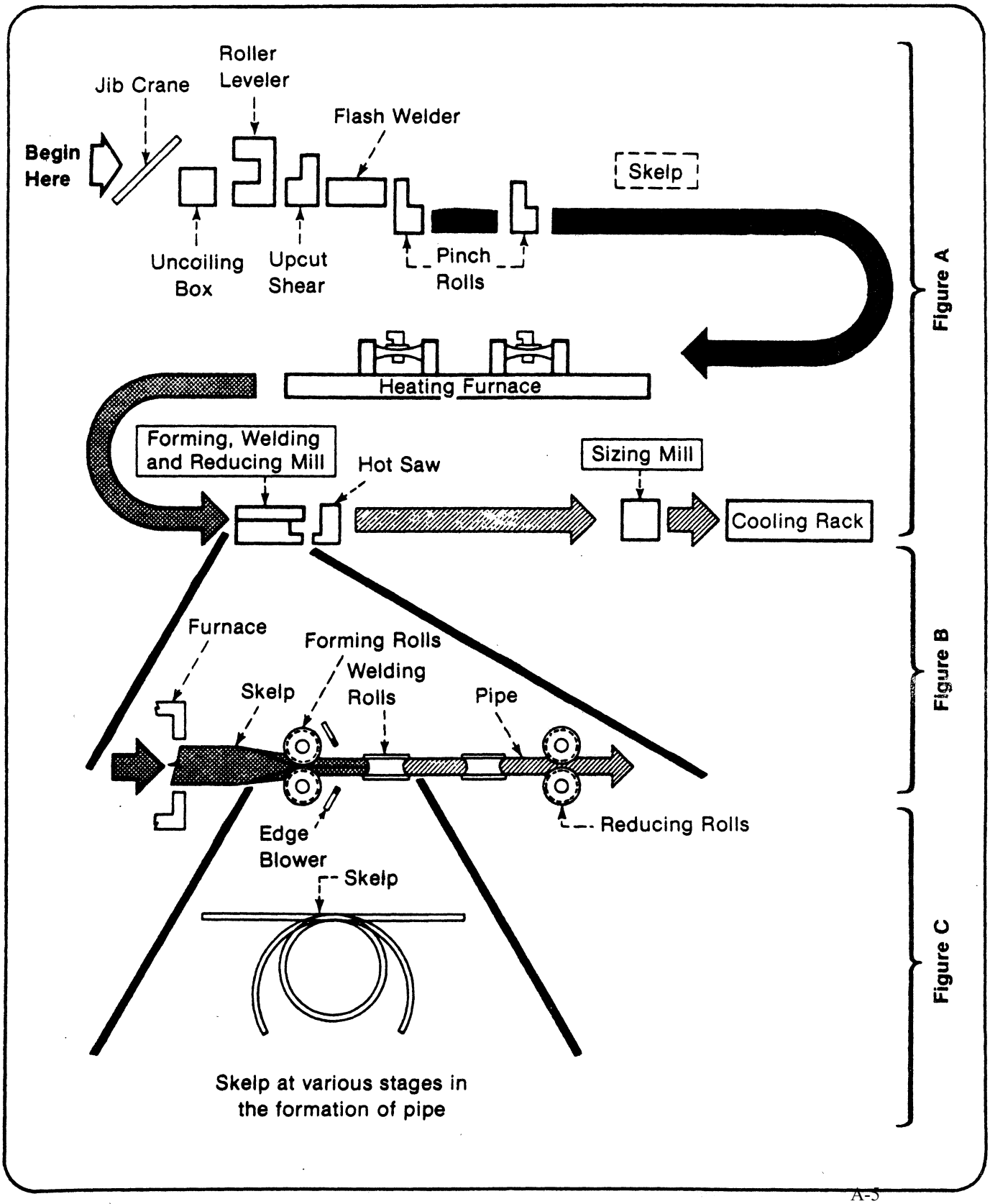
---

1/ Transcript of the public conference, pp. 52-53.

2/ A flat-rolled, intermediate product used as the raw material in the manufacture of pipe and tube. It is typically an untrimmed band of hot- or cold-rolled sheet.

Figure 1

# The Manufacture of Continuous Weld Pipe

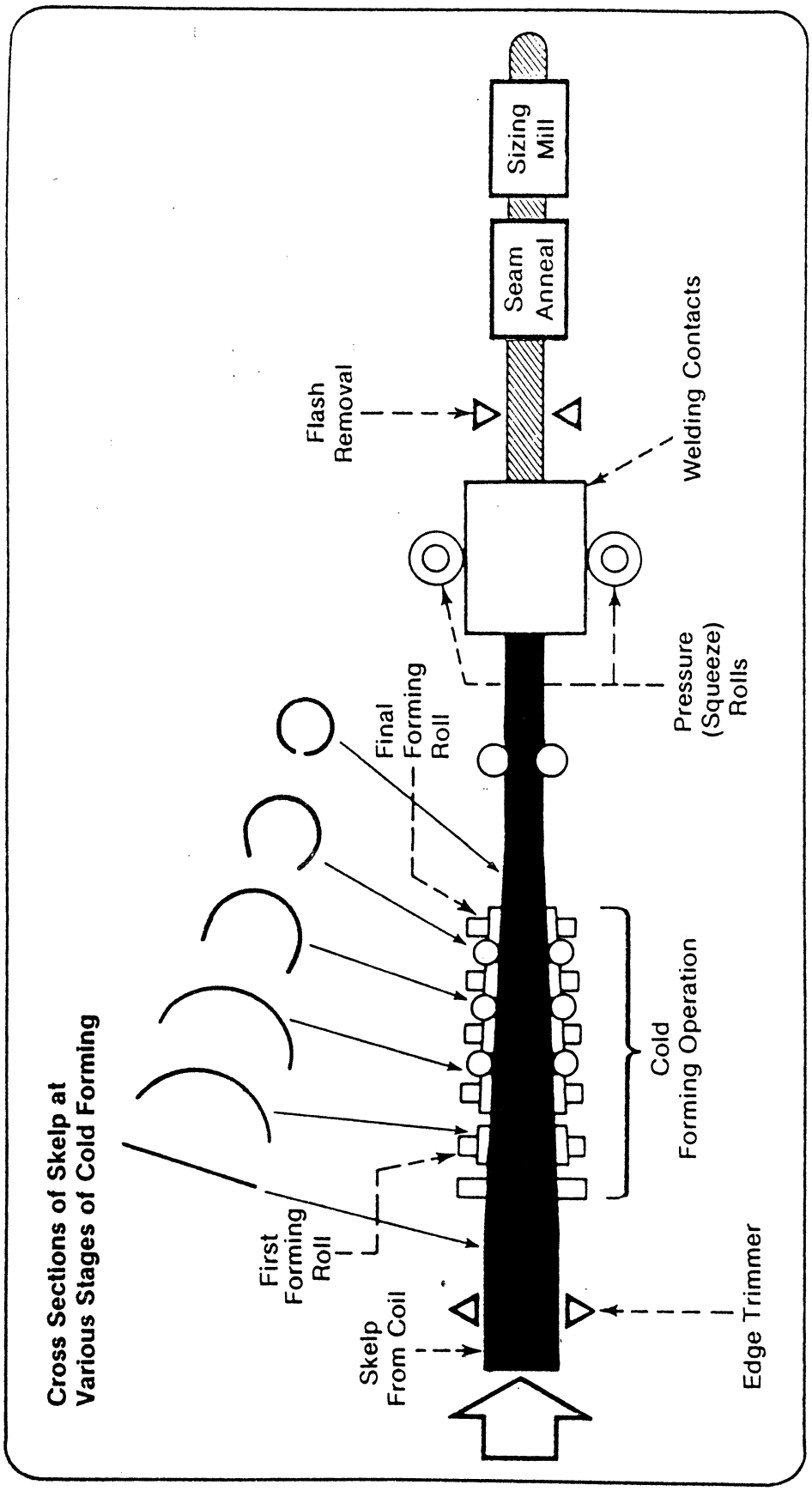





Source: Standard and Line Pipe Products (Jones & Laughlin Steel Corp.)

Figure 2

# The Manufacture of Electricweld Pipe






Source: Standard and Line Pipe Products (Jones & Laughlin Steel Corp.)

## U.S. Tariff Treatment

Imports of the small round welded carbon steel pipes and tubes which are the subject of these investigations are classifiable in TSUSA items 610.3231, 610.3232, 610.3241, and 610.3244, which include welded pipes and tubes (and blanks therefor 1/) of iron (except cast iron) or of nonalloy (carbon) steel and of circular cross section, with walls not thinner than 0.065 inch and having an outside diameter of not less than 0.375 inch or more than 4.5 inches. During the Tokyo round of the Multilateral Trade Negotiations (MTN), the most-favored-nation (MFN) (col. 1) rate of duty 2/ for these items was changed from 0.3 cents per pound to 1.9 percent ad valorem effective January 1, 1982. This MFN rate of duty is the final staged rate negotiated in the Tokyo round. The column 2 rate of duty 3/ is 5.5 percent ad valorem.

Imports of the heavy-walled rectangular pipes and tubes which are the subject of these investigations are classifiable under TSUSA item 610.3955, which includes welded nonalloy steel pipes and tubes of rectangular cross section, having a wall thickness not less than 0.156 inch. During the Tokyo round of the MTN, the column 1 rate of duty for this item was changed from 0.1 cent per pound to 0.5 percent ad valorem effective January 1, 1982. This MFN rate of duty is the final staged rate negotiated in the Tokyo round. The column 2 rate of duty is 1 percent ad valorem.

Imports of the light-walled rectangular pipes and tubes which are the subject of these investigations are classifiable under TSUSA item 610.4975, which includes welded nonalloy steel pipes and tubes of cross sections other than circular, having a wall thickness less than 0.156 inch. As of January 1, 1983, the column 1 rate of duty for this item was 9.7 percent ad valorem. Owing to tariff concessions granted in the Tokyo round, the column 1 rate of duty is to be reduced in stages until January 1, 1987, when it will reach its final negotiated rate of 8 percent ad valorem. The current column 2 rate of duty for this item is 25 percent ad valorem.

The pipes and tubes classifiable under TSUSA items 620.3231, 610.3232, 610.3241, 610.3244, and 610.3955 are not eligible articles for purposes of duty-free treatment under the Generalized System of Preferences (GSP), 4/ and imports from least developed developing countries (LDDC's) are not granted

---

1/ Blanks are semifinished pipe or tube hollows that are purchased by producers and further processed.

2/ Col. 1 rates of duty are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

3/ Col. 2 rates of duty apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

4/ The GSP, enacted as title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented in Executive Order No. 11888, of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985.

preferential rates. 1/ Pipes and tubes classifiable under item 610.4975, however, although not granted GSP status, are eligible for the LDDC rate of 8 percent ad valorem.

## Nature and Extent of Alleged Sales at LTFV

The petitioner has alleged that certain welded carbon steel pipes and tubes are being imported from Korea and Taiwan at prices that are substantially less than fair value. The petitioner used a constructed-value approach to determine the foreign-market values of the Korean pipe and tube products. The values were based on cost-of-production data for two Korean producers, Korean Steel Pipe Co., Ltd., and Pusan Steel Pipe Industrial Co., Ltd., as reported in their financial statements for 1981. These data were adjusted for the devaluation of the Korean won vis-a-vis the U.S. dollar in 1982 and for the 1982 Korean inflation rate. The resulting constructed foreign market values were compared with U.S. prices quoted by importers of combined Korean and Taiwanese pipe and tube products during January-March 1983, adjusted to ex-factory prices. Dumping margins for the eight specific products for which comparisons were made were calculated to be in the range of 30 to 48 percent.

In calculating the alleged dumping margins with respect to the Taiwanese imports, the petitioner compared average home-market prices for all pipe and tube products manufactured in Taiwan with U.S. prices quoted by importers of Korean and Taiwanese pipe and tube products during January-March 1983, adjusted to ex-factory prices. The resulting dumping margins for the eight products for which comparisons were made ranged from 16 to 50 percent.

## The Domestic Market

### U.S. consumption

U.S. consumption of small round, heavy-walled rectangular, and light-walled rectangular welded carbon steel pipes and tubes followed the same trend during the period covered by the investigations. Consumption of each product line increased slightly from 1980 to 1981, decreased from 1981 to 1982, and once again increased slightly in January-March 1983 compared with consumption in January-March 1982. Percentage declines in consumption from 1981 to 1982 were 27 percent for small round pipes and tubes, * * * percent for heavy-walled rectangular pipes and tubes, and * * * percent for light-walled rectangular pipes and tubes. Within the small round category, consumption of pipes and tubes manufactured by the ERW process followed the same pattern, whereas consumption of pipes and tubes manufactured by the CW process decreased steadily. Consumption data, compiled from data submitted by producers and importers in response to the Commission's questionnaires, are provided in the following tabulation:

---

1/ The preferential rates of duty in the "LDDC" column reflect the full U.S. MTN concession rates implemented without staging for particular items which are the products of LDDC's enumerated in general headnote 3(d) of the TSUSA. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty in col. 1 applies.

| Item | 1980 | 1981 | 1982 | January-March | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| | Short tons | | | | |
| Small round: | | | | | |
| ERW process | *** | *** | *** | *** | *** |
| CW process | *** | *** | *** | *** | *** |
| Total | 843,760 | 856,829 | 621,799 | 171,312 | 174,317 |
| Heavy-walled rectangular 1/ | *** | *** | *** | *** | *** |
| Light-walled rectangular 1/ | *** | *** | *** | *** | *** |

1/ All pipes and tubes of these types were manufactured by the ERW process.

Channels of distribution

In the U.S. market, sales of the pipes and tubes which are the subject of these investigations are made directly to end users or to steel service centers/distributors, which in turn sell to end users. Testimony at the Commission's conference revealed that the bulk of shipments in all product forms are more or less standardized, and are sold to service centers/distributors. 1/ Service centers/distributors are middlemen which buy large quantities of pipes and tubes, usually from both domestic producers and importers, warehouse the product, and sell smaller quantities to end users. The service centers/distributors may also have some simple finishing equipment, such as equipment to cut pipe to lengths or to thread and couple it. According to AISI data, service centers/distributors accounted for 69 percent of domestic shipments of standard pipe in 1982, for 51 percent of structural tubing shipments, and for 17 percent of mechanical tubing shipments. 2/ Major markets in which shipments were made directly to end users in 1982 were the oil and gas and electrical equipment industries for standard pipe, the oil and gas industry for structural tubing, and the machinery, industrial equipment, and tools industry for mechanical tubing.

## U.S. Producers

According to the petitioners, there are 68 firms in the United States producing the welded carbon steel pipes and tubes which are the subject of these investigations. Data were provided by 13 of these firms, accounting for 39 percent of total U.S. shipments of welded carbon steel small-diameter circular pipe and heavy-walled and light-walled rectangular tubing in 1982, according to AISI data. 3/

1/ Transcript of the public conference, pp. 79 and 86.

2/ AISI data are not available on a small-round- or rectangular-product basis.

3/ AISI shipments data are not available on a diameter, wall-thickness, shape, or specification basis.

There are two types of welded carbon steel pipe and tube producers--large, integrated producers, which make raw steel and produce a variety of steel products, and smaller, nonintegrated producers, which concentrate on a few product lines. The integrated producers generally concentrate production in the high volume standardized pipe products; the nonintegrated producers generally concentrate production in the low volume, more specialized tubular products.

The largest U.S producers of the welded carbon steel pipes and tubes which are the subject of these investigations, as compiled from questionnaires submitted to the Commission, are shown in the following tabulation:

* * * * * * *

Questionnaire data show that * * * percent of the reported production of the small round pipes and tubes subject to these investigations was made by the CW process in 1982 versus * * * percent by the ERW process, and that none of the rectangular pipes and tubes subject to these investigations was made by the CW process. Integrated producers reported using both the CW and ERW processes for production of small round pipes and tubes. All the nonintegrated producers which submitted usable questionnaire data to the Commission reported production by the ERW process exclusively.

## U.S. Importers

There are hundreds of firms which import welded carbon steel pipes and tubes into the United States. These firms are generally independent trading companies, U.S. subsidiaries of foreign producers, or steel service centers/ distributors. The independent trading companies and U.S. subsidiaries of foreign producers frequently act as distributors, warehousing the product and filling orders from inventory. They normally sell their product to service centers/distributors, which, in turn, sell to end users. Some end users import the product directly.

## The Korean Industry

According to the Korea Iron and Steel Association, there are currently eight manufacturers of welded carbon steel pipes and tubes in Korea. These firms are Dong Jin Industrial Co., Ltd., Pusan Steel Pipe Industrial Co., Ltd., Union Steel Manufacturing Co., Ltd., Hyundai Pipe Co., Ltd., Korean Steel Pipe Co., Ltd., Dongkuk Heavy Industries, Ltd., Fuji Works-Korea, Ltd., and Masan Steel Tube Co., Ltd. Dong Jin recently absorbed Ilssin Steel Co., Ltd., and Dong Sue Steel Pipe Industry, Ltd.

Data on Korean production, domestic shipments, and exports of small round and rectangular welded carbon steel pipes and tubes subject to the investigations and, in addition, round API line pipe up to 4.5 inches in outside

diameter, are presented in table 1. Korean production and domestic shipments increased 4 percent and 45 percent, respectively, during 1980-82. Capacity data for the Korean industry are not available; however, counsel for the Korea Iron and Steel Association indicated that there are no planned increases in capacity for the products under investigation. Korean exports to the United States decreased 18 percent from 1980 to 1982, whereas total exports and exports to countries other than the United States decreased from 1980 to 1981 and then increased from 1981 to 1982. Exports to the United States, as a share of total shipments, fell from 47 percent in 1980 to 35 percent in 1982.

Table 1.--Small round and rectangular welded carbon steel pipes and tubes: 1/ Korean production, domestic shipments, and exports, 1980-82

(In thousands of short tons)

| Item | 1980 | 1981 | 1982 |
|---|---|---|---|
| Production | 687 | 700 | 717 |
| Domestic shipments | 152 | 163 | 220 |
| Exports: | | | |
| To the United States | 357 | 311 | 291 |
| To other countries | 250 | 236 | 312 |
| Total | 607 | 547 | 603 |

1/ Includes round API line pipe up to 4.5 inches in outside diameter.

Source: Compiled from data submitted by counsel for the Korea Iron and Steel Association.

The Government of Korea has imposed an export restraint program for round steel pipes and tubes less than 8 inches in outside diameter. According to the Ministry of Commerce and Industry, the 1983 ceiling on exports to the United States is 753,000 short tons, the same level as the 1982 ceiling. Actual exports of these pipes and tubes under 8 inches in outside diameter to the United States were 423,000 short tons in 1982, or 56 percent of the ceiling.

## The Taiwan Industry

According to the Taiwan Steel and Iron Industries Association, there are currently seven manufacturers of welded carbon steel pipes and tubes in Taiwan. These firms are Tai Feng Industries, Inc., Chi Hsing Iron & Steel Co., Ltd., Vulcan Industrial Corp., Yung Chin Industrial Corp., Mayer Steel Pipe Corp., Far East Machinery Co., Ltd., and Kao Hsing Chang Iron & Steel Corp.

Data on Taiwan sales, capacity, and exports of small round and rectangular welded carbon steel pipes and tubes subject to the investigations are not available. The sales, capacity, and export data presented in table 2 are for round welded carbon steel pipes and tubes with a nominal outside diameter of 1/2 inch to 16 inches.

As shown in table 2, Taiwan capacity to produce the round welded carbon steel pipes and tubes for which data were provided increased slightly from 1980 to 1981 and then decreased slightly from 1981 to 1982. Production data are not available; however, total sales as a percentage of capacity fell steadily from 84 percent in 1980 to 81 percent in 1981 and to 74 percent in 1982. Total sales and home-market sales decreased during 1980-82, by 13 percent and 28 percent, respectively. Export sales to the United States increased 47 percent from 1980 to 1981 and then fell 19 percent from 1981 to 1982. As a share of total sales, export sales to the United States were 21 percent, 31 percent, and 28 percent in 1980, 1981, and 1982, respectively. Total export sales increased 16 percent from 1980 to 1981 and then remained relatively constant from 1981 to 1982. Export sales to countries other than the United States declined 38 percent from 1980 to 1981 and then rose 84 percent from 1981 to 1982.

Table 2.--Round welded carbon steel pipes and tubes, 1/2 inch to 16 inches nominal outside diameter: Taiwan capacity, export sales, and home market sales, 1980-82

(In thousands of short tons)

| Item | 1980 | 1981 | 1982 |
|---|---|---|---|
| Capacity | 400 | 408 | 395 |
| Sales: | | | |
| Exported: | | | |
| To the United States | 70 | 103 | 83 |
| To other countries | 40 | 25 | 46 |
| Total | 110 | 128 | 129 |
| Home-market | 228 | 201 | 165 |
| Total sales | 338 | 329 | 294 |

Source: Compiled from data submitted by counsel for the Taiwan Steel and Iron Industries Association.

## The Question of Material Injury

The Commission sent questionnaires to the 9 CPTI member producers as well as to 20 other producers believed to be major manufacturers of the products subject to the investigations. Thirteen producers were able to provide usable information. Of these producers, 5 manufactured only small round pipes and tubes, 2 produced only heavy-walled rectangular pipes and tubes, 4 produced a combination of small round and light-walled rectangular pipes and tubes, and 2 manufactured all 3 product lines. These firms are believed to account for 50 percent of U.S. production of the small round pipes and tubes subject to the investigations, for more than 40 percent of the heavy-walled rectangular pipes and tubes, and for more than 25 percent of the light-walled rectangular pipes and tubes. Three respondents were unable to provide usable employment data and four were unable to provide usable income-and-loss data, for the most part because of an inability to provide data by product line. As a result, the data in those sections of the report are understated relative to data con- A-12
tained in other sections.

S production, capacity, and capacity utilization

As shown in table 3, U.S. production of small round welded carbon steel pipes and tubes increased 6 percent from 1980 to 1981, decreased 36 percent from 1981 to 1982, and decreased 11 percent during January-March 1983 compared with production in January-March 1982. Production of small round pipes and tubes by the ERW process followed the same trend during 1980-82 but increased during January-March 1983. Production of small round pipes and tubes by the CW process decreased steadily throughout the period.

U.S. production of both heavy-walled and light-walled rectangular pipes and tubes increased from 1980 to 1981 and then fell from 1981 to 1982. The percentage increases for the two types were * * * percent and 11 percent, respectively, from 1980 to 1981, and the percentage decreases were * * * percent and 17 percent, respectively, from 1981 to 1982. Production of heavy-walled rectangular pipes and tubes decreased * * * percent in January-March 1983 compared with that in the corresponding period of 1982, whereas production of light-walled rectangular pipes and tubes increased 19 percent. All the rectangular pipes and tubes produced in the United States are manufactured by the ERW process. 1/

Capacity utilized in the production of small round and light-walled rectangular pipes and tubes increased from 1980 to 1981 and then fell from 1981 to 1982. Capacity utilized in the production of heavy-walled rectangular pipes and tubes declined yearly during 1980-82, to the extent that the 1982 level was * * * the 1980 level. Capacity utilization decreased for small round and heavy-walled rectangular pipes and tubes but rose for light-walled rectangular pipes and tubes in January-March 1983 compared with that in corresponding the period of 1982. Capacity utilized in the production of small round CW pipes and tubes in 1982 was * * * the levels for 1980 and 1981, whereas with respect to small round ERW pipes and tubes it was slightly higher in 1982 than in 1980 but lower than in 1981.

U.S. producers' shipments and inventories

As shown in table 4, U.S. producers' domestic shipments of all three product lines followed the same trend as production, increasing from 1980 to 1981 and then decreasing from 1981 to 1982. Levels in 1982 were lower than in 1980 or 1981. Percentage declines from 1981 to 1982 were 30 percent for small round pipes and tubes, * * * percent for heavy-walled rectangular pipes and tubes, and 15 percent for light-walled rectangular pipes and tubes. During January-March 1983, domestic shipments of small round and heavy-walled rectangular pipes and tubes fell slightly in comparison with levels in the corresponding period of 1982, whereas domestic shipments of light-walled rectangular pipes and tubes increased.

1/ Transcript of the public conference, pp. 52-53.

Table 3.--Certain welded carbon steel pipes and tubes: 1/ U.S. production, capacity, and capacity utilization, by product lines, 1980-82, January-March 1982, and January-March 1983

| Item | 1980 | 1981 | 1982 | January-March-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Production: | | | | | |
| Small round: | | | | | |
| ERW process | | | | | |
| short tons-- | *** | *** | *** | *** | *** |
| CW process------do---- | *** | *** | *** | *** | *** |
| Total----------do---- | 577,229 | 613,160 | 392,575 | 122,331 | 108,336 |
| Heavy-walled rectangular 2/--short tons-- | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/--short tons-- | 43,429 | 48,170 | 40,149 | 10,062 | 12,016 |
| Capacity: | | | | | |
| Small round: | | | | | |
| ERW process | | | | | |
| short tons-- | *** | *** | *** | *** | *** |
| CW process------do---- | *** | *** | *** | *** | *** |
| Total----------do---- | 1,247,258 | 1,285,558 | 1,291,558 | 332,635 | 342,463 |
| Heavy-walled rectangular 2/--short tons-- | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/--short tons-- | 99,957 | 100,807 | 100,007 | 24,604 | 26,994 |
| Capacity utilization: | | | | | |
| Small round: | | | | | |
| ERW process--percent-- | *** | *** | *** | *** | *** |
| CW process------do---- | *** | *** | *** | *** | *** |
| Total----------do---- | 46.3 | 47.7 | 30.4 | 36.8 | 31.6 |
| Heavy-walled rectangular 2/------percent-- | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/------percent-- | 43.4 | 47.8 | 40.1 | 40.9 | 44.5 |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ All pipes and tubes of this type were manufactucted by the ERW process.

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

Table 4.--Certain welded carbon steel pipes and tubes: 1/ U.S. producers' domestic shipments and inventories, by product lines, 1980-82, January-March 1982, and January-March 1983

| Item | 1980 | 1981 | 1982 | January-March-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Domestic shipments: | | | | | |
| Small round: | | | | | |
| ERW process | | | | | |
| short tons-- | *** | *** | *** | *** | *** |
| CW process-------do----- | *** | *** | *** | *** | *** |
| Total----------do----- | 587,005 | 598,153 | 419,156 | 121,187 | 119,924 |
| Heavy-walled rectangular 2/--short tons-- | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/--short tons-- | 43,377 | 47,469 | 40,582 | 10,484 | 12,112 |
| Inventories: | | | | | |
| Small round: | | | | | |
| ERW process | | | | | |
| short tons-- | *** | *** | *** | *** | *** |
| CW process-------do----- | *** | *** | *** | *** | *** |
| Total----------do----- | 105,871 | 115,529 | 78,976 | 109,814 | 70,511 |
| Heavy-walled rectangular 2/--short tons-- | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/--short tons-- | 6,699 | 4,945 | 3,801 | 3,459 | 3,567 |
| Ratio of inventories to domestic shipments: | | | | | |
| Small round: | | | | | |
| ERW process--percent-- | *** | *** | *** | 3/ *** | 3/ *** |
| CW process-------do----- | *** | *** | *** | 3/ *** | 3/ *** |
| Total----------do----- | 18.0 | 19.3 | 18.8 | 3/ 22.7 | 3/ 14.7 |
| Heavy-walled rectangular 2/------percent-- | *** | *** | *** | 3/ *** | 3/ *** |
| Light-walled rectangular: 2/----------percent-- | 15.4 | 10.4 | 9.4 | 3/ 8.2 | 3/ 7.4 |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ All pipes and tubes of this type were manufactured by the ERW process.

3/ Based on annualized shipments data.

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

Yearend inventories generally declined during 1980-82. At yearend 1982, inventories of small round, heavy-walled rectangular, and light-walled rectangular pipes and tubes were 25 percent, * * * percent, and 43 percent lower, respectively, than 1980 levels. Inventories of small round pipes and tubes were lower as of March 31, 1983, than on the corresponding date in 1982, whereas inventories of the rectangular products had risen. Inventories of small round pipes and tubes as a percentage of domestic shipments remained relatively constant during the period. In contrast, the ratios of inventories to domestic shipments generally increased with respect to heavy-walled rectangular pipes and tubes and decreased with respect to light-walled rectangular pipes and tubes.

U.S. producers' export shipments during 1980-82 and January-March 1983 never exceeded 2 percent of U.S. production or shipments of any of the three product lines. Similarly, imports of the three pipe and tube products by U.S. producers of those products did not exceed 2 percent of U.S. production or shipments of those products.

## U.S. employment

As shown in table 5, employment and hours worked by workers producing small round pipes and tubes fell steadily after 1980, largely as a result of declines in employment and hours worked in continuous-weld mills. Employment and hours worked by workers producing heavy-walled rectangular pipes and tubes declined steadily after 1981. Hours worked by workers producing light-walled rectangular pipes and tubes decreased during 1980-82 in spite of an overall upward trend in employment.

Workers employed in the production of all three product lines received regular increases in wages and total compensation during 1980-82. Continuous-weld mills paid workers substantially higher wages and fringe benefits than did ERW mills. Workers at both of the CW-producing firms that submitted questionnaire responses are represented by the United Steelworkers of America. Of the 11 ERW-producing firms that responded to the questionnaire, four are nonunion; three have workers represented by the Teamsters union; two, by the United Steelworkers; one, by the United Auto Workers union; and one, by the Sheet Metal Workers Union.

## Financial experience of U.S. producers

Nine U.S. producers, accounting for 73 percent of reported production in 1982, submitted usable income-and-loss data relative to their overall establishment operations and their operations producing welded carbon steel pipes and tubes. In the aggregate, the nine producers' welded carbon steel pipe and tube operations were somewhat profitable in 1980 and 1981 and unprofitable in 1982 and interim 1983.

Table 5.--Average number of production and related workers engaged in the manufacture of certain welded carbon steel pipes and tubes, 1/ hours worked by such workers, wages paid, and total compensation, by product lines, 1980-82, January-March 1982, and January-March 1983

| Item | 1980 | 1981 | 1982 | January-March-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Number of workers: | | | | | |
| Small round: | | | | | |
| ERW process | *** | *** | *** | *** | *** |
| CW process | *** | *** | *** | *** | *** |
| Total | 2,973 | 2,787 | 2,138 | 1,976 | 1,697 |
| Heavy-walled rectangular 2/ | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/ | *** | *** | *** | *** | *** |
| Hours worked: | | | | | |
| Small round: | | | | | |
| ERW process thousands | *** | *** | *** | *** | *** |
| CW process--do-- | *** | *** | *** | *** | *** |
| Total--do-- | 6,058 | 5,888 | 4,263 | 1,226 | 1,070 |
| Heavy-walled rectangular 2/---thousands | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/---thousands | *** | *** | *** | *** | *** |
| Wages paid: | | | | | |
| Small round: | | | | | |
| ERW process-per hour | *** | *** | *** | *** | *** |
| CW process--do-- | *** | *** | *** | *** | *** |
| Total--do-- | $11.62 | $12.31 | $12.49 | $12.65 | $11.77 |
| Heavy-walled rectangular 2/---per hour | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/---per hour | *** | *** | *** | *** | *** |
| Total compensation: | | | | | |
| Small round: | | | | | |
| ERW process-per hour | *** | *** | *** | *** | *** |
| CW process--do-- | *** | *** | *** | *** | *** |
| Total--do-- | $14.91 | $15.99 | $16.99 | $16.65 | $16.77 |
| Heavy-walled rectangular 2/---per hour | *** | *** | *** | *** | *** |
| Light-walled rectangular 2/---per hour | *** | *** | *** | *** | *** |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ All pipes and tubes of this type were manufactured by the ERW process.



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

Overall establishment operations.--Total establishment net sales during 1980-82 ranged from a high of * * * in 1981 to a low of * * * in 1982 (table 6). Net sales declined further in interim 1983, to * * * compared with * * * in the corresponding period of 1982. 1/ The nine firms reported operating * * * margins of * * * percent and * * * percent, repectively, in 1980 and 1981, and operating * * * margins of * * * percent and * * * percent, respectively, for 1982 and the interim period ended March 31, 1983. Welded carbon steel pipe and tube sales as a share of total establishment sales did not exceed * * * percent during 1980-82 and interim 1983.

Table 6.--Income-and-loss experience of 9 U.S. producers on the overall operation of their establishments within which welded carbon steel and pipes tubes are produced, 1980-82, interim 1982, and interim 1983

| Item | 1980 | 1981 | 1982 | Interim period ended Mar. 31 1/-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Net sales----------million dollars-- | *** | *** | *** | *** | *** |
| Cost of goods sold----------do----- | *** | *** | *** | *** | *** |
| Gross income or (loss)-------do----- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses----million dollars-- | *** | *** | *** | *** | *** |
| Operating income-------------do---- | *** | *** | *** | *** | *** |
| Ratio to net sales: | | | | | |
| Gross income or (loss)--percent-- | *** | *** | *** | *** | *** |
| Operating income or (loss) percent-- | *** | *** | *** | *** | *** |
| Cost of goods sold----------do----- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses----------percent-- | *** | *** | *** | *** | *** |
| Number of firms reporting operating losses---------- | 3 | 0 | 4 | 2 | 4 |
| Ratio of welded carbon steel pipe and tube sales to total establishment sales------percent-- | *** | *** | *** | *** | *** |

1/ Data are for 7 firms, accounting for 57 percent of reported production in 1982.

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

1/ The overall establishment income-and-loss data are dominated by two large steel-producing firms, * * *.

Welded carbon steel pipes and tubes.--Net sales of welded carbon steel pipes and tubes were $304 million in 1982, down 35 percent from the $465 million in net sales reported for 1981 and 29 percent less than 1980 net sales of $431 million. Net sales declined 17 percent to $74 million during the interim period ended March 31, 1983, compared with $89 million in net sales reported for the corresponding period of 1982 (table 7).

Table 7.--Income-and-loss experience of 9 U.S. producers on their operations producing welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983

| Item | 1980 | 1981 | 1982 | Interim period ended Mar. 31 1/-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Net sales----------1,000 dollars-- | 430,785 | 464,962 | 304,457 | 88,810 | 74,098 |
| Cost of goods sold----------do---- | 389,629 | 423,217 | 302,091 | 85,435 | 73,421 |
| Gross income----------do---- | 41,156 | 41,745 | 2,366 | 3,375 | 677 |
| General, selling, and administrative expenses------1,000 dollars-- | 30,082 | 34,215 | 34,117 | 9,040 | 8,407 |
| Operating income or (loss)----do---- | 11,074 | 7,530 | (31,751) | (5,665) | 7,730) |
| Ratio to net sales: | | | | | |
| Gross income----------percent-- | 9.6 | 9.0 | 0.8 | 3.8 | 0.9 |
| Operating income or (loss) percent-- | 2.6 | 1.6 | (10.4) | (6.4) | (10.4) |
| Cost of goods sold----------do---- | 90.4 | 91.0 | 99.2 | 96.2 | 99.1 |
| General, selling, and administrative expenses----------percent-- | 7.0 | 7.4 | 11.2 | 10.2 | 11.3 |
| Number of firms reporting operating losses---------- | 5 | 4 | 6 | 5 | 6 |

1/ Data are for 7 firms, accounting for 57 percent of reported production in 1982.

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

Operating income fell from $11.1 million, or 2.6 percent of net sales, in 1980 to $7.5 million, or 1.6 percent of net sales, in 1981. In the aggregate, the nine firms sustained operating losses in the other reporting periods ranging from a high of $31.8 million, or 10.4 percent of net sales, in 1982 to a low of $7.7 million, or 10.4 percent of net sales, during interim 1983.

Operating losses were sustained by five firms in 1980, four in 1981, and six in 1982 and interim 1983.

Small round pipes and tubes.--Seven of the nine reporting welded carbon steel pipe and tube producers manufacture small round pipes and tubes. The seven firms accounted for 83 percent of reported production of this product in

1982. As seen in table 8, net sales of small round pipes and tubes were $234 million in 1982, compared with $333 million in 1981 and $313 million in 1980. Net sales were $66 million during interim 1983, compared with $77 million in the corresponding period of 1982. In the aggregate, the seven firms sustained operating losses in each of the reporting periods, ranging from 0.5 percent of net sales in 1981 to 11.2 percent in 1982. Four firms sustained operating losses in 1980 and interim 1983, and three firms sustained operating losses in each of the other reporting periods.

Table 8.--Income-and-loss experience of 7 U.S. producers on their operations producing small round welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983

| Item | 1980 | 1981 | 1982 | Interim period ended Mar. 31 1/-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Net sales----------1,000 dollars-- | 312,938 | 333,297 | 233,902 | 77,202 | 66,389 |
| Cost of goods sold----------do---- | 296,352 | 311,101 | 236,333 | 74,531 | 65,698 |
| Gross income or (loss)---- --do---- | 16,586 | 22,196 | 2,431 | 2,671 | 691 |
| General, selling, and administrative expenses----------do---- | 18,631 | 24,099 | 23,874 | 7,826 | 7,178 |
| Operating loss----------do---- | 2,045 | 1,903 | 26,305 | 5,155 | 6,487 |
| Ratio to net sales: | | | | | |
| Gross income or (loss)--percent-- | 5.3 | 6.7 | 1.0 | 3.5 | 1.0 |
| Operating loss----------do---- | 0.7 | 0.5 | 11.2 | 6.6 | 9.8 |
| Cost of goods sold----------do---- | 94.7 | 93.3 | 101.0 | 96.5 | 99.0 |
| General, selling, and administrative expenses----------percent-- | 6.0 | 7.2 | 10.2 | 10.1 | 10.8 |
| Number of firms reporting operating losses---------- | 4 | 3 | 3 | 3 | 4 |

1/ Data are for 6 firms, accounting for 80 percent of reported production in 1982.

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

Two firms manufacture the bulk of their small round welded carbon steel pipes and tubes by employing the CW method; five employ the ERW method 1/. Income-and-loss data by method of manufacture are summarized in table 9.

1/ Both of the firms which employ the CW method also manufacture some carbon steel pipes and tubes by using the ERW method. However, one firm reported separate income-and-loss data as it manufactures ERW and CW pipes and tubes in separate establishments. The other firm produced approximately * * * percent of its carbon steel pipes and tubes during 1980-82 by using the CW method.

Table 9.--Income-and-loss experience of 7 U.S. producers of small round welded carbon steel pipes and tubes, by methods of manufacture, 1980-82, interim 1982, and interim 1983

| Period | Electric-resistance-weld method | | | Continuous-weld method | | |
|---|---|---|---|---|---|---|
| | Net sales | Operating income | Operating income margin | Net sales | Operating loss | Operating loss margin |
| | ---1,000 dollars--- | | Percent | --1,000 dollars-- | | Percent |
| 1980 | *** | *** | *** | *** | *** | *** |
| 1981 | *** | *** | *** | *** | *** | *** |
| 1982 | *** | *** | *** | *** | *** | *** |
| Interim period ended Mar. 31-- | | | | | | |
| 1982 | *** | *** | *** | *** | *** | *** |
| 1983 | *** | *** | *** | *** | *** | *** |

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

Heavy-walled rectangular pipes and tubes.--Three of the nine reporting firms manufacture heavy-walled rectangular pipes and tubes. The three firms accounted for 99 percent of reported production of this product in 1982. Net sales were * * * in 1982, compared with * * * in 1981 and * * * in 1980 (table 10). In 1980 and 1981, the three firms reported operating * * * equal to * * * percent and * * * percent, respectively, of net sales. In 1982, they * * * equal to * * * percent of net sales. Two of the three firms furnished interim data for 1982 and 1983. Their combined operations were * * * during those periods.

Table 10.--Income-and-loss experience of 3 U.S. producers on their operations producing heavy-walled rectangular welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983

| Item | 1980 | 1981 | 1982 | Interim period ended Mar. 31 1/-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Net sales----------1,000 dollars-- | *** | *** | *** | *** | *** |
| Cost of goods sold----------do---- | *** | *** | *** | *** | *** |
| Gross income or (loss)--------do---- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses-----1,000 dollars-- | *** | *** | *** | *** | *** |
| Operating income or (loss)---do---- | *** | *** | *** | *** | *** |
| Ratio to net sales: | | | | | |
| Gross income or (loss)--percent-- | *** | *** | *** | *** | *** |
| Operating income or (loss) percent-- | *** | *** | *** | *** | *** |
| Cost of goods sold----------do---- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses----------do---- | *** | *** | *** | *** | *** |
| Number of firms reporting operating losses---------- | *** | *** | *** | *** | *** |

1/ Data are for 2 firms, accounting for 43 percent of reported production in 1982.

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

Light-walled rectangular pipes and tubes.--Two of the nine reporting firms manufacture light-walled rectangular pipes and tubes (table 11). The two firms accounted for * * * percent of reported production of this product in 1982. Net sales were * * * in 1982, compared with * * * and * * * in 1980 and 1981, respectively. Net sales were * * * in interim 1983, compared with * * * in the corresponding period of 1982. The two firms * * * equal to * * * percent, * * * percent, and * * * percent of net sales in 1980, 1981, and 1982, respectively. During interim 1983, they * * * equal to * * * percent of net sales, compared with an operating * * * equal to * * * percent of net sales in the corresponding period of 1982. One firm reported * * *.

Table 11.--Income-and-loss experience of 2 U.S. producers on their operations producing light-walled rectangular welded carbon steel pipes and tubes, 1980-82, interim 1982, and interim 1983

| Item | 1980 | 1981 | 1982 | Interim period ended Mar. 31-- 1982 | 1983 |
|---|---|---|---|---|---|
| Net sales----------1,000 dollars-- | *** | *** | *** | *** | *** |
| Cost of goods sold----------do---- | *** | *** | *** | *** | *** |
| Gross income----------do---- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses-----1,000 dollars-- | *** | *** | *** | *** | *** |
| Operating income or (loss )--do---- | *** | *** | *** | *** | *** |
| Ratio to net sales: | | | | | |
| Gross income----------percent-- | *** | *** | *** | *** | *** |
| Operating income or (loss) percent-- | *** | *** | *** | *** | *** |
| Cost of goods sold-------percent-- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses----------percent-- | *** | *** | *** | *** | *** |
| Number of firms reporting operating losses---------- | *** | *** | *** | *** | *** |

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

## The Question of the Threat of Material Injury

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase of the alleged LTFV imports, the rate of increase of U.S. market penetration by such imports, the quantities of such imports held in inventory in the United States, and the capacity of producers in Korea and Taiwan to generate exports (including the availability of export markets other than the United States).

Trends in imports and U.S. market penetration are discussed in the section of this report that addresses the causal relationship between the alleged injury and the imports allegedly sold at LTFV. Information regarding the capacity of the Korean and Taiwanese producers to generate exports is discussed in the sections of this report that cover the Korean and Taiwanese industries.

Yearend inventories of Korean and Taiwanese imports of small round pipes and tubes subject to the investigations held by importers that submitted data in response to the Commission's questionnaires are shown, in absolute terms and as a percentage of imports, in the following tabulation:

| Item | 1980 | 1981 | 1982 |
|---|---|---|---|
| Inventories of Korean imports----------short tons-- | 31,261 | 22,615 | 13,658 |
| Inventories as a percentage of Korean imports 1/ percent-- | 24.5 | 19.1 | 12.9 |
| Inventories of Taiwanese imports--------short tons-- | *** | *** | *** |
| Inventories as a percentage of Taiwanese imports 1/: percent-- | *** | *** | *** |

1/ 3 importers did not provide inventory data; their imports were excluded from the calculation.

Importers reported no inventories of imports of the subject rectangular pipes and tubes from Korea or Taiwan.

## Consideration of the Causal Relationship Between Imports Allegedly Sold at LTFV and the Alleged Injury

### U.S. imports

Data contained in this section of the report were obtained from questionnaire responses submitted by importers of the products subject to the investigations, as well as from official statistics of the U.S. Department of Commerce. Questionnaires were sent to 37 firms believed to be importers of the products. Of these, 27 responded, 21 with usable information. Imports reported by these firms accounted for 35 percent of total U.S. imports of small round welded carbon steel pipes and tubes, as reported by Commerce in 1982. The corresponding figures for heavy- and light-walled rectangular welded carbon steel pipes and tubes were 15 percent and 17 percent, respectively; however, the latter two products are imported under TSUSA classifications often referred to as basket categories because they include items not specified in other classifications. Thus, Commerce data for these classifications overstate imports of the products subject to these investigations. Furthermore, prior to changes in the TSUSA effective January 1, 1982, imports of small round and light-walled rectangular pipes and tubes entered under TSUSA items that included products in addition to those covered by these investigations. Thus, because published import data for periods prior to January 1, 1982, are not comparable with import data for subsequent periods, the earlier data are not shown in this report.

As shown in table 12, based on questionnaire responses, U.S. imports of small round pipes and tubes from Korea remained essentially unchanged from 1980 to 1981, decreased 22 percent from 1981 to 1982, and then increased 9 percent in January-March 1983 compared with imports in January-March 1982. Imports of this product from Taiwan nearly doubled from 1980 to 1981, decreased * * * percent from 1981 to 1982, and then rose * * * percent in January-March 1983. All welded carbon steel pipes and tubes manufactured in Korea and Taiwan are produced by the ERW process. Imports of small round ERW pipes and tubes from countries other than Korea and Taiwan fell steadily after 1980, as did imports of small round CW pipes and tubes. Small round pipes and

Table 12.--Certain welded carbon steel pipes and tubes: 1/ U.S. imports for consumption, by product lines and by specified sources, 1980-82, January-March 1982, and January-March 1983

(In short tons)

| Item | 1980 | 1981 | 1982 | January-March | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Small round: | | | | | |
| ERW process: | | | | | |
| Korea | 147,712 | 147,247 | 114,997 | 30,242 | 33,104 |
| Taiwan | *** | *** | *** | *** | *** |
| All other | *** | *** | *** | *** | *** |
| Subtotal | *** | *** | *** | *** | *** |
| CW process 2/ | *** | *** | *** | *** | *** |
| Total | 256,755 | 258,676 | 202,643 | 50,125 | 54,393 |
| Heavy-walled rectangular: 3/ | | | | | |
| Korea | *** | *** | *** | *** | *** |
| Taiwan | 0 | 0 | 0 | 0 | 0 |
| All other | *** | *** | *** | *** | *** |
| Total | *** | *** | *** | *** | *** |
| Light-walled rectangular: 3/ | | | | | |
| Korea | *** | *** | *** | *** | *** |
| Taiwan | 0 | *** | 0 | 0 | 0 |
| All other | *** | *** | *** | *** | *** |
| Total | *** | *** | *** | *** | *** |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ All imported pipes and tubes manufactured by the CW process were produced in countries other than Korea and Taiwan.

3/ All pipes and tubes of this type were manufactured by the ERW process.

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

tubes manufactured by the ERW process were imported in much larger quantities than those manufactured by the CW process and followed the same trend as total imports of small round pipes and tubes, increasing from 1980 to 1981, decreasing from 1981 to 1982, and increasing again in January-March 1983.

All imports of heavy- and light-walled rectangular pipes and tubes were manufactured by the ERW process, according to the results of the questionnaires. Imports of the heavy-walled rectangular pipes and tubes from Korea in 1981 and 1982 were * * * percent and * * * percent lower, respectively, than in 1980. According to the questionnaire responses, there were no imports of this product from Korea during January-March 1983 and no imports from Taiwan during January 1980-March 1983. Imports from other countries rose from 1980 to 1981, fell from 1981 to 1982, and rose again in January-March 1983 compared with imports in January-March 1982.

Imports of light-walled rectangular pipes and tubes from Korea declined * * * percent and * * * percent in 1981 and 1982, respectively, when compared with imports in 1980, and declined * * * percent in January-March 1983. According to the questionnaire responses, there were no imports of this product from Taiwan during January 1980-March 1983 other than * * * short tons imported in 1981. Imports from other countries rose steadily during the entire period.

As shown in table 13, based on Commerce statistics, Korea was the largest exporter of small round pipes and tubes to the United States in 1982, accounting for 45 percent of imports of the product; Taiwan accounted for 15 percent of imports. Other major exporters of the product to the United States in 1982 were Japan and Canada.

Table 13.--Small round welded carbon steel pipes and tubes: 1/ U.S. imports for consumption, by specified sources, 1982, January-March 1982, and January-March 1983 2/

| Source | 1982 | January-March-- | |
|---|---|---|---|
| | | 1982 | 1983 |
| | Quantity (short tons) | | |
| Korea | 258,837 | 42,883 | 66,645 |
| Taiwan | 86,590 | 17,367 | 27,340 |
| All other | 226,707 | 69,248 | 53,946 |
| Total | 572,134 | 129,498 | 147,931 |
| | Value (1,000 dollars) | | |
| Korea | 111,232 | 21,402 | 22,451 |
| Taiwan | 35,916 | 9,028 | 8,079 |
| All other | 115,926 | 39,271 | 21,793 |
| Total | 263,073 | 69,701 | 52,324 |
| | Percent of total quantity | | |
| Korea | 45.3 | 33.1 | 45.0 |
| Taiwan | 15.1 | 13.4 | 18.5 |
| All other | 39.6 | 53.5 | 36.5 |
| Total | 100.0 | 100.0 | 100.0 |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Import data for these products were not reported separately in 1980 or 1981.

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

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

As shown in table 14, also based on Commerce statistics, imports of heavy-walled rectangular pipes and tubes from Korea decreased 82 percent during 1980-82 as Korea's share of imports of this product fell from 8 percent to 2 percent. Imports from Taiwan never exceeded 0.1 percent of total import volume during 1980-82. Canada and Japan together accounted for approximately 90 percent of imports of this product during 1980-82.

Table 14.--Welded carbon steel pipes and tubes of heavy-walled rectangular cross section: 1/ U.S. imports for consumption, by specified sources, 1980-82, January-March 1982, and January-March 1983

| Source | 1980 | 1981 | 1982 | January-March-- | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| | Quantity (short tons) | | | | |
| Korea | 15,600 | 6,614 | 2,825 | 51 | 98 |
| Taiwan | 45 | 216 | 47 | 0 | 0 |
| All other | 192,526 | 181,657 | 142,520 | 43,291 | 36,833 |
| Total | 208,171 | 188,487 | 145,392 | 43,342 | 36,930 |
| | Value (1,000 dollars) | | | | |
| Korea | 5,709 | 3,149 | 1,074 | 22 | 32 |
| Taiwan | 17 | 93 | 23 | 0 | 0 |
| All other | 81,684 | 83,222 | 62,814 | 19,543 | 13,863 |
| Total | 87,410 | 86,463 | 63,910 | 19,565 | 13,895 |
| | Percent of total quantity | | | | |
| Korea | 7.5 | 3.5 | 2.0 | 0.1 | 0.3 |
| Taiwan | 2/ | 0.1 | 2/ | 0.0 | 0.0 |
| All other | 92.5 | 96.4 | 98.0 | 99.9 | 99.7 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.
2/ Less than 0.05 percent.

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

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

As shown in table 15, again based on Commerce statistics, imports of light-walled rectangular pipes and tubes from Korea and Taiwan accounted for 1.5 percent and 2.1 percent, respectively, of import volume in 1982. Japan, Canada, and Italy were the major exporters of this product to the United States in 1982.

Table 15.--Welded carbon steel pipes and tubes of light-walled rectangular cross section: 1/ U.S. imports for consumption, by specified sources, 1982, January-March 1982, and January-March 1983 2/

| Source | 1982 | January-March | |
|---|---|---|---|
| | | 1982 | 1983 |
| | Quantity (short tons) | | |
| Korea | 821 | 152 | 114 |
| Taiwan | 1,115 | 139 | 188 |
| All other | 52,129 | 14,963 | 14,876 |
| Total | 54,064 | 15,254 | 15,179 |
| | Value (1,000 dollars) | | |
| Korea | 336 | 66 | 36 |
| Taiwan | 421 | 63 | 64 |
| All other | 25,041 | 7,427 | 5,163 |
| Total | 25,798 | 7,556 | 5,263 |
| | Percent of total quantity | | |
| Korea | 1.5 | 1.0 | 0.8 |
| Taiwan | 2.1 | 0.9 | 1.2 |
| All other | 96.4 | 98.1 | 98.0 |
| Total | 100.0 | 100.0 | 100.0 |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Import data for these products were not reported separately in 1980 or 1981.

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

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

The petitioners alleged in the public conference and in their postconference brief that imports of rectangular (including square) structural and mechanical tubing from Korea and Taiwan are understated in the official Commerce statistics as a result of classification errors by customs officials. The petitioners provided a list of eight importers and distributors that were allegedly warehousing and selling these products. Imports of such products from Korea and Taiwan were estimated by the petitioners to be approximately 75,000 tons. The Commission staff contacted, 1/ and received information from all eight of these firms.

1/ Telephone conversations between members of the Commission staff and officials of the eight firms on May 23, 24, and 27, 1983.

Two of the eight firms had not purchased any Korean rectangular tubing and four had not purchased any Taiwanese rectangular tubing during January 1980-March 1983. With one exception, purchases of rectangular tubing from Korea and Taiwan combined did not exceed 5 percent of any of the remaining firms' total purchases of rectangular tubing during that period. One firm purchased sizable quantities of Korean rectangular tubing; however, that tubing was purchased from * * *, an importer that submitted data in response to a Commission questionnaire. Consequently, that firm's import purchases are accounted for in tables 12 and 16 of this report. Three of the firms that had purchased Korean and/or Taiwanese rectangular tubing in the past indicated that they had experienced quality problems that led them to cease such purchases. All the firms contacted were in agreement that virtually all of the rectangular tubing sold domestically is U.S. produced or Japanese. None were aware of any misclassification problem.

Market penetration of imports

As shown in table 16, based on data submitted by producers and importers in response to the Commission's questionnaires, U.S. producers accounted for slightly over two-thirds of U.S. consumption of small round pipes and tubes during January 1980-March 1983. The domestic share fell marginally from 1981 to 1982 and in January-March 1983 compared with that in January-March 1982. U.S. producers were substantially more dominant in the market for such pipes and tubes manufactured by the CW process than in that for such pipes and tubes manufactured by the ERW process. Imports from Korea as a share of U.S. consumption of small round pipes and tubes fluctuated upward from 17.5 percent in 1980 to 18.5 percent in 1982 and increased from 17.7 percent in January-March 1982 to 19.0 percent in January-March 1983. The Taiwan product's share of the market more than doubled from * * * percent in 1980 to * * * percent in 1982 and rose from * * * percent in January-March 1982 to * * * percent in January-March 1983. Imports from other countries as a share of consumption fell steadily throughout the period.

The U.S. producers' share of U.S. consumption of heavy-walled rectangular pipes and tubes fell from 91 percent in 1980 to 86 percent in 1982 and declined slightly during January-March 1983 compared with that in the corresponding period of 1982. The Korean product's share of the market also fell during the period, remaining less than 1 percent of U.S. consumption. The Taiwan product had no share of the domestic market. By contrast, imports from other countries increased their share of the domestic market from 8 percent in 1980 to 14 percent in 1982.

The U.S. producers' share of U.S. consumption of light-walled rectangular pipes and tubes increased from * * * percent in 1980 to * * * percent in 1981, fell to * * * percent in 1982, and then rose to * * * percent during January-March 1983. The Korean product's share followed an opposite trend, declining from * * * percent in 1980 to * * * percent in 1981, rising to * * * percent in 1982, and finally dropping to less than * * * percent during January-March 1983. The Taiwan product's share of this market never exceeded 0.1 percent throughout the period. Imports from other countries increased their share of the domestic market from * * * percent in 1980 to * * * percent in 1982.

Table 16.--Certain welded carbon steel pipes and tubes: 1/ Ratios of U.S. producers' domestic shipments and of imports to U.S. consumption, by product lines and by specified sources, 1980-82, January-March 1982, and January-March 1983

(In percent)

| Item | 1980 | 1981 | 1982 | January-March | |
|---|---|---|---|---|---|
| | | | | 1982 | 1983 |
| Small round: | | | | | |
| ERW process: | | | | | |
| U.S.-produced | 50.0 | 52.6 | 54.8 | 55.6 | 59.0 |
| Imported from Korea | 35.4 | 30.8 | 27.8 | 29.6 | 27.0 |
| Imported from Taiwan | *** | *** | *** | *** | *** |
| Imported from other countries | *** | *** | *** | *** | *** |
| Total ERW | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| CW process: | | | | | |
| U.S.-produced | *** | *** | *** | *** | *** |
| Imported 2/ | *** | *** | *** | *** | *** |
| Total CW | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Total small round: | | | | | |
| U.S.-produced | 69.6 | 69.8 | 67.4 | 70.7 | 68.8 |
| Imported from Korea | 17.5 | 17.2 | 18.5 | 17.7 | 19.0 |
| Imported from Taiwan | *** | *** | *** | *** | *** |
| Imported from other countries | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Heavy-walled rectangular: 3/ | | | | | |
| U.S.-produced | 90.9 | 90.5 | 85.8 | 89.4 | 87.7 |
| Imported from Korea | 0.9 | 0.2 | 0.5 | 0.1 | 0.0 |
| Imported from Taiwan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Imported from other countries | 8.2 | 9.3 | 13.7 | 10.5 | 12.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Light-walled rectangular: 3/ | | | | | |
| U.S.-produced | *** | *** | *** | *** | *** |
| Imported from Korea | *** | *** | *** | *** | *** |
| Imported from Taiwan | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Imported from other countries | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1/ The welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ All imported pipes and tubes manufactured by the CW process were produced in countries other than Korea and Taiwan.

3/ All pipes and tubes of this type were manufactured by the ERW process.

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

Prices

Prices reported by producers and importers.--The Commission requested U.S. producers and importers to provide price data on sales of four products to service centers/distributors and to end users of carbon steel welded pipes and tubes. These products were reported by producers and by customers to be commonly traded articles in which there was competition from Korea and from Taiwan. The four products were--

1. Round sprinkler pipe meeting specification ASTM-A120, schedule 40 (heavy wall), black (not galvanized), 2" nominal diameter, 0.154" wall thickness;

2. Round fence tubing, light wall, galvanized, 1.315" outside diameter, 0.069" wall thickness;

3. Square light wall mechanical tubing meeting specification ASTM-A513, 1" square, 0.154" wall thickness; and

4. Square heavy wall structural tubing meeting specification ASTM-A500, 4" square, 0.250" wall thickness.

Price data provided by U.S. producers were concentrated in products 2 (round fence tubing) and 3 (light-walled mechanical tubing), and importers' prices were concentrated in product 1 (sprinkler pipe). For no product did a large number of both U.S. producers and importers report prices, and most comparisons discussed below are based on small numbers of either producers or importers. The lack of consistency among respondents in reporting the data required the use of simple arithmetic averages rather than weighted averages, which the Commission normally uses. In addition, most importers reported prices only to service centers/distributors, whereas many U.S. producers reported sales to end users as well; comparisons shown represent only sales to service centers/distributors.

In general, prices reported by both U.S. producers and importers of pipes and tubes from Korea followed the same trends during the period January 1981-March 1983. These prices increased by * * * percent during January-September 1981, but declined by * * * percent in 1982 and January-March 1983. Prices reported for pipes and tubes imported from Taiwan fluctuated irregularly in 1981, but declined in 1982 and early 1983 by as much as * * * percent.

Round sprinkler pipe.--The petitioners allege that there is a great deal of competition from imports for the available market in sprinkler pipe, particularly because this market declined substantially in 1982 concurrently with the decline in general construction. 1/ In recent years, most U.S. producers of pipe for sprinkler installations have concentrated in light-walled pipe meeting ASTM specification A-120, schedule 10. The data requested by the Commission were for heavy-walled schedule 40 sprinkler pipe. Only 3 U.S. producers reported prices for sales of this product; 12 importers reported sales of the Korean product, and 6 reported sales of the product from Taiwan.



1/ Transcript of the public conference, pp. 43-46.

Two of the three U.S. producers reporting sales of sprinkler pipe manufacture the product using the CW process, and one uses the ERW process. The prices of both types of pipe followed the same trends, increasing in 1981 but declining by * * * percent in 1982 and early 1983 (table 17). However, prices reported by the producers of CW pipe (* * * per hundred feet) were consistently higher than those reported by the producer of ERW pipe (* * * per hundred feet), by margins of 20 percent to 37 percent. 1/

Table 17.--U.S. producers' and importers' average prices to service centers/distributors for 2-inch black sprinkler pipe, 1/ by quarters, January 1981-March 1983

| Period | U.S. product | | Korean product | | | Taiwan product | | |
|---|---|---|---|---|---|---|---|---|
| | CW process 2/ | ERW process 3/ | Price | Margin of underselling/(overselling) | | Price | Margin of underselling/(overselling) | |
| | | | | CW 4/ | ERW 5/ | | CW 4/ | ERW 5/ |
| | | | | ---Percent-- | | | ----Percent--- | |
| 1981: | | | | | | | | |
| Jan.-Mar---- | *** | *** | *** | (1.7) | (32.2) | *** | (11.4) | (44.7) |
| Apr.-June--- | *** | *** | *** | 12.7 | (34.3) | *** | 17.2 | (27.5) |
| July-Sept--- | *** | *** | *** | 6.8 | (41.5) | *** | 21.1 | (19.9) |
| Oct.-Dec---- | *** | *** | *** | 7.0 | (34.3) | *** | (4.2) | (38.4) |
| 1982: | | | | | | | | |
| Jan.-Mar---- | *** | *** | *** | 9.6 | (39.8) | *** | 21.1 | (22.0) |
| Apr.-June--- | *** | *** | *** | 14.9 | (25.4) | *** | 22.4 | (14.3) |
| July-Sept--- | *** | *** | *** | 17.1 | (21.4) | *** | 23.9 | (11.5) |
| Oct.-Dec---- | *** | *** | *** | 18.0 | (37.4) | *** | 18.5 | (36.5) |
| 1983: | | | | | | | | |
| Jan.-Mar---- | *** | *** | *** | 14.2 | (35.7) | *** | 22.1 | (23.3) |

1/ ASTM-A120, schedule 40, sprinkler pipe, carbon welded, black, 2.375" outside diameter (2" nominal), 0.154" wall thickness. Prices are per hundred feet.

2/ 2 producers reported prices for CW pipe.

3/ 1 producer reported prices for ERW pipe.

4/ Margins calculated by comparing U.S.-produced CW pipe with imported ERW pipe.

5/ Margins calculated by comparing U.S.-produced ERW pipe with imported ERW pipe.

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

1/ The producer of ERW pipe reported that the prices provided were for sales to distant customers where freight was an important factor; freight charges in October-December 1982 and January-March 1983 were about * * * per hundred feet, or nearly * * * percent of the f.o.b. price.

Prices reported for sales of Korean-produced sprinkler pipe followed the same trend as those for U.S.-produced pipe, increasing from * * * per hundred feet in January-March 1981 to * * * in October-December 1981, but declining thereafter to * * * per hundred feet in January-March 1983. Prices of Korean pipe, produced entirely by the ERW method, were consistently higher than those of the U.S.-produced ERW pipe by 21 to 42 percent. However, beginning in April 1981 the Korean pipe was sold at prices lower than those of the domestic CW pipe by 7 to 18 percent.

Prices reported by importers of heavy-walled sprinkler pipe from Taiwan fluctuated in 1981 but generally declined in 1982 and early 1983. In most periods these prices were slightly below those of the Korean product, but were 12 to 45 percent above those reported for the U.S.-produced ERW pipe. As with the Korean sprinkler pipe, the pipe from Taiwan was sold at prices lower than those reported for domestic CW sprinkler pipe.

Round fence tubing.--Four U.S. producers reported prices of round fence tubing to service centers/distributors, and four reported prices to end users. Four importers of Korean fence tubing reported usable price data for this product, although none reported sales in more than four of the nine periods for which data were requested and virtually all sales were to service centers/distributors. Only one importer of fence tubing from Taiwan reported usable data, primarily for sales beginning in April 1982.

U.S. producers' prices of fence tubing increased from * * * per hundred feet in January-March 1981 to * * * in October-December of that year (table 18). Prices then declined by * * * percent in 1982 to * * * per hundred feet but increased slightly in early 1983.

Prices of the Korean product followed the same trend, although the decline from late 1981 to early 1983 was * * * percent. However, importers' prices remained above those of U.S. producers by margins of 3 to 6 percent until January-March 1983, when the price of Korean fence tubing was 10 percent below the domestic price.

Prices reported for sales of Taiwanese fence tubing declined from * * * per hundred feet in April-June 1981 to * * * in January-March 1983, or by * * * percent. This product undersold the domestic product by margins of 3 to 17 percent in 1982.

Light-walled mechanical tubing.--Four U.S. producers reported prices for sales of 1" square light-walled mechanical tubing; no importers reported sales of this product. The prices reported by U.S. producers followed the same general trends as those of the other products, increasing from * * * per hundred feet to * * * in 1981 but declining to * * * per hundred feet in January-March 1983.

Heavy-walled structural tubing.--Two U.S. producers, both located in Pennsylvania, reported prices for 4" square heavy-walled structural tubing. Two importers, both located in California, reported prices for sales of the Korean product; no importer reported prices for structural tubing from Taiwan.

Table 18.--U.S. producers' and importers' average prices to service centers/ distributors for galvanized fence tubing, 1/ by quarters, January 1981-March 1983

| Period | U.S. product | Korean product | | Taiwan product | |
|---|---|---|---|---|---|
| | | Price | Margin of underselling/ (overselling) | Price | Margin of underselling (overselling) |
| 1981: | | | | | |
| January-March | *** | *** | (4.9) | *** | - |
| April-June | *** | *** | (3.7) | *** | (13.7) |
| July-September | *** | *** | (4.1) | *** | - |
| October-December | *** | *** | (6.4) | *** | - |
| 1982: | | | | | |
| January-March | *** | *** | (5.7) | *** | - |
| April-June | *** | *** | (3.3) | *** | 12.8 |
| July-September | *** | *** | - | *** | 8.3 |
| October-December | *** | *** | - | *** | 2.5 |
| 1983: | | | | | |
| January-March | *** | *** | 9.6 | *** | 17.1 |

1/ Light-walled fence tubing, standard carbon welded pipe, galvanized, 1.315" outside-diameter, 0.069" wall thickness. Prices are per hundred feet.

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

U.S. producers' prices increased from * * * per hundred feet in January-March 1981 to * * * in July-September (by * * * percent) and declined to * * * per hundred feet in January-March 1983 (by * * * percent) (table 19). The available data on sales of Korean structural tubing suggest that these prices may also have declined in 1982. Each of the three prices reported by importers was below that of the U.S. producers' price, by 5 to 7 percent.

Prices reported by purchasers.--The Commission requested purchasers of carbon steel pipes and tubes to report delivered prices for a selection of products bought in various geographical regions. Six purchasers from three regions provided comparable data; these data covered purchases of two products, heavy-walled fence tubing 1/ and round sprinkler pipe, from both U.S. producers and importers.

1/ Galvanized pipe meeting ASTM specification A-120, schedule 40. This pipe is not the same as the ASTM light-walled fence tubing for which prices were provided by U.S. producers and importers.

Table 19.--U.S. producers' and importers' average prices to service centers/ distributors for 4-inch structural tubing, 1/ by quarters, January 1981-March 1983

| Period | U.S. product | Korean product | |
|---|---|---|---|
| | | Price | Margin of underselling |
| 1981: | | | |
| January-March | *** | *** | - |
| April-June | *** | *** | - |
| July-September | *** | *** | 7.4 |
| October-December | *** | *** | 5.0 |
| 1982: | | | |
| January-March | *** | *** | - |
| April-June | *** | *** | - |
| July-September | *** | *** | 4.6 |
| October-December | *** | *** | - |
| 1983: | | | |
| January-March | *** | *** | - |

1/ ASTM-A500, structural tubing, carbon welded, black 4" square, 0.250" wall thickness, 40' lengths. Prices are per hundred feet.

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

Two purchasers located in the Chicago area reported buying galvanized pipe produced in Korea, and two reported purchases of pipe produced in the United States; no purchases of pipe from Taiwan were reported. The prices reported generally showed the same declining trends found in producers' and importers' data discussed above. Only in January-March 1983 was the price of the Korean product below that of the domestic product, by a margin of 7 percent.

Two purchasers in the Houston region reported prices for U.S.-produced and Korean-produced galvanized pipe. In April-June 1982 the Korean product was purchased for 5 percent less than the U.S. product, and in July-September 1982 the prices were approximately equal, as shown in the following tabulation:

| Period | Chicago region | | Houston region | |
|---|---|---|---|---|
| | U.S. product | Korean product | U.S. product | Korean product |
| 1982: | | | | |
| Jan.-Mar | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** |
| July-Sept | *** | *** | *** | *** |
| Oct.-Dec | *** | *** | *** | *** |
| 1983: | | | | |
| Jan.-Mar | *** | *** | *** | *** |

One purchaser in the Houston region and one purchaser in the Atlanta region reported prices paid for U.S.-produced and Korean-produced sprinkler pipe during 1982 and 1983. In Houston, the margin by which the importer undersold the U.S. producer was 23 percent in April-June 1982, and in Atlanta, margins ranged from 14 percent to 31 percent, as shown in the following tabulation:

| Period | Houston region | | Atlanta region | |
|---|---|---|---|---|
| | U.S. product | Korean product | U.S. product | Korean product |
| 1982: | | | | |
| Jan.-Mar | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** |
| July-Sept | *** | *** | *** | *** |
| Oct.-Dec | *** | *** | *** | *** |
| 1983: | | | | |
| Jan.-Mar | *** | *** | *** | *** |

Lost sales

To obtain information for this section of the report, the Commission sent purchaser questionnaires to 10 firms which, according to the petition, had rejected offers to buy domestically produced pipes and tubes in favor of pipes and tubes produced in Korea or Taiwan. Additional purchasers were contacted by telephone to obtain similar information concerning lost-sale allegations provided by producers in their questionnaire responses.

The vast majority of the lost-sale allegations concerned small round pipes and tubes from Korea. Relatively few allegations of lost-sales were made with respect to small round pipes and tubes from Taiwan or heavy- or light-walled rectangular tubing from Korea or Taiwan.

Allegations concerning imports of small round pipes and tubes.--The Commission received information from seven firms that allegedly purchased small round pipes and tubes from Korea and/or Taiwan after rejecting offers to sell the domestic product. All seven had purchased Korean pipes and tubes, directly or indirectly, and one had purchased pipes and tubes from Taiwan. Five of the seven firms increased their purchases of Korean pipes and tubes relative to their total purchases from 1981 to 1982. Another purchased relatively less of the Korean product, and the firm that purchased pipes and tubes from both Korea and Taiwan did not change its purchasing patterns. Two firms reported rejecting offers from U.S.producers in favor of the Korean product, and one rejected U.S. offers in favor of the Taiwan product, all as a result of price considerations.

* * *, * * * and * * * are end users of sprinkler pipe. * * * and * * * purchase all of their sprinkler pipe from * * *. * * * purchases about 73 percent of its sprinkler pipe from * * * and the remainder from U.S. producers. None of the firms were certain of the country of origin of the pipe, including that purchased from domestic producers, but each felt that some of the pipe was imported. * * * reported that imports from Korea represented * * * percent of its purchases of small round welded carbon steel pipes and tubes subject to the investigations in 1981 and * * * percent in 1982. The company did not purchase imports from Taiwan, and purchased negligible quantities of domestically produced pipe. Imports from other countries accounted for the remainder of purchases. * * * indicated that the Korean product was lower in price and higher in quality than the domestic product. The firm did not reject any offers to sell the domestic product during the relevant period.

* * * is an end user of fence tubing. Korean tubing accounted for the majority of * * * purchases in 1981 but for only about 3 to 5 percent in 1982. * * * indicated that the Korean product was priced about 20 percent lower than the domestic product but that the domestic product was far superior in quality. The firm was willing to pay a premium for the domestic product after experiencing quality problems with Korean tubing in 1981. * * * did not buy any Taiwan fence tubing during 1981, 1982, or January-March 1983.

* * * is a steel service center/distributor located in * * *. The firm's purchases of small round welded pipes and tubes from Korea increased as a share of its total purchases in 1982 and in January-March 1983. Purchases from U.S. producers decreased as a share of total purchases during the same periods. * * * reported that it had rejected offers from U.S. producers because the Korean product was priced lower than the domestic product and there was no difference in quality between the two. * * * did not buy any small round welded pipes and tubes from Taiwan during 1981, 1982, or January-March 1983.

* * * is an end user of sprinkler pipe. The firm increased its reliance on Korean pipes in 1982 and in January-March 1983 while reducing its purchases of the domestically produced product. The company reported that it purchases on the basis of published price lists and did not actually reject any offer to

sell the domestic product. It found the Korean product to be lower in price and higher in quality than the domestic product. Because of quality considerations, it would not have purchased the domestic product even at a comparable price. * * * did not buy any sprinkler pipe from Taiwan during 1981, 1982, or January-March 1983.

* * * is an end user of fence tubing. During 1981 and 1982, * * * purchased approximately 50 percent of its tubing from domestic sources and 30 percent from Korea, 10 percent from Taiwan, and 10 percent from Japan. The company indicated that it had rejected offers from U.S. producers because the Korean and Taiwan products were priced lower than the domestic product and were comparable in quality with the domestic product.

Allegations concerning imports of heavy-walled rectangular pipes and tubes.--The Commission received information from four firms that allegedly purchased heavy-walled rectangular tubing from Korea and/or Taiwan after rejecting offers to sell the domestic tubing. Two of the four purchased no Korean or Taiwan tubing of this type during 1981, 1982, or January-March 1983. Another purchased no Taiwan tubing during this period and only a negligible quantity of Korean tubing. The fourth increased its purchases of both Korean and Taiwan tubing as a share of total purchases from 1981 to 1982. That firm reported rejecting offers from U.S. producers in favor of the Korean and Taiwan tubing because of price considerations.

* * * and * * * purchased no heavy-walled rectangular tubing of Korean or Taiwan origin during 1981, 1982, or January-March 1983. * * * puchased only domestically produced tubing, whereas * * * purchased 60 percent of its tubing from Japan and 40 percent from domestic sources.

* * * purchased 70 percent of its tubing from domestic sources in 1981 and 62 percent in 1982. Korean tubing accounted for 1 percent of its purchases in 1982 and tubing imported from other sources accounted for the balance of its 1981 and 1982 purchases. * * * purchased no Taiwan tubing during 1981 and 1982 and no Korean or Taiwan tubing during January-March 1983.

* * * purchased two-thirds of its tubing from domestic sources and one-third from Korea and Taiwan in 1981. In 1982 the ratios were reversed. * * * rejected offers from U.S. producers in favor of Korean and Taiwan tubing because the slight advantage in quality enjoyed by the domestic product was insufficient to offset the price advantage of the imported products.

Allegations concerning imports of light-walled rectangular pipes and tubes.--The Commission received information from two firms that allegedly purchased light-walled rectangular tubing from Korea and/or Taiwan after rejecting offers to sell the domestic product.

* * * purchased domestic, Korean, and other imported (except from Taiwan) light-walled rectangular tubing during 1981 and 1982. Korean tubing accounted for 21 percent and 19 percent of 1981 and 1982 purchases, respectively, compared with 31 percent and 21 percent for domestic tubing and 48 percent and 61 percent for other imported tubing. The firm indicated that prices for the Korean product were about 15 percent lower than domestic prices, and that there was no difference in quality between the two. * * * had rejected offers to sell the domestic product in favor of the Korean product because of price.

* * * purchased no Korean or Taiwan light-walled rectangular tubing during 1981, 1982, or January-March 1983. * * * purchased only U.S.-produced tubing of this type during this period. The firm indicated that the Korean and Taiwan products, although not widely available, were priced lower than the domestic product but were inferior in quality.

# APPENDIX A

## NOTICE OF THE COMMISSION'S INSTITUTION OF PRELIMINARY ANTIDUMPING INVESTIGATIONS

[Investigations Nos. 731-TA-131 and 132 (Preliminary)]

## Certain Welded Carbon Steel Pipes and Tubes From the Republic of Korea and Taiwan

**AGENCY:** International Trade Commission.

**ACTION:** Institution of preliminary antidumping investigations and scheduling of a conference to be held in connection with the investigations.

**SUMMARY:** The United States International Trade Commission hereby gives notice of the institution of preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the Republic of Korea and Taiwan of certain welded carbon steel pipes and tubes,[1] which are alleged to be sold in the United States at less than fair value.

**EFFECTIVE DATE:** April 21, 1983.

**FOR FURTHER INFORMATION CONTACT:** Mr. Robert Carpenter, Office of Investigations, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436, telephone 202-523-0399.

**SUPPLEMENTARY INFORMATION:**

### Background

These investigations are being instituted in response to a petition filed on April 21, 1983, on behalf of the Committee on Pipe and Tube Imports, an association of domestic manufacturers of welded carbon steel pipes and tubes. The Commission must make its determinations in the investigations within 45 days after the date of the filing of the petition, or by June 6, 1983 (19 CFR 207.17).

### Participation

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than seven (7) days after the publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the notice.

### Service of documents

The Secretary will compile a service list from the entries of appearance filed in the investigations. Any party submitting a document in connection with the investigations shall, in addition to complying with § 201.8 of the Commission's rules (19 CFR 201.8), serve a copy of the nonconfidential version of each such document on all other parties to the investigations. Such service shall conform with the requirements set forth in § 201.16(b) of the rules (19 CFR 21.16(b)), as amended by 47 FR 33682, Aug. 4, 1982).

In addition to the foregoing, each document filed with the Commission in the course of these investigations must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certification of service will not be accepted by the Secretary.

### Written submissions.

Any person may submit to the Commission on or before May 18, 1983, a written statement of information pertinent to the subject matter of these investigations (19 CFR 207.15). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8).

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

### Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., on May 16, 1983, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the staff investigator, Mr. Robert Carpenter (202-523-0399), not later than May 12, 1983, to arrange for their appearance. Parties in support of the imposition of antidumping duties in the investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

### Public inspection

A copy of the petition and all written submissions, except for confidential business data, will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207, as amended by 47 FR 33682, Aug. 4, 1982), and Part 201, Subparts A through E (19 CFR Part 201, as amended by 47 FR 33682, Aug. 4, 1982). Further information concerning the conduct of the conference will be provided by Mr. Carpenter.

This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

Issued: April 25, 1983.

Kenneth R. Mason,

*Secretary.*

[FR Doc. 83-11915 Filed 5-3-83; 8:45 am]

BILLING CODE 7020-02-M

[1] For purposes of these investigations, the term "certain welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes, of circular cross section, with walls not thinner than 0.065 inch, 0.375 inch or more but not over 4.5 inches in outside diameter, provided for in items 610.3231, 610.3232, 610.3241, and 610.3244 of the Tariff Schedules of the United States Annotated (1983) (TSUSA) or of rectangular (including square) cross section, provided for in TSUSA items 610.3955 and 610.4975.

# APPENDIX B

## NOTICE OF THE DEPARTMENT OF COMMERCE'S INSTITUTION OF PRELIMINARY ANTIDUMPING INVESTIGATIONS

## Initiation of Antidumping Investigations; Certain Welded Carbon Steel Pipes and Tubes From the Republic of Korea and Taiwan

**AGENCY:** United States Department of Commerce, International Trade Administration.

**ACTION:** Initiation of antidumping investigations.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating antidumping investigations to determine whether certain welded carbon steel pipes and tubes from the Republic of Korea (Korea) and Taiwan are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these actions so that it may determine whether imports of this merchandise are materially injuring, or threatening to materially injure, a United States industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before June 6, 1983 and we will make ours on or before September 28, 1983.

**EFFECTIVE DATE:** May 17, 1983.

**FOR FURTHER INFORMATION CONTACT:** Mary S. Clapp, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230 telephone: (202) 377-2438.

**SUPPLEMENTARY INFORMATION:** On April 21, 1983, we received a petition in proper form from counsel for the Committee on Pipe and Tube Imports (CPTI). The CPTI represents the following domestic manufacturers of welded carbon steel pipes and tubes: Allied Tube and Conduit Corp., American Tube Co., Inc., Bull Moose Tube Co., Copperweld Tubing Group, Kaiser Steel Corp., Merchants Metals, Inc., Pittsburgh-International, Southwestern Pipe, Inc., and Western Tube and Conduit.

In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Korea and Taiwan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The allegation of sales at less than fair value of the merchandise under investigation from Korea is supported by comparisons of offered United States prices with the foreign market value based on the constructed value of the merchandise using publicly available financial statements of two Korean producers of pipes and tubes. The allegation of sales at less than fair value of the merchandise under investigation from Taiwan is supported by comparisons of offered United States prices with the foreign market value based on an average of home market sale prices for pipes and tubes.

### Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioners supporting the allegations. We have examined the petition filed by the representatives of the domestic manufacturers of welded carbon steel pipes and tubes, and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating antidumping investigations to determine whether certain welded carbon steel pipes and tubes from Korea and Taiwan are being, or are likely to be, sold at less than fair value in the United States. If our investigations proceed normally, we will make our preliminary determinations by September 28, 1983.

### Scope of the Investigations

The merchandise covered by these investigations are certain welded carbon steel pipes and tubes, which are defined for purposes of this proceeding as: welded carbon steel pipes and tubes, of circular cross section, with walls not thinner than 0.065 inch, 0.375 inch or more but not over 4.5 inches in outside diameter, provided for in items 610.3231, 610.3232, 610.3241 and 610.3244 of the Tariff Schedules of the United States Annotated (1983) (TSUSA) or of rectangular (including square) cross section, provided for in TSUSA items 610.3955 and 610.4975.

### Notification to the ITC

Section 732(d) of the Act requires us to notify the United States International Trade Commission of these actions and to provide it with the information we used to arrive at these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

### Preliminary Determinations by ITC

The ITC will determine within 45 days of the date the petition was received whether there is a reasonable indication that imports of certain welded carbon steel pipes and tubes from Korea and Taiwan are materially injuring, or are likely to materially injure, a United States industry. If its determinations are negative, these investigations will terminate; otherwise they will proceed according to the statutory procedures.

Dated: May 11, 1983.

Gary N. Horlick,

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 83-13229 Filed 5-16-83; 8:45 am]
BILLING CODE 3510-25-M

# APPENDIX C

## THE COMMISSION'S CALENDAR OF THE PUBLIC CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 731-TA-131 and 132 (Preliminary)

CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM
THE REPUBLIC OF KOREA AND TAIWAN

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on May 16, 1983, in the hearing room of the USITC Building, 701 E Street, N.W., Washington, D.C.

In support of the imposition of antidumping duties

Thompson, Hine and Flory--Counsel
Washington, D.C.
on behalf of

Southwestern Pipe, Inc.

Philip Lewis, Vice President

Allied Tube & Conduit Corp.

Gerald Stein, Vice President

Mark Roy Sandstrom)
Roger Schagrin ) --OF COUNSEL

Jones & Laughlin Steel Corp.
Pittsburgh, Pa.

Frank Crandall, Manager, Standard and Line Tubular Sales

Daniel R. Minnick)--Counsel

In opposition to the imposition of antidumping duties

Daniels, Houlihan & Palmeter--Counsel
Washington, D.C.
on behalf of

Korea Iron and Steel Association

Donald B. Cameron, Jr.)--OF COUNSEL

Bregman, Abell & Kay--Counsel
Washington, D.C.
on behalf of

Taiwan Steel and Iron Industries Association

David L. Simon)--OF COUNSEL