CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS FROM BELGIUM AND THE FEDERAL REPUBLIC OF GERMANY

Determination of the Commission in Investigations Nos. 731-TA-146 and 147 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 731-TA-146 and 147 (Preliminary)

CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS FROM BELGIUM
AND THE FEDERAL REPUBLIC OF GERMANY

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission 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 Belgium (investigation No. 731-TA-146 (Preliminary)) and the Federal Republic of Germany (investigation No. 731-TA-147 (Preliminary)) of hot-rolled carbon steel plate, provided for in item 607.6615 of the Tariff Schedules of the United States Annotated (TSUSA), which allegedly are being, or are likely to be, sold in the United States at less than fair value. 2/

The Commission also determines that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Belgium and the Federal Republic of Germany of certain coiled hot-rolled carbon steel products provided for in TSUSA item 607.6610, which allegedly are being, or are likely to be, sold in the United States at less than fair value. 2/

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/ Commissioner Stern determines that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of such merchandise from Belgium and the Federal Republic of Germany.

Background

On September 29, 1983, a petition was filed with the Commission and the Department of Commerce by counsel on behalf of the Gilmore Steel Corp. alleging that imports of certain flat-rolled carbon steel products from Belgium and the Federal Republic of Germany are being, or are likely to be, sold in the United States at LTFV within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. § 1673). Accordingly, effective September 29,1983, the Commission instituted preliminary antidumping investigations under section 733(a) of the Act 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 of such merchandise.

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 October 14, 1983 (48 F.R. 46865). The conference was held in Washington, D.C., on October 26, 1983, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

On the basis of the record in the subject investigations, [1/] the Commission has determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Belgium and the Federal Republic of Germany (West Germany) of certain hot-rolled carbon steel plate provided for in Tariff Schedules of the United States Annotated (TSUSA) item 607.6615, which allegedly are being sold at less than fair value (LTFV). The Commission has also determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Belgium and West Germany of certain coiled hot-rolled carbon steel products provided for in TSUSA item 607.6610, which allegedly are being sold at LTFV. [2/] [3/] The reasons for these determinations are set forth below.

1/ Chairman Eckes, Commissioner Haggart, and Commissioner Lodwick made their respective determinations on a case-by-case basis. They did not cumulate the impact of imports from West Germany with that of imports from Belgium or imports from Brazil, as the petitioner had requested.

2/ See Additional Views of Chairman Eckes regarding the question of injury to a regional industry.

3/ Commissioner Stern voted affirmatively for both cut-to-length plate and coiled product imports from Belgium and West Germany. Her analysis is based on the cumulative impact of imports from Belgium and West Germany in each product category.

Commissioner Stern also determined that there is a reasonable indication of threat of material injury.

The Domestic Industries

As a threshold matter, the Commission is required to identify the domestic industry to be examined for purposes of making its injury determination. Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" 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." 4/ "Like product" is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article under investigation." 5/

The imports subject to these investigations are hot-rolled carbon steel products cut-to-length (cut-length) and in coils, whether known as sheet or plate, having a thickness of 0.1875 inch or more and a width of more than 8 inches. 6/ 7/ U.S. producers manufacture fungible, competitive

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4/ 19 U.S.C. § 1677(4)(A) (1980).

5/ 19 U.S.C. § 1677(10) (1980).

6/ The products covered by these investigations are defined by the TSUSA as hot-rolled plate. Coiled plate is provided for in TSUSA item 607.6610; cut-length plate, TSUSA item 607.6615. The American Iron & Steel Institute (AISI), however, treats the coiled products provided for in TSUSA item 607.6610 as hot-rolled carbon steel sheet, because they are produced on hot-strip mills along with other sheet products. Report at A-2.

For a description of the products, their uses, and the production processes, see Report at A-1 through A-4.

7/ The Department of Commerce is conducting separate antidumping investigations of carbon steel plate and hot-rolled carbon steel sheet (i.e., coiled plate). See 48 F.R. 49322 and 49326 (Oct. 25, 1983).

products. 8/ 9/

The petitioner, Gilmore Steel Corp., argued that the Commission should find that there is a single like product, namely hot-rolled carbon steel plate, and therefore a single domestic industry producing such plate. Specifically, Gilmore argued that coiled and cut-length plate should be considered a single like product because (1) they are used for the same applications, and (2) imported coiled plate competes directly with Gilmore's domestically produced cut-length plate after a price allowance has been made

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8/ Report at A-1.

9/ The petitioner produces only cut-length plate. Nevertheless, the petition alleges injury to the domestic producers of coiled products as well as cut-length plate. The parties opposing the petition argued that the issue of material injury to the U.S. industry producing coiled products was not properly before the Commission, and the petition should be dismissed to the extent that it is not representative of the coiled product industry.

Under 19 U.S.C. § 1673a(b) (1980), the administering authority (the Department of Commerce) is charged with the responsibility of reviewing the petition and determining within 20 days whether the petition alleges the elements necessary for the imposition of an antidumping duty and contains information, reasonably available to the petitioner, to support the allegations. If the determination is in the affirmative, the administering authority commences an antidumping investigation. If the determination is in the negative, the administering authority must dismiss the petition, terminate its inquiry, and notify the Commission.

On Oct. 24, 1983, Commerce notified the Commission that it had determined on Oct. 19, 1983, that the petition met the statutory requirements, and that Commerce had initiated investigations to determine whether the class or kind of merchandise described in the petition was being, or was likely to be, sold in the United States at less than its fair value. See 48 F.R. 49322 and 49326 (Oct. 25, 1983). As a result of that determination, the Commission concludes that the question of the petitioner's standing to advance a claim of injury to the domestic coiled product industry had been resolved by Commerce and thus was not properly before the Commission. Nevertheless, the Commission's analysis of the impact of imports of coiled plate is concerned only with domestic production of the like product.

in the marketplace for the costs of uncoiling, leveling, and cutting the coiled plate to length. 10/

In several previous investigations conducted by the Commission under the Trade Agreements Act, the Commission has treated coiled and cut-length products as separate products. 11/ 12/ Most recently, in Certain Flat-Rolled Carbon Steel Products from Brazil, inv. No. 731-TA-123 (Preliminary) (hereinafter Carbon Steel Products from Brazil), the Commission explained that the basis for the Commission's previous conclusions on this

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10/ Petition at 3; transcript of proceedings, public conference, Oct. 26, 1983 (transcript) at 41 and 42, 58-60, and 146-148.

11/ In conformity with the AISI practice, the Commission regarded the coiled products provided for in TSUSA item 607.6610 as hot-rolled carbon steel sheet; carbon steel products not in coils and provided for in TSUSA 607.6615, were considered plate. See e.g., Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, Invs. Nos. 701-TA-86 through 144, 701-TA-146 and 147 (Preliminary), and Invs. Nos. 731-TA-53 through 86 (Preliminary), USITC Pubs. 1221 and 1222, at 10-12 (1982); Certain Carbon Steel Products from the Republic of Korea, Invs. Nos. 701-TA-170, 171, and 173 (Final), USITC Pub. 1346 (1983); Certain Carbon Steel Products from Spain, Invs. Nos. 701-TA-155, 157 through 160, and 162 (Final), USITC Pub. 1331 (1982); Certain Hot-Rolled Carbon Steel Plate from Brazil, Inv. No. 701-TA-87 (Final), USITC Pub. 1356 (1983).

The Commission did not follow the separate product approach in Certain Steel Products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, Invs. Nos. 731-TA-18 through 24 (Preliminary), USITC Pub. 1064 (1980). In those investigations, the Commission found that there were five product lines, and the one covering plate products included the coiled products listed in TSUSA item 607.6610.

12/ Commissioner Stern notes that in 1980, the TSUS included coils in the plate category, and no parties objected. However, in 1982, the Commission treated coils separately to accord with the AISI practice, and no parties formally objected. Her treatment of coils in the present case as well as in the Brazilian cases, which separates plate, accords with this treatment of coils since 1982. At this preliminary stage she believes this treatment remains appropriate.

issue appeared to be that, even though coiled products and cut-length products have some common characteristics and end uses, coiled products are semifinished materials that differ from cut-length products in their coiled configuration and do not necessarily compete with cut-length products until they are subjected to further processing. 13/ 14/

Although the Commission decided in Carbon Steel Products from Brazil, supra, to adhere to the previous practice of treating coiled and cut-length products as separate products, the Commission indicated that the like product issue would be reexamined if the case were returned to the Commission for a final investigation, and the parties would be given an opportunity to address the question further at that time. 15/

The instant investigations have not provided sufficient information to contradict the findings in Carbon Steel Products from Brazil, supra, with respect to the like product issue. Hence, there is no reason to deviate from

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13/ See Carbon Steel Products from Brazil, Inv. No. 731-TA-123 (Preliminary) USITC Pub. 1361 at 5. The Commission noted that there is a substantial difference in the prices of cut-length and coiled plate, even after further processing has been completed, and concluded that the existence of this price difference between products alleged to be fungible required further examination. Id.

14/ Commissioner Stern notes that she concurred with the majority that the two like products were (1) hot-rolled carbon steel plate, and (2) hot-rolled carbon steel products in coils. In that case, she assessed the impact of the allegely LTFV imports of coiled products against the domestic industry producing hot-rolled carbon steel sheet. However, in the present Belgium and West German case, data are available to analyze the impact of the allegedly LTFV imports of coiled plate.

15/ Carbon Steel Products from Brazil, USITC Pub. 1361 at 5. Commerce has since made a preliminary determination that the subject Brazilian imports are being, or are likely to be, sold in the United States at less than their fair value. See 48 F.R. 40419 (Sept. 7, 1983). As a result, the Commission currently is conducting a final injury investigation. See 48 F.R. 44279 (Sept. 28, 1983).

the precedent on this issue. We therefore determine that, for purposes of these preliminary investigations, there are two like products: (1) hot-rolled carbon steel cut-length plate, provided for in TSUSA item 607.6615, and (2) hot-rolled carbon steel products in coils, provided for in TSUSA item 607.6610. The domestic producers of these articles constitute the relevant domestic industries. 16/ 17/

It should be noted, however, that our decision regarding the like products and domestic industries in these investigations does not represent a final adjudication of the arguments advanced by the petitioner and opposing parties. If these cases are returned to the Commission for final determinations, the like product issue will be explored further in light of (1) the Commission's findings and conclusions in the ongoing final investigation of carbon steel products from Brazil, and (2) any arguments advanced by the parties in these investigations that are not disposed of in that case.

16/ See the listing of firms in the Report at A-8 through A-10.

17/ The petitioner argued that, in the case of imports from West Germany, the relevant domestic industry is the national industry made up of U.S. producers of carbon steel plate as a whole, or, in the alternative, the separate regional industry made up of producers located in the West Coast regional market--i.e., Oregon, Washington, and California. Petition at 3, 21-27, 28-30, and 31. Having reached affirmative determinations of a reasonable indication of material injury to the U.S. cut-length and coiled plate industries as a whole, Commissioners Stern, Haggart, and Lodwick do not reach the issues of (1) whether the producers in the Western region should be treated as if they are a separate industry, and (2) if so, whether there is material injury to that industry or a threat thereof caused by the subject imports. See Additional Views of Chairman Eckes concerning the question of injury to a regional industry.

HOT-ROLLED CARBON STEEL CUT-LENGTH PLATE

Condition of the Domestic Industry

The U.S. industry producing cut-length plate has been experiencing difficulties during the period covered in these investigations. Production fell from 5.9 million tons in 1980 to 2.8 million tons in 1982, or by 52 percent. 18/ Production declined an additional 25 percent during January-August 1983, compared with that in the corresponding period of 1982. 19/ As a consequence of the decline in production, capacity utilization decreased by more than one-half, from 59.1 percent in 1980 to 29.1 percent in 1982. 20/ During January-August 1983, capacity utilization dropped to 24.4 percent from 32.6 percent in corresponding period in 1982. 21/ Employment also decreased during the period in question. 22/

In addition, U.S. producers' shipments have declined. Shipments decreased from 5.8 million short tons in 1980 to 2.8 million short tons in 1982, or by 51 percent. 23/ During January-August 1983, shipments declined 27 percent, compared with the volume of shipments during the corresponding period of 1982. 24/

Data on the financial experience of U.S. producers' cut-length plate operations indicate that profitability has declined and losses have been sustained during the period in question. Although net sales increased by 2

18/ Report at A-13. The Commission has received data from firms together accounting for 92 percent of the domestic production of cut-length plate in 1982. Id. at A-20.
19/ Id. at A-13.
20/ Id.
21/ Id.
22/ See generally id. at A-16 through A-19.
23/ Id. at A-14 and A-15.
24/ Id.

percent between 1980 and 1981, from $2.4 billion to $2.5 billion, there was a 48-percent decrease to $1.3 billion in 1982. 25/ During January-August 1983, net sales fell by 39 percent, to $577 million, in comparison with $953 million in the corresponding period of 1982. 26/

The reporting cut-length plate producers incurred an aggregate operating loss of $158 million in 1982, or 12.4 percent of net sales, compared with an aggregate operating income of $37 million in 1980, or 1.5 percent of net sales, and $66 million in 1981, or approximately 2.7 percent of net sales. 27/ During January-August 1983, the aggregate loss reported by cut-length plate producers was $166 million, the equivalent of 28.8 percent of net sales, in contrast to an operating loss of $88 million, or 9.2 percent of net sales, for the same period in 1982. 28/ The reporting firms also experienced substantial negative cash flows, $118 million in 1982 and $144 million in the interim period of 1983, in contrast to positive cash flows of $95 million in 1980 and $116 million in 1981. 29/

Reasonable Indication of Material Injury 30/

Imports From Belgium

25/ Id. at A-21.
26/ Id.
27/ Id.
28/ Id. at A-23.
29/ Id.
30/ Chairman Eckes and Commissioner Haggart note that their case-by-case determinations on the impact of imports on the domestic industry are made in the context of certain conditions of trade and competition with respect to the industries involved. These conditions of trade and competition are especially important in assessing the volume and price effects of the subject imports. See their views in Certain Carbon Steel Products from Spain, Inv. Nos. 701-TA-155, 157, 158, 159, 160, and 162 (Final), USITC Pub. 1331 (December 1982) at 12-19. See also Commissioner Haggart's Additional Views in the same opinion at 36-40.

Imports from Belgium as a share of apparent U.S. consumption increased throughout most of the period of investigation. The market penetration increased from 3.9 percent in 1980 to 4.5 percent in 1982, before declining from 5.1 percent in January-August 1982 to 3.6 percent in the corresponding period of 1983. 31/ 32/ The volume of imports declined from 286,000 short tons in 1980 to 178,000 short tons in 1982 and to 80,000 short tons in

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31/ Report at A-35.

32/ Commissioner Stern notes that an apparent explanation for the decrease in volumes and market share of the subject imports may have been due to the operation of an arrangement between the European Coal and Steel Community and the United States (hereinafter ECSC-U.S.) concerning trade in certain products. The text of the arrangement is set forth as Appendix III to Certain Steel Products from Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands and the United Kingdom; Termination of Countervailing Duty and Antidumping Investigations, 47 F.R. 49058, 49060 (Oct. 29, 1982). See also transcript at 2-14 and conference exhibit 1 (testimony of Lionel Ulmer, Under Secretary for International Trade, U.S. Department of Commerce).

The ECSC-U.S. arrangement is a market-sharing agreement which limits European Community exports in 10 categories of steel products to a specified share of appparent U.S. consumption from Nov. 1, 1982 to De. 31, 1985. In this agreement, European exporters must still compete to make their steel sales, but there is nothing in the agreement which precludes them from dumping in order to capture market shares, provided that those shares do not exceed the agreed upon limits.

Preliminary analysis based on econometric submissions in the original European steel cases which led to the ECSC-U.S. arrangement indicates that the effects of the arrangement may be roughly equal to those of the countervailing duties had they been imposed. It is therefore quite possible that sales of these products at less than fair value (LTFV) could be imposing material injury beyond that related to the subsidies or relieved by the agreement.

Preliminary analysis of this market indicates that substantial portions of the shares lost by the subject imports over the last year (Belgium and West Germany) were captured by U.S. producers. LTFV sales may very well have prevented additional loss of market share by the imports and thus additional market share gains by the U.S. producers.

Therefore, on the basis of the above facts, one must conclude that this investigation must continue on to a final investigation where a much more sophisticated analysis of market share changes and the role of the LTFV sales can be evaluated on the basis of final dumping margins.

January-August 1983 from 148,000 short tons in the corresponding period of 1982. 33/

Imports from Belgium were found to have undersold domestically produced plate in several instances. 34/ In addition, there have been three confirmed instances of sales lost to lower priced imports and three confirmed instances of revenues lost by domestic producers that were compelled to lower their prices as the result of competition from the lower priced imports from Belgium. 35/

Imports From West Germany

As a share of apparent U.S. consumption, imports from West Germany remained essentially stable throughout the period of investigation. Their market penetration declined slightly, from 1.4 percent in 1980 to 1.3 percent in 1982, and stood at 1.0 percent during January-August 1983, compared with 1.2 percent during January-August 1982. 36/ 37/ The volume of imports fell from 101,000 short tons in 1980 to 51,000 short tons in 1982, and again declined to 22,000 short tons during January-August 1983 from 36,000 short tons in the corresponding period of 1982. 38/

33/ Report at A-31. The report indicates that official U.S. import statistics aggregate imports from Belgium and Luxembourg. Id. at A-28. It is believed, however, that virtually all imports of carbon steel plate from Belgium and Luxembourg are produced in Belgium.
34/ See generally id. at A-40 through A-63.
35/ Id. at A-64 through A-69.
36/ Id. at A-35.
37/ See n. 32, supra.
38/ Id. at A-31.

Imports from West Germany were found to have undersold domestically produced plate in several instances. 39/ In addition, although few allegations were made, there has been one confirmed instance of a sale lost to lower priced imports and one confirmed instance of revenue lost by a domestic producer that was compelled to lower its price as the result of competition from the lower priced imports from West Germany. 40/

HOT-ROLLED CARBON STEEL PRODUCTS IN COILS

Condition of the Domestic Industry

The domestic industry engaged in producing coiled plate is experiencing difficulties similar to those of U.S. cut-length plate producers. 41/ The trends in coiled plate production, however, are slightly different from those being experienced by cut-length plate producers. Although production increased from 1.3 million short tons in 1980 to 1.8 million short tons in 1981, it declined to 982,000 short tons in 1982, or by 45 percent from 1981 levels. 42/ Production recovered slightly in January-August 1983; the increase, however, was only 4 percent relative to that in the corresponding period of 1982. 43/ Although production generally decreased, capacity increased, from 2.6 million tons in 1980 to 2.8 million tons in 1982. 44/ As a result, capacity utilization dropped to 35.0 percent in 1982, in contrast

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39/ See generally id. at A-64 through A-68.
40/ Id. at A-64 and A-69.
41/ The Commission received data from firms together accounting for approximately 95 percent of total reported shipments of coiled plate in 1982. Id. at A-23.
42/ Id. at A-13.
43/ Id. at A-13 and A-14.
44/ Id. at A-14.

to 1980 and 1981 levels of 51.4 and 64.5 percent, respectively. 45/ Capacity utilization during January-August 1983 rose to 44.6 percent from 44.0 percent in the corresponding period of 1982. 46/

Employment increased from 2,405 workers in 1980 to 3,161 workers in 1981, and then dropped to 2,027 workers in 1982, or by 35.9 percent. 47/ Employment also declined by 2.5 percent during January-August 1983, compared with that in the corresponding period of 1982. 48/

Although domestic shipments of coiled plate increased from 1.3 million tons in 1980 to 1.7 million tons in 1981, shipments declined to 1.0 million tons in 1982, or by 42 percent. 49/ During January-August 1983, domestic shipments of coiled plate increased, compared with those in the corresponding period in 1982. 50/

Financial data on U.S. coiled plate operations indicate that even though net sales of coiled plate increased by 49 percent between 1980 and 1981, net sales decreased by 46 percent in 1982. 51/ During January-August 1983, net sales increased, compared with those in the corresponding period of 1982. 52/ Operating losses were experienced throughout the period of investigation. As a share of net sales, operating losses were 4.3 percent in 1980 and 1.9 percent in 1981. 53/ Operating losses increased substantially

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45/ Id.
46/ Id.
47/ Id. at A-17. (See generally id. at A-16 through A-19.)
48/ Id.
49/ Id. at A-15.
50/ Id.
51/ Id. at A-23.
52/ Id.
53/ Id.

to 15.5 percent of net sales in 1982. 54/ In the interim period of 1983, operating losses rose to 15.1 percent of net sales, in contrast to 12.6 percent in the corresponding period of 1982. 55/

Reasonable indication of material injury 56/

Imports from Belgium

Imports from Belgium as a share of apparent U.S. consumption increased from 0.2 percent in 1980 to 1.8 percent in 1982, and then declined from 2.3 percent during January-August 1982 to 0.7 percent during January-August 1983. 57/ 58/ The volume of imports increased from 4,000 short tons in 1980 to 25,000 short tons in 1982, and then declined from 23,000 short tons during January-August 1982 to 8,000 short tons in the corresponding period of 1983. 59/

The limited information available with respect to pricing indicates that imports from Belgium undersold the domestic product in several instances. 60/

Imports from West Germany

As a share of apparent U.S. consumption, imports from West Germany decreased from 7.7 percent in 1980 to 4.5 percent in 1981 and then increased to 9.5 percent in 1982. 61/ This market penetration declined from 8.8

54/ Id.
55/ Id.
56/ See n. 30, supra.
57/ Report at A-35.
58/ See n. 32, supra.
59/ Id. at A-33.
60/ See generally id. at A-40 through A-63.
61/ Id. at A-36.

percent during January-August 1982 to 2.1 percent during January-August 1983. 62/ The volume of imports declined slightly, from 133,000 short tons in 1980 to 131,000 short tons in 1982, and fell from 89,000 short tons in January-August 1982 to 23,000 short tons in the corresponding period of 1983. 63/

The limited information available with respect to pricing indicates that imports from West Germany undersold the domestic product in some instances. 64/

62/ Id.
63/ Id. at A-33.
64/ See generally id. at A-64 through A-68.

ADDITIONAL VIEWS OF CHAIRMAN ECKES CONCERNING REASONABLE INDICATION OF MATERIAL INJURY TO A REGIONAL INDUSTRY

On the basis of the record developed in investigation No. 731-TA-147 (Preliminary), I have also determined that there is a reasonable indication that a regional industry in the United States is materially injured by reason of imports from the Federal Republic of Germany (West Germany) of hot-rolled carbon steel plate cut-to-length (cut-length plate), provided for in the Tariff Schedules of the United States Annotated (TSUSA) item 607.6615, and imports from West Germany of hot-rolled carbon steel products in coils, provided for in TSUSA item 607.6610, which allegedly are being, or are likely to be, sold in the United States at less than fair value.

The petitioner, Gilmore Steel Corp., has argued in this investigation that the producers located in the Western regional market made up of California, Oregon, and Washington constitute a discrete regional industry within the meaning of section 771(4)(C), and that such industry is materially injured, or threatened with material injury, by reason of the subject imports from West Germany. 1/

In antidumping and countervailing duty investigations under title VII of the Tariff Act of 1930, the Commission generally examines the condition of, and determines the impact which the subject imports have upon, U.S. producers of the like product as a whole or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of the product. 2/

1/ Petition at 3, 21-27, 28-30, 31.
2/ 19 U.S.C. § 1677(4)(A) (1980).

Section 441(4)(C) of the Act provides, however, that in appropriate circumstances, domestic producers within a regional market may be treated as if they are a separate industry, if the following conditions exist: (1) the producers within the region sell all or almost all of their production of the like product in the regional market; and (2) the demand for the like product in the regional market is not supplied, to any substantial degree, by producers located elsewhere in the United States. 3/

Two producers of carbon steel products have facilities in the Western region: (1) the petitioner, whose Oregon Steel Mills Division is located in Portland, Ore., and (2) Kaiser Steel Corp., which has facilities at Fontana, Calif. 4/ Kaiser manufactures coiled products as well as cut-length plate; Gilmore produces only the latter. 5/

The information obtained in the investigation indicates that the producers in the Western region sell an overwhelming majority of their production in the Western regional market 6/ and that the regional demand for the like product is not supplied to any substantial degree by producers located outside of the region. 7/

An affirmative finding of material injury to a regional industry requires (1) that there be a concentration of the subject imports in the regional

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3/ 19 U.S.C. § 1677(4)(C) (1980).
4/ Report at A-9, A-36.
5/ Id.
6/ The exact percentages are confidential business information. See Report at A-36.
7/ The petitioner alleged that between 20 and 25 percent of the regional demand was supplied by producers located elsewhere in the United States. However, the information obtained in the investigation established that the percentages for the period covered by the investigation (1980-82 and January-August 1983) were considerably less than the petitioner's estimate. The precise figures are confidential.

market and (2) that the producers of all or almost all of the production in that market be materially injured or threatened with material injury. 8/

The volume of imports of both types of plate into the region amounts to a concentration of imports within the meaning of section 771(4)(C) of the Act for purposes of this preliminary investigation. The legislative history of that provision indicates that a concentration exists where the ratio of the subject imports to consumption of the imports and the domestically produced like product is clearly higher in the region than in the rest of the U.S. market. 9/ Comparison of the appropriate import ratios for regional and U.S. consumption demonstrates that in this preliminary investigation, the required concentration exists.

The Western regional producers are experiencing severe difficulties. 10/ Production, capacity utilization, and shipments suffered consistent, sharp declines during the period in question. 11/ Although capacity remained constant between 1980 and 1982, it also dropped sharply during January-August 1983. The limited financial data available reflect similar declining trends and substantial losses during the period in question. Kaiser terminated production of raw steel on October 25, 1983; the rolling of plate and sheet products will be phased out as of December 31,

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8/ 19 U.S.C. § 1677(4)(C) (1980).
9/ S. Rept. No. 96-249 (96th Cong. 1st Sess.) 1979, at 83.
10/ The data on the operations of the Western producers is not segregated into cut-length and coiled plate operations.
11/ The exact figures are confidential.

1983. As a result, pending further developments, Gilmore will be the only domestic producer remaining in the Western region. 12/

Imports of cut-length plate and coiled products followed different trends during 1980-82; nevertheless, the level of imports of both types increased during that period. Imports of cut-length plate rose from 16,207 short tons in 1980 to 26,017 short tons in 1981 and then decreased somewhat to 21,069 short tons in 1982. In January-August 1983, imports of West German cut-length plate into the Western region amounted to 11,264 short tons, in contrast to 9,585 short tons during the corresponding period of 1982.

West German imports of coiled plate products into the Western region amounted to 9,338 short tons in 1980, then dropped to 7,923 short tons in 1981, and then increased dramatically to 15,226 short tons in 1982. The level of imports during January-August 1983 was 5,986 short tons in contrast to 9,391 short tons during the corresponding period of 1982.

There is evidence that West German imports are underselling the domestically produced plate of both types in the Western region. Although there were no allegations of specific instances of sales lost to the lower priced imports in the Western regional market, it was estimated that the volume of sales lost to West German cut-length and coiled products was substantial. 13/

12/ It remains unclear whether the circumstances are appropriate for the use of a regional industry analysis when a single regional producer accounts for a relatively small share of total U.S. production.

13/ The precise estimates are confidential.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On September 29, 1983, petitions were filed with the United States International Trade Commission and the Department of Commerce by counsel on behalf of the Gilmore Steel Corp. (Gilmore), Portland, Oreg., alleging that imports of certain flat-rolled carbon steel products from Belgium and the Federal Republic of Germany (West Germany) are being sold in the United States at less than fair value (LTFV) and that an industry in the United States is materially injured or threatened with material injury by reason of imports of such merchandise. Accordingly, the Commission instituted investigations Nos. 731-TA-146 (Preliminary) (Belgium) and 731-TA-147 (Preliminary) (West Germany) under section 733 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 is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports of such merchandise into the United States. The statute directs that the Commission make its determination within 45 days after its receipt of a petition, or in this case, by November 14, 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 October 14, 1983 (48 F.R. 46865). 1/ The conference was held in Washington, D.C., on October 26, 1983. 2/ The Commission voted on these cases at its meeting on November 7, 1983.

The Products

Description and uses

The imports from Belgium and West Germany which are the subject of these investigations are cut-to-length and coiled hot-rolled carbon steel products, 0.1875 inch or more in thickness, whether known as plates or sheets. Substantially identical products are produced in the United States.

The Tariff Schedules of the United States Annotated (TSUSA) identifies all of the subject products as "plate" and defines them as flat-rolled products whether or not corrugated or crimped, in coils or cut to length, 0.1875 inch (3/16 inch or 4.76 millimeters) or more in thickness and, if not cold-rolled, over 8 inches in width, or, if cold-rolled, over 12 inches in width. Included are carbon steel plate in coils, as provided for in TSUSA item 607.6610, and carbon steel plate not in coils (i.e., cut-to-length), as

1/ A copy of the Commission's notice of investigation is presented in app. A.
2/ A list of witnesses appearing at the Commission's conference is presented in app. B.

provided for in TSUSA item 607.6615. Carbon steel slab which for tariff purposes is classified as hot-rolled plate is not included. 1/

However, the American Iron & Steel Institute (AISI) classifies the coiled products provided for in TSUSA item 607.6610 as hot-rolled carbon steel sheet, primarily because they are produced on the same hot-strip mills on which other sheet products are produced. In other recent investigations involving carbon steel products, the Commission has followed AISI practice in identifying such coiled products as sheet. In these investigations, however, the petition did not include coiled products less than 0.1875 inch in thickness, the bulk of the products identified as sheet by the AISI (as well as the Commission in those other investigations). Therefore, these investigations covering "certain flat-rolled carbon steel products" are not intended to modify or affect the recent precedents established in other investigations as to product descriptions of hot-rolled carbon steel plate and hot-rolled carbon steel sheet.

From a usage standpoint, the coiled products provided for in TSUSA item 607.6610 are most clearly identified as plate (i.e., they are used in applications requiring products having plate thicknesses (0.1875 inch or more)). Therefore, to facilitate the presentation of data, "plate" as used in this report will generally refer collectively to both coiled and cut-to-length products. "Coiled" will be used as a modifier specifically to identify products provided for in TSUSA item 607.6610.

Production processes

Carbon steel plate is produced in various types of mills, including universal plate mills, sheared-plate mills, and hot-strip mills (in which all coiled plate is produced). Universal mills are characterized by vertical rolls preceding and following horizontal rolls. In these mills, only the length of the plate is increased, and the vertical rolls control the width. Consequently, only the ends of the plate need to be sheared. Sheared-plate mills, on the other hand, roll plate only between horizontal rolls, thereby increasing both the width and length of the product while reducing its thickness. Later, all the edges are trimmed. Sheared-plate mills are generally classified as either reversing, semicontinuous, or continuous. Hot-strip mills roll plate in the longitudinal direction of the slab. The slabs are roughed down in roughing stands and sent to finishing stands to attain the desired thickness. Hot-strip-mill plate is normally coiled and then either shipped in that configuration or cut to length on a separate production line.

The production of steel plate in plate mills begins with the uniform heating of slabs or ingots. This is accomplished in slab-reheating furnaces, most notably continuous-or batch-type furnaces. The slabs, which usually enter the furnaces cold, are heated to their rolling temperature of approximately 2,400° F. and sent to a scalebreaker. The scalebreaker removes

1/ "Slab" is defined in the TSUSA as a semifinished product 2 to 6 inches in thickness, of rectangular cross section, having a width of at least four times the thickness. Imports of semifinished products rolled from ingots more than 6 inches in thickness are classified as plate under TSUSA item 607.6615.

furnace scale by the use of hydraulic water sprays and sends the slabs to either a roughing or finishing mill, depending on mill type. In reversing mills, slabs are usually sent directly from the scalebreaker to the finishing mill, usually a four-high stand. The slab is passed back and forth through the rolls, thereby reducing the product to its final thickness. Four-high reversing stands are equipped with a set of work rolls, which are slightly crowned and supported by backup rolls. The backup rolls provide added strength to the work rolls and help reduce roll wear. In semicontinuous plate mills, slabs are usually passed from the scalebreaker through a reversing roughing stand and a series of single-pass finishing stands. The roughing stand is usually a four-high mill, and finishing stands are customarily exact duplicates of each other, each further reducing the thickness of the product. In continuous plate mills, slabs receive only a single pass through roughing and finishing mills. A roughing mill usually consists of several roughing stands, and a finishing mill has four to six finishing stands. Semicontinuous and continuous plate mills have several advantages over reversing mills; for example, the tonnage capacity per unit of time of the semicontinuous and continuous plate mills is generally greater, and their roll wear is less, thereby reducing replacement time.

After leaving one of the assorted finishing stands, the plates are usually divided according to their thickness. Thick plates that cannot be flattened by a leveler are removed and usually sent to a flame-cutting department. Plates that remain are generally cooled by top and bottom water sprays and then flattened by a leveler. The effectiveness of the flattening is increased with decreasing thickness of the plate and increasing temperature. From the leveler, the plates will usually travel to a cooling bed. They are then measured and marked to desired size and shape and stamped or painted with proper identification. The plates are crop sheared and subsequently side and end sheared. The plates are then weighed individually and transferred to the shipping building. Circular or semicircular plates and sketch plates can be produced by gas cutting or shearing rectangular plates.

Coiled plate from hot-strip mills must also be leveled and cut to length before it can be used. This is sometimes done by the producer, but it is more often done by independent firms known as processors. There are basically two types of processors--toll processors, which level the plate and cut it to specified lengths for a fee paid by a distributor or end-user customer and steel service centers/distributors, which purchase the coiled plate and level and cut it themselves in their own facilities. The leveling equipment, for the most part, has a maximum leveling capacity of about 1/2 inch.

Coiled plate sells for approximately $80 to $100 per ton less than cut-to-length plate because production costs in hot-strip mills are lower than those in sheared-plate mills and because the costs of cutting are foregone. The leveling and cutting, when done by toll processors or service centers/distributors, adds a charge of approximately $15 per ton to the product, thus making the cost of the cut products approximately $65 to $85 per ton less than that of cut-to-length plate from sheared-plate mills. Because of, among other factors, higher labor costs in the hot-strip mills, it costs these domestic producers more than processors to supply this service. Thus, coiled plate which has been cut to length by the producer (called strip-mill plate) is priced between the processors' plate and the sheared-mill plate.

In the U.S. market, sales of carbon steel plate by domestic producers and importers are made either directly to end users or to steel service centers and distributors, which, in turn, sell to end users. 1/ During 1980-82, an average of about 24 percent of all domestically produced carbon steel plate 2/ went to service centers and distributors. The remaining 76 percent was shipped to end users. The largest end-user markets for carbon steel plate were the construction, machinery and industrial equipment, and shipbuilding and marine equipment industries, which accounted for 24, 15, and 7 percent, respectively, of total U.S. shipments in 1982 (table 1). Other major end-user markets included the oil and gas industry (4 percent) and rail transportation (3 percent). Carbon steel plate is used primarily in the construction of bridges, storage tanks, pressure vessels, railroad freight and passenger cars, ships, line pipe, industrial machinery, and a large variety of other products.

U.S. tariff treatment

As mentioned, the imported products subject to these investigations are classified for tariff purposes under items 607.6610 and 607.6615 of the TSUSA. The current column 1 (most-favored-nation) rates of duty, 3/ final concession rates granted under the Tokyo round of the Multilateral Trade Negotiations (MTN), 4/ rates of duty for least developed developing countries (LDDC's), 5/ and column 2 duty rates 6/ are shown in table 2. As indicated, such imports are currently dutiable at a column 1 rate of 7.0 percent ad valorem. Imports of the subject hot-rolled carbon steel plate are not eligible for duty-free treatment under the GSP. 7/

1/ Large, integrated domestic producers, such as United States Steel Corp. (U.S. Steel), Bethlehem Steel Corp. (Bethlehem), and Kaiser Steel Corp. (Kaiser), also use part of their output of carbon steel plate in fabricating other products, such as bridges, ships, offshore oil-drilling rigs, and pressure vessels.

2/ Excluding coiled plate.

3/ The col. 1 rates are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA. However, these rates would not apply to products of developing countries where such articles are eligible for preferential treatment provided under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

4/ Final concession rates granted under the Tokyo round of the MTN are the result of staged duty reductions of col. 1 rates which began Jan. 1, 1980. The reductions will occur annually, with the final rates becoming effective Jan. 1, 1987.

5/ LDDC rates are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging) applicable to products of those LDDC's designated in general headnote 3(d) of the TSUSA which are not granted duty-free treatment under the GSP.

6/ The rate of duty in col. 2 applies to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

7/ The GSP, under 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 by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is expected to remain in effect until January 1985.

Table 1.--Carbon steel plate: 1/ U.S. producers' shipments, by major markets, 1980-82

Market	1980		1981		1982	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 tons		1,000 tons		1,000 tons	
Steel service centers and distributors	1,418	22.7	1,370	23.6	826	27.2
Construction, including maintenance	1,314	21.1	1,168	20.1	726	23.9
Machinery, industrial equipment, and tools	940	15.1	933	16.1	461	15.2
Shipbuilding and marine equipment	835	13.4	781	13.4	215	7.1
Oil and gas industry	236	3.8	238	4.1	107	3.5
Rail transportation	369	5.9	223	3.8	95	3.1
All other	1,130	18.1	1,097	18.9	608	20.0
Total	6,242	100.0	5,810	100.0	3,038	100.0

1/ Excluding coiled plate.

Source: American Iron & Steel Institute.

In addition to the import duties shown in table 2, findings of dumping have been issued, and antidumping duties are currently in effect with respect to imports of carbon steel plate 1/ from Japan, 2/ and countervailing duties are currently in effect with respect to imports from the Republic of Korea (Korea) 3/ and Spain. 4/

1/ Excluding coiled plate.

2/ A finding of dumping has also been made with respect to imports of carbon steel plate from Taiwan. However, in its latest administrative review of that antidumping finding, the Department of Commerce found that no dumping margins existed for the period June 1, 1981, through May 31, 1982 (48 F.R. 43366, Sept. 23, 1983). In addition, a preliminary determination of sales at LTFV was made by Commerce with respect to imports of carbon steel plate from Romania (47 F.R. 35666, Aug. 16, 1982). However, Commerce and the only known exporter of carbon steel plate in Romania entered into a suspension agreement, and the investigations by Commerce and the Commission were terminated.

3/ Coiled plate from Korea is also subject to countervailing duties as a result of an affirmative determination in investigation No. 701-TA-171 (Final), Hot-Rolled Carbon Steel Sheet From the Republic of Korea.

4/ In addition, Commerce made a final affirmative countervailing duty determination (48 F.R. 2568, Jan. 20, 1983), and the Commission made a final affirmative injury determination with respect to carbon steel plate from Brazil. However, Commerce and the Government of Brazil entered into a suspension agreement under which the amount of the subsidies are to be offset by means of an export tax on all exports of the subject merchandise to the United States. A table showing recent investigations conducted by the Commission on carbon steel plate and sheet is presented in app. C.

Table 2.--Hot-rolled carbon steel plate: U.S. rates of duty as of Jan. 1, 1980, Jan. 1, 1983, and Jan. 1, 1987

(Percent ad valorem)

1977-79 TSUSA item No.	1980-82 TSUSA item No.	Article description	Rate of duty				
			Col. 1			LDDC	Col. 2
			Jan. 1, 1980	Jan. 1, 1983	Jan. 1, 1987		
608.8410	607.6610	Carbon steel plate, in coils, not coated or plated with metal, not pickled, and not cold rolled.	7.5%	7.0%	6.0%	6.0%	20%
608.8415	607.6615	Carbon steel plate, not in coils, not coated or plated with metal, not pickled, and not cold rolled.	7.5%	7.0%	6.0%	6.0%	20%

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Moreover, certain steel products, including plate, are subject to the "Arrangement concerning trade in certain steel products" concluded by the European Coal and Steel Community (ECSC) and the United States in October 1982. Under the Arrangement, European Community (EC) exports to the United States of 10 categories of steel products are to be limited to a specified share of apparent U.S. consumption from November 1, 1982, to December 31, 1985. Cut-to-length plate is included in a category in which exports are limited to 5.36 percent of consumption; coiled plate is included in a different category in which exports are limited to 6.81 percent of consumption.

The Arrangement became effective when certain antidumping and countervailing duty petitions filed by U.S. producers against EC countries in 1982 were withdrawn, and the petitioners in these actions undertook not to file any new petitions seeking import relief during the period in which the Arrangement is in effect. The objective of the Arrangement is "to give time to permit restructuring and therefore to create a period of trade stability." Should any investigation be instituted due to actions taken by the above petitioners, the ECSC would be entitled to terminate the Arrangement with respect to some or all of the covered products, after consultation with the United States. If petitions are filed by other parties, 1/ the ECSC would be entitled to terminate the Arrangement with respect to the product which is the subject of the petition, after consultation with the United States. However, if during the consultations it is determined that such a petition threatens to impair the attainment of the objectives of the Arrangement, then the ECSC would be entitled to terminate the Arrangement with respect to some or all Arrangement products.

U.S. imports of carbon steel mill products such as plate are also subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. 2/

Nature and Extent of Alleged Sales at LTFV

The petition alleges that imports from Belgium and West Germany of cut-to-length and coiled flat-rolled carbon steel plate are being sold in the United States at LTFV. Margins were calculated by taking the difference between the

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1/ The petitioner in these antidumping investigations, Gilmore, is such a party. Gilmore produces cut-to-length plate but does not produce coiled plate.

2/ The Buy American Act, 41 U.S.C. 10a-10d (1978), is the primary congressionally mandated preference for U.S. goods. Under this act, U.S. Government agencies may purchase products of foreign origin for delivery in the United States only if the cost of the domestic product exceeds the cost of the foreign product, including duty, by 6 percent or more. This difference rises to 12 percent if the low domestic bidder is situated in a labor-surplus area, and to 50 percent if the purchase is made by the Department of Defense. The preferences may be waived in the public interest, however. For a more complete discussion of "Buy American" restrictions, see Certain Carbon Steel Products From Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom: Determinations of the Commission in Investigations Nos. 731-TA-18-24 (Preliminary) . . ., USITC Publication 1064, May 1980, p. A-17.

average mill net export price and Guidance Prices under the Davignon Plan, 1/ expressed as a percentage of the foreign mill net export price. According to the petitioner, the average LTFV margins for Belgium during January-June 1983 ranged between 33 and 69 percent for cut-to-length plate and between 43 and 74 percent for coiled plate. With respect to West Germany, the alleged LTFV margins during the same period ranged between 13 and 66 percent for cut-to-length plate and between 27 and 55 percent for coiled plate.

U.S. Producers

About 17 firms produce coiled and/or cut-to-length carbon steel plate in the United States. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of carbon steel plate (coiled and cut-to-length) in 1982:

Firm	Market share (percent)
Armco, Inc. (Armco)	***
Bethlehem	***
Gilmore	***
Inland Steel Co. (Inland)	***
Kaiser	***
Lukens, Inc. (Lukens)	***
National Steel Corp. (National)	***
Republic Steel Corp. (Republic)	***
U.S. Steel	***

As indicated in the preceding tabulation, domestic production of carbon steel plate (coiled and cut-to-length) is highly concentrated, with the four largest producers--* * *--together accounting for 69 percent of total producers' shipments in 1982. Most of the producers are fully integrated firms that produce a wide range of steel mill products. Of the above firms, however, Lukens and Gilmore are nonintegrated companies which specialized in producing steel plate and plate products.

Domestic producers currently operate approximately 30 establishments in which coiled and/or cut-to-length carbon steel plate is produced. These plants are scattered throughout the United States, but are concentrated in the Great Lakes area and in Pennsylvania. Coiled and cut-to-length carbon steel plate are rolled in a variety of sizes and in an assortment of rolling mills. Table 3 shows the principal producers, the locations of their various plants that produce carbon steel plate, the types of mills in use in each plant, and estimated annual plate-producing capacity.

The following facilities are among those which have been closed by domestic producers of carbon steel plate in recent years: Bethlehem's facilities in Johnstown, Pa. (plate and galvanized sheet), 1977; Jones & Laughlin's (J&L) Campbell Works (plate and hot-and cold-rolled sheets) and

1/ A discussion of EC steel policies is presented in app. D.

Table 3.--Carbon steel plate (coiled and cut-to-length): Principal U.S. producers, locations of their establishments, types of mills, and annual capacity, 1982

Firm	Establishment location	Type of mill	Capacity 1/ in 1982
			1,000 tons
Armco	Middletown, Ohio	86-inch hot strip	***
	Ashland, Ky	80-inch continuous plate, strip and sheet.	
	Houston, Tex	130-inch plate and 156-inch combination slab/plate.	
Bethlehem	Sparrows Point, Md	160-inch sheared plate, universal plate, 56-inch hot strip and 70-inch hot strip.	***
	Chesterton, Ind	110-inch sheared plate, 160-inch sheared plate, and 80-inch hot strip.	
	Seattle, Wash	22-inch combination bar, structural, and universal plate.	
Gilmore	Portland, Oreg	102-inch plate	***
Inland	East Chicago, Ind	100-inch plate and 76-inch hot strip.	***
Interlake, Inc	Riverdale, Ill	36-inch hot strip	***
J&L 2/	Cleveland, Ohio	80-inch hot strip and	***
	East Chicago, Ind	84-inch hot strip	
Kaiser	Fontana, Calif	148-inch plate, 86-inch hot strip.	***
Laclede Steel	Alton, Ill	22-inch hot strip	3/
Lukens	Coatsville, Pa	120-inch, 140-inch, and 206-inch plate.	***
	Conshohocken, Pa	110-inch plate	
National	Ecorse, Mich	80-inch hot strip	***
	Granite City, Ill	80-inch hot strip	
Phoenix Steel	Claymont, Del	160-inch plate	***
Republic	Gadsden, Ala	134-inch plate and 54-inch hot strip	***
	Cleveland, Ohio	84-inch hot strip	
	Warren, Ohio	56-inch hot strip	
Sharon Steel	Sharon, Pa	60-inch hot strip	3/
U.S. Steel 4/	Homestead, Pa	160-inch and 100-inch sheared plate.	***

See footnotes at end of table.

Table 3.--Carbon steel plate (coiled and cut-to-length): Principal U.S. producers, locations of their establishments, types of mills, and annual capacity, 1982--Continued

Firm	Establishment location	Type of mill	Capacity in 1982
			1,000 tons
	Baytown, Tex	160-inch sheared plate	
	Gary, Ind	160/210-inch sheared plate, 84-inch hot strip.	
	South Chicago, Ill	96-inch sheared plate	
U.S. Steel--Continued	Geneva, Utah	Combination plate/strip 132-inch and 33-inch universal plate.	
	Fairless Hills, Pa	80-inch hot strip	
	Clairton, Pa	18-inch universal plate	
	Fairfield, Ala	60-inch hot strip	
	Dravosburg, Pa	80-inch hot strip	

1/ Total capacity of the firm to produce carbon steel plate, both coiled and cut-to-length, in all facilities.
2/ J&L closed its combination plate/strip mill in February 1981.
3/ Not available.
4/ U.S. Steel indefinitely closed its Fairfield works in June 1982.

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

Brier Hill Works (plate-finishing mill), both in Youngstown, Ohio, 1977; Pittsburgh works (plate and hot-rolled sheets), 1981; and U.S. Steel's plate mill in Fairfield, Ala., its plate and strip mill in Youngstown, Ohio, and its plate mill in Torrance, Calif., 1979. Bethlehem reported that its 110-inch plate mill at Chesterton, Ind., which had first opened in 1978, has been closed since April 1982, and its 56-inch hot-strip mill has been shut down since October 1981. U.S. Steel reported that its plate-producing operations at South Works and Clairton Works have been suspended since May 1982 and June 1982, respectively. Kaiser, which stopped producing raw steel on October 25, 1983, has indicated that the rolling of plate and sheet products will be phased out by yearend 1983. On August 11, 1983, Phoenix Steel Corp. filed for Bankruptcy under chapter 11 of the Bankruptcy Code.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 140 firms that imported carbon steel plate from West Germany or Belgium during October 1981-September 1982. The 10 largest importers together accounted for approximately 60 percent of the total quantity imported during that period. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of carbon steel plate (cut-to-length and in coils) increased from 9.1 million tons 1/ in 1980 to 9.6 million tons in 1981, or by 5 percent, but then declined sharply in 1982 to 5.4 million tons, or by 44 percent (table 4). U.S. consumption of carbon steel plate decreased 15 percent in January-August 1983, compared with that in the corresponding

Table 4.--Carbon steel plate: U.S. producers' domestic shipments, imports for for consumption, and apparent U.S. consumption, by types, 1980-82, January-August 1982, and January-August 1983

Item and period	Domestic shipments 1/	Imports	Apparent consumption	Ratio of--	
				Domestic shipments to consumption	Imports to consumption
	1,000 short tons			Percent	
Cut-to-length plate:					
1980	5,835	1,568	7,403	78.8	21.2
1981	5,513	1,837	7,350	75.0	25.0
1982	2,836	1,149	3,985	71.2	28.8
January-August--					
1982	2,072	831	2,903	71.4	28.6
1983	1,540	693	2,233	69.0	31.0
Coiled plate:					
1980	1,281	445	1,726	74.2	25.8
1981	1,708	512	2,220	76.9	23.1
1982	986	389	1,375	71.7	28.3
January-August--					
1982	712	300	1,012	70.4	29.6
1983	922	182	1,104	83.5	16.5
Total plate:					
1980	7,116	2,013	9,129	77.9	22.1
1981	7,221	2,349	9,570	75.5	24.5
1982	3,822	1,538	5,360	71.3	28.7
January-August--					
1981	2,784	1,130	3,914	71.1	28.9
1982	2,462	875	3,337	73.8	26.2

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

Source: Shipments, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

1/ Unless otherwise noted, all quantities shown in this report are in short tons (2,000 lb).

period of 1982. The consumption trend for cut-to-length plate followed a somewhat different pattern than consumption of coiled plate, declining slightly from 1980 to 1981, and then falling 46 percent in 1982. Cut-to-length plate consumption decreased 23 percent in January-August 1983, compared with consumption in the corresponding period of 1982. Apparent consumption of coiled plate increased from 1.7 million tons in 1980 to 2.2 million tons in 1981, or by 29 percent, and then fell to 1.4 million tons in 1982, or by 38 percent. Coiled plate consumption increased 9 percent in January-August 1983.

The share of the market supplied by U.S. producers for both cut-to-length and coiled plate declined during 1980-82. The ratio of imports from all sources to apparent consumption increased steadily, from 22.1 percent in 1980 to 24.5 percent in 1981 and 28.7 percent in 1982. In January-August 1983, the imports' market share declined to 26.2 percent. During January-August 1983, the U.S. producers' share of the total plate market improved moderately, compared with that in the corresponding period of 1982.

Consideration of Material Injury to an Industry in the United States

The information in this section of the report is compiled from questionnaire data. It is therefore understated to the extent that a few domestic firms that are believed to produce the subject products did not respond to the Commission's questionnaires. Nevertheless, all of the major producers of the products have responded, and they are believed to account for more than 90 percent of total U.S. plate production. Tables in this section are arranged to show data on cut-to-length plate, coiled plate, and all plate (i.e., "certain flat-rolled carbon steel products"). In addition, appendix E presents data gathered by the Commission during its previous investigations on all hot-rolled carbon steel sheet.

U.S. production, capacity, and capacity utilization

As shown in table 5, total U.S. production of carbon steel plate (cut-to-length and in coils) increased slightly, from 7.2 million tons in 1980 to 7.4 million tons in 1981, and then dropped by 48 percent to 3.8 million tons in 1982. Total plate production continued to decline in January-August 1983, falling 17 percent, compared with production in the corresponding period of 1982. Total productive capacity for carbon steel plate remained relatively steady throughout the investigative period. Capacity utilization for total plate measured 57.6 percent in 1980, 59.2 percent in 1981, and then fell to 30.4 percent in 1982 and 29.0 percent in January-August 1983.

Table 5.--Carbon steel plate: U.S. production, 1/ practical capacity, 2/ and capacity utilization, by types, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Cut-to-length plate:					
Production					
1,000 short tons--	5,933	5,646	2,844	2,129	1,592
Capacity---------do----	10,035	9,786	9,786	6,524	6,522
Capacity utilization					
percent--	59.1	57.7	29.1	32.6	24.4
Coiled plate:					
Production					
1,000 short tons--	1,312	1,786	982	823	858
Capacity---------do----	2,551	2,768	2,806	1,869	1,924
Capacity utilization					
percent--	51.4	64.5	35.0	44.0	44.6
Total plate:					
Production					
1,000 short tons--	7,245	7,432	3,826	2,952	2,450
Capacity---------do----	12,586	12,554	12,592	8,393	8,446
Capacity utilization					
percent--	57.6	59.2	30.4	35.2	29.0

1/ Production and capacity figures are understated to the extent that not all producers responded to the questionnaires of the U.S. International Trade Commission.

2/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

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

Production of cut-to-length plate decreased from 5.9 million tons in 1980 to 2.8 million tons in 1982, or by 52 percent, and declined an additional 25 percent in January-August 1983, compared with that in January-August 1982. Capacity for this product remained fairly steady throughout the period under investigation. Consequently, capacity utilization declined by more than one-half from 59.1 percent in 1980 to 29.1 percent in 1982. In January-August 1983, capacity utilization fell to 24.4 percent.

Production of coiled plate followed a different trend, increasing from 1.3 million tons in 1980 to 1.8 million tons in 1981, and then declining by 45 percent to 982,000 tons in 1982. Coiled plate production recovered slightly in January-August 1983, increasing by 4 percent relative to production in the

corresponding period of 1982. The capacity to produce coiled plate increased steadily, from 2.6 million tons in 1980 to 2.8 million tons in 1982. Capacity utilization increased from 51.4 percent in 1980 to 64.5 percent in 1981, and then declined sharply to 35.0 percent in 1982. In January-August 1983, capacity utilization rose to 44.6 percent.

U.S. producers' domestic shipments

U.S. producers' domestic shipments of cut-to-length and coiled plate are presented in table 6. Total shipments of the two products increased slightly, from 7.1 million tons in 1980 to 7.2 million tons in 1981. These shipments then declined by 47 percent to 3.8 million tons in 1982, and declined once again, by 12 percent, in January-August 1983, compared with shipments in January-August 1982.

Table 6.--Carbon steel plate: U.S. producers' domestic shipments, 1/ by types, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
	Quantity (1,000 short tons)				
Cut-to-length plate	5,835	5,513	2,836	2,072	1,540
Coiled plate	1,281	1,708	986	712	922
Total	7,116	7,221	3,822	2,784	2,462
	Value (million dollars)				
Cut-to-length plate	2,586	2,696	1,362	1,021	631
Coiled plate	422	622	351	237	286
Total	3,008	3,318	1,713	1,258	917
	Unit value (per ton)				
Cut-to-length plate	$443	$489	$480	$493	$410
Coiled plate	329	364	356	332	310
Average	423	460	448	452	372

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

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

Domestic shipments of cut-to-length plate declined steadily throughout the period, from 5.8 million tons in 1980 to 2.8 million tons in 1982, or by 51 percent. In January-August 1983, shipments of cut-to-length plate declined 27 percent, compared with those in January-August 1982. Domestic shipments of coiled plate increased from 1.3 million tons in 1980 to 1.7 million tons in 1981, and then declined by 42 percent to 1.0 million tons in 1982. Coiled plate shipments increased 29 percent in January-August 1983, compared with those in the corresponding period of 1982. As indicated in the table, the unit values of coiled plate are equivalent to roughly 67 to 75 percent of the unit values of cut-to-length plate.

U.S. producers' exports

U.S. producers' exports of both cut-to-length and coiled carbon steel plate fell throughout the period, from 155,000 tons in 1980 to 48,000 tons in 1982, or by 69 percent over the 3 years (table 7). Carbon steel plate exports declined 63 percent in January-August 1983, compared with those in January-August 1982.

Table 7.--Carbon steel plate: U.S. exports of domestically produced merchandise, 1/ by types, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
	Quantity (1,000 short tons)				
Cut-to-length plate	112	87	42	26	13
Coiled plate	43	35	6	12	1
Total	155	112	48	38	14
	Value (1,000 dollars)				
Cut-to-length plate	43,081	37,935	20,034	12,681	6,023
Coiled plate	12,397	8,845	1,540	3,358	389
Total	55,478	46,780	21,574	16,039	6,412
	Unit value (per ton)				
Cut-to-length plate	$385	$436	$477	$488	$463
Coiled plate	288	253	257	280	389
Average	358	418	449	422	458

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

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

U.S. producers' inventories

End users and distributors perform much of the inventory function in the domestic market for carbon steel plate. Producers generally keep minimum stocks of finished plate, preferring to inventory slab, which can be rolled into many steel mill products. End-of-period inventories of carbon steel plate, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1979-82, equal to about 5 to 10 percent of shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of short tons):

	Cut-to-length plate	Coiled plate	Total
As of Dec. 31--			
1979	311	116	427
1980	280	102	382
1981	231	143	374
1982	129	132	261
As of Aug. 31--			
1982	175	128	303
1983	160	118	278

U.S. employment, wages, and productivity

In domestic establishments producing carbon steel plate (cut-to-length and/or in coils), the average employment of all persons declined steadily during 1980-82; the average number of production and related workers increased slightly from 1980 to 1981 and then declined by 25.2 percent in 1982. Hours worked by production and related workers producing all products increased by 0.8 percent from 1980 to 1981, and then dropped by 29.6 percent in 1982. Hours worked by production and related workers producing cut-to-length and coiled plate followed a similar trend, increasing slightly from 1980 to 1981 and then dropping sharply, by 47.0 percent, in 1982 (table 8).

Wages and total compensation paid to production and related workers producing all products and those paid to production and related workers producing carbon steel plate (cut-to-length and coiled) are shown in table 9. The difference between total compensation and wages is an estimate of workers' benefits.

Table 8.--Average number of employees, total and production and related workers, in U.S. establishments producing carbon steel plate, and hours paid 1/ for the latter, by types, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Average employment:					
All persons:					
Number	174,730	173,549	132,656	134,805	114,424
Percentage decrease	2/	-0.7	-23.6	2/	-15.1
Production and related workers producing--					
All products:					
Number	139,012	139,196	104,119	104,122	90,904
Percentage change	2/	0.1	-25.2	2/	-12.7
Total plate:					
Number	19,976	19,816	10,835	11,860	8,808
Percentage change	2/	0.8	-45.3	2/	-25.7
Cut-to-length plate:					
Number	17,571	16,655	8,808	9,735	6,737
Percentage decrease	2/	-5.2	-47.1	2/	-30.8
Coiled plate:					
Number	2,405	3,161	2,027	2,125	2,071
Percentage change	2/	31.4	-35.9	2/	-2.5
Hours worked by production and related workers producing--					
All products:					
Number------thousands--	289,233	291,564	205,374	141,391	129,373
Percentage decrease	2/	0.8	-29.6	2/	-8.5
Total plate:					
Number------thousands--	38,847	38,855	20,595	15,028	11,346
Percentage decrease	2/	3/	-47.0	2/	-24.5
Cut-to-length plate:					
Number------thousands--	31,866	30,135	15,805	11,414	8,084
Percentage decrease	2/	-5.4	-47.6	2/	-29.1
Coiled plate:					
Number------thousands--	6,981	8,720	4,790	3,614	3,262
Percentage change	2/	24.9	-45.1	2/	-9.7

1/ Includes hours worked plus hours of paid leave time.
2/ Not available.
3/ Less than 0.05 percent.

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

Table 9.--Wages and total compensation 1/ paid to production and related workers in establishments producing carbon steel plate, by types, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Wages paid to production and related workers producing--					
All products:					
Value-million dollars--	4,023	4,428	3,388	2,315	1,920
Total plate:					
Value-million dollars--	508	550	311	227	161
Percentage change------	2/	8.3	-43.5	2/	-29.1
Cut-to-length plate:					
Value-million dollars--	414	427	235	170	113
Percentage change------	2/	3.1	-45.0	2/	-33.5
Coiled plate:					
Value-million dollars--	94	123	76	57	48
Percentage change------	2/	30.8	-38.2	2/	-15.8
Total compensation paid to production and related workers producing--					
All products:					
Value-million dollars--	5,281	5,834	4,764	3,206	2,888
Percentage change------	2/	10.5	-18.3	2/	-9.9
Total plate:					
Value-million dollars--	662	719	432	292	240
Percentage change------	2/	8.6	-39.9	2/	-17.8
Cut-to-length plate:					
Value-million dollars--	538	557	325	214	171
Percentage change------	2/	3.5	-41.7	2/	-20.1
Coiled plate:					
Value-million dollars--	124	162	107	78	69
Percentage change------	2/	30.6	-34.0	2/	-11.5

1/ Includes wages and contributions to social security and other employee benefits.

2/ Not available.

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

Data on labor productivity, hourly compensation, and unit labor costs in the production of carbon steel plate (cut-to-length and in coils) are presented in table 10. Labor productivity increased by 2.6 percent in 1981 and then declined by 2.9 percent in 1982. Labor productivity increased by 9.9

Table 10.--Labor productivity, hourly compensation, and unit labor costs in the production of carbon steel plate, by types, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Labor productivity:					
Total plate:					
Quantity--tons per hour--	0.1865	0.1913	0.1858	0.1964	0.2159
Percentage change--------	1/	2.6	-2.9	1/	9.9
Cut-to-length plate:					
Quantity--tons per hour--	0.1862	0.1874	0.1799	0.1865	0.1969
Percentage change--------	1/	0.6	-4.0	1/	5.6
Coiled plate:					
Quantity--tons per hour--	0.1879	0.2048	0.2050	0.2277	0.2630
Percentage increase------	1/	9.0	0.1	1/	15.5
Hourly compensation: 2/					
Total plate:					
Value----------per hour--	$13.08	$14.16	$15.10	$15.10	$14.19
Percentage change--------	1/	8.3	6.7	1/	-6.0
Cut-to-length plate:					
Value----------per hour--	$12.99	$14.17	$14.87	$14.89	$13.98
Percentage increase------	1/	9.1	4.9	1/	6.1
Coiled plate:					
Value----------per hour--	$13.46	$14.10	$15.87	$15.77	$14.72
Percentage increase------	1/	4.8	12.5	1/	6.7
Unit labor costs:					
Total plate:					
Value----------per ton--	$91.37	$96.74	$112.91	$98.92	$97.96
Percentage increase------	1/	5.9	16.7	1/	-1.0
Cut-to-length plate:					
Value----------per ton--	$90.68	$98.65	$114.28	$100.52	$107.41
Percentage increase------	1/	8.8	15.8	1/	6.7
Coiled plate:					
Value----------per ton--	$94.51	$90.70	$108.96	$94.78	$80.42
Percentage increase------	1/	-4.0	20.1	1/	-15.2

1/ Not available.
2/ Based on wages paid excluding fringe benefits.

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

percent in January-August 1983. Hourly compensation increased continuously throughout the period, from $13.08 per hour in 1980 to $15.10 per hour in 1982, and unit labor costs increased from $91 per ton in 1980 to $113 per ton in 1982. Hourly compensation decreased to $14.19, and unit labor costs decreased to $98 per ton in January-August 1983.

Financial experience of U.S. producers

Overall operations of the establishments within which cut-to-length and/or coiled plate is produced.--Ten producers of cut-to-length and/or coiled carbon steel plate provided the Commission with usable income-and-loss data relative to the overall operations of the establishments within which such products were produced. Net sales for these establishments totaled $16.3 billion in 1982, compared with $24.1 billion in 1981 and $21.0 billion in 1980 (table 11). Such sales declined by 9 percent to $10.7 billion in the interim period ending August 31, 1983, compared with net sales of $11.7 billion in the corresponding period of 1982.

In the aggregate, the 10 firms sustained operating losses in each of the reporting periods ranging from $71 million, or 0.3 percent of net sales, in 1981 to $2.4 billion, or 14.6 percent of net sales, in 1982. Five firms sustained operating losses in 1980, and 2 did so in 1981; all 10 firms sustained such losses in 1982 and the interim period of 1983.

As a share of overall establishment net sales, net sales of cut-to-length and coiled carbon steel plate declined without interruption from 13.4 percent in 1980 to 7.9 percent in January-August 1983.

Total plate operations.--The income-and-loss data on cut-to-length plate and coiled plate are combined and discussed in this section. The 10 producers that reported these data together accounted for about 92 percent of total reported shipments of cut-to-length and coiled carbon steel plate in 1982.

Aggregate net sales of all plate increased by 9 percent, from $2.8 billion in 1980 to $3.1 billion in 1981, and then declined by 48 percent to $1.6 billion in 1982 (table 12). During the interim period ending August 31, 1983, net sales dropped by 29 percent to $842 million, mainly due to the decline in sales of cut-to-length plate, compared with net sales of $1.2 billion in the corresponding period of 1982.

In 1982, U.S. producers' combined operating losses on all plate amounted to $208 million, or 13.0 percent of net sales, compared with operating incomes of $20 million, or 0.7 percent of net sales, and $55 million, or 1.8 percent of net sales, respectively, in 1980 and 1981. During the interim period of 1983, operating losses increased to $206 million, or 24.5 percent of net sales, compared with such losses of $118 million, or 9.9 percent of net sales, in the corresponding period of 1982.

All 10 responding firms sustained operating losses during 1982 and interim 1983, compared with 5 firms in 1980 and 4 firms in 1981. U.S. producers experienced a cash deficit of $159 million in 1982 and $174 million in the interim period of 1983, compared with a cash flow from operations of $119 million in 1981 and $90 million in 1980.

Table 11.--Income-and-loss experience of 10 U.S. producers on the overall operations of their establishments within which cut-to-length and/or coiled carbon steel plate is produced, accounting years 1980-82 and interim periods ending Aug. 31, 1982, and Aug. 31, 1983

Item	1980	1981	1982	Interim period ending Aug. 31--	
				1982	1983
Net sales------million dollars--	20,977	24,065	16,281	11,654	10,655
Cost of goods sold--------do----	21,247	23,502	18,009	12,655	11,603
Gross income or (loss)----do----	(270)	563	(1,728)	(1,001)	(948)
General, selling, and administrative expenses-----do----	568	634	647	455	415
Operating loss----------do----	838	71	2,375	1,456	1,363
Depreciation and amortization expenses 1/----------do----	532	553	469	313	303
Cash flow or (deficit) from operations 1/----------do----	(306)	482	(1,906)	(1,143)	(1,060)
Ratio of operating loss to net sales----------percent--	4.0	0.3	14.6	12.5	12.8
Ratio of net sales of cut-to-length and/or coiled carbon steel plate to establishments' sales---do----	13.4	12.7	9.8	10.2	7.9
Number of firms reporting operating losses----------	5	2	10	10	10

1/ 2 firms did not provide depreciation and amortization expense. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

Operations on cut-to-length plate.--Income-and-loss data were received from 10 firms together accounting for 91 percent of total reported shipments of cut-to-length carbon steel plate in 1982. These data are presented in table 12.

U.S. producers' net sales of cut-to-length plate increased from $2.4 billion in 1980 to $2.5 billion in 1981, or by 2 percent. Such sales dropped sharply to $1.3 billion in 1982, or by 48 percent. During the interim period ending August 31, 1983, net sales fell by 39 percent to $577 million, compared with $953 million in the corresponding period of 1982.

In 1982, the 10 firms sustained an aggregate operating loss of $158 million, or 12.4 percent of net sales, compared with operating income of $37 million, or 1.5 percent of net sales, in 1980 and $66 million, or 2.7 percent of net sales, in 1981. During the interim period ending August 31, 1983, U.S.

Table 12.--Income-and-loss experience of U.S. producers on their operations on carbon steel plate, by types, accounting years 1980-82, and interim periods ending Aug. 31, 1982, and Aug. 31, 1983

Item and period	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Operating income or (loss)	Ratio of operating income or (loss) to net sales	Depreciation amortization	Cash flow or (deficit) from operations
	Million dollars					Percent	Million dollars	
Plate cut to length: 1/								
1980	2,418	2,310	108	71	37	1.5	58	95
1981	2,467	2,327	140	74	66	2.7	50	116
1982	1,273	1,370	(97)	61	(158)	(12.4)	40	(118)
Interim period ending Aug. 31--								
1982	953	998	(45)	43	(88)	(9.2)	27	(61)
1983	577	710	(133)	33	(166)	(28.8)	22	(144)
Coiled plate: 2/								
1980	397	405	(8)	9	(17)	(4.3)	12	(5)
1981	591	589	2	13	(11)	(1.9)	14	3
1982	322	360	(38)	12	(50)	(15.5)	9	(41)
Interim period ending Aug. 31--								
1982	238	260	(22)	8	(30)	(12.6)	6	(24)
1983	265	293	(28)	12	(40)	(15.1)	10	(30)
Total:								
1980	2,815	2,715	100	80	20	.7	70	90
1981	3,058	2,916	142	87	55	1.8	64	119
1982	1,595	1,730	(135)	73	(208)	(13.0)	49	(159)
Interim period ending Aug. 31--								
1982	1,191	1,258	(67)	51	(118)	(9.9)	33	(85)
1983	842	1,003	(161)	45	(206)	(24.5)	32	(174)

1/ Data for 10 firms which together accounted for 91 percent of reported shipments in 1982.
2/ Data for 7 firms which together accounted for 95 percent of reported shipments in 1982.

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

producers reported an aggregate operating loss of $166 million, equivalent to 28.8 percent of net sales, compared with an operating loss of $88 million, or 9.2 percent of net sales, for the corresponding period in 1982. CF&I reported no sales of cut-to-length plate during the interim period of 1983.

All 10 responding firms reported operating losses in 1982, compared with 4 firms in 1980, and 2 firms in 1981. Seven firms sustained losses during the interim period of 1983, compared with 9 firms in the interim period of 1982. In the aggregate, the 10 firms experienced a negative cash flow of $118 million in 1982 and $144 million in the interim period of 1983, compared with positive cash flows of $95 million and $116 million in 1980 and 1981, respectively.

Operations on coiled plate.--Seven producers, accounting for about 95 percent of total reported shipments in 1982, provided income-and-loss data relative to their operations on coiled carbon steel plate. As shown in table 12, net sales of coiled plate increased by 49 percent, from $397 million in 1980 to $591 million in 1981, and then fell by 46 percent to $322 million in 1982. During the interim period ending August 31, 1983, net sales increased by 11 percent to $265 million, compared with $238 million in the corresponding period of 1982.

U.S. producers of coiled plate reported aggregate operating losses throughout the period under investigation. Operating losses were reduced in 1981 to $11 million, or 1.9 percent of net sales, compared with losses of $17 million, or 4.3 percent of net sales, in 1980. Such losses increased rapidly to $50 million, or 15.5 percent of net sales, in 1982, and to $40 million, or 15.1 percent of net sales, in the interim period of 1983, compared with $30 million, or 12.6 percent of net sales, in the corresponding period of 1982. Four firms reported operating losses in 1980 and in 1981. All seven responding firms sustained operating losses in 1982, and six firms did so in the interim period of 1983.

U.S. producers experienced a negative cash flow during 1980-interim 1983 except in 1981, when they reported a small positive cash flow of $3 million.

Capital expenditures.--Three firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of cut-to-length and coiled carbon steel plate. Such aggregate capital expenditures declined annually from $48 million in 1980 to $36 million in 1982, and amounted to $18 million in January-August 1983, as shown in the following tabulation (in thousands of dollars):

Item	1980	1981	1982	January-August--	
				1982	1983
Plate cut to length	23,403	21,058	17,716	8,479	5,634
Coiled plate	24,430	24,042	18,178	12,843	11,877
Total	47,833	45,100	35,894	21,322	17,511

Capital expenditures for both cut-to-length plate and for coiled plate show a similar declining trend during 1980-82 and January-August 1983.

Research and development expenditures.--Research and development expenses relative to operations on cut-to-length and coiled carbon steel plate, as reported by eight producers that responded to this part of the Commission's questionnaires, increased from $6.3 million in 1980 to $7.6 million in 1981, and then declined to $6.4 million in 1982 and $2.2 million in January-August 1983. Research and development expenditures for each type of plate followed a trend similar to that for total expenditures, as shown in the following tabulation (in thousands of dollars):

Item	1980	1981	1982	January-August--	
				1982	1983
Plate cut to length	4,685	5,420	3,844	2,628	1,725
Coiled plate	546	826	775	497	485
Total 1/	6,348	7,622	6,362	3,125	2,210

1/ Figures do not add to totals shown for 1980-82, because 1 firm provided only totals and no separate breakouts for each type of plate.

Consideration of Threat of Material Injury to an Industry in the United States

In its examination of the question 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 in LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the country subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of cut-to-length and coiled carbon steel plate and of their U.S. market penetration is presented in the section of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Allegedly LTFV Imports."

U.S. importers' inventories

End-of-period inventories of carbon steel plate from Belgium and West Germany, are shown in table 13.

Table 13.--U.S. end-of-period inventories of carbon steel plate from Belgium and West Germany, 1980-82, January-August 1982, and January-August 1983

Period	Belgium			West Germany		
	Imports	End-of-period inventories	Ratio of inventories to reported imports	Imports	End-of-period inventories	Ratio of inventories to reported imports
	---Short tons----		Percent	---Short tons----		Percent
1980	61,642	***	***	101,879	***	***
1981	68,315	***	***	115,662	***	***
1982	58,207	***	***	84,444	***	***
January-August--						
1982	28,775	***	***	53,001	***	***
1983	34,429	***	***	43,530	***	***

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

Capacity of foreign producers to generate exports and the availability of export markets other than the United States

Current data on the ability of producers in Belgium and West Germany to produce carbon steel plate and to generate exports of such merchandise were not available for these preliminary investigations. The following information was obtained from other Commission investigations conducted during 1982 on hot-rolled carbon steel plate. 1/

Belgium.--Belgium's production of carbon steel plate in 1981 amounted to 1.54 million tons, representing a 14-percent increase from the 1979 total of 1.35 million tons (table 14). Production in January-June 1982 amounted to 722,000 tons, or 10 percent less than production in January-June 1981. The utilization of Belgium's capacity to produce carbon steel plate increased from 58 percent in 1979 to 66 percent in 1981, but slipped to 61 percent in January-June 1982. About 90 percent of Belgium's production of carbon steel plate is exported, principally to other members of the EC. Exports to the United States accounted for 18 percent of aggregate exports in 1979, 22 percent in 1980, 21 percent in 1981, and 15 percent in January-June 1982.

1/ See, in particular, the staff report to the Commission entitled "Certain Carbon Steel Products from Belgium, France, Italy, Luxembourg, the United Kingdom, and the Federal Republic of Germany," Investigations. Nos. 701-TA-86, 92, 93, 94, 96, 97, 101, 104, 105, 109, 117, 119, 121, 123, 124, and 128 (Final), Sept. 23, 1982. Data from that report on the capacity of Belgium and West Germany to produce all hot-rolled carbon steel sheet are shown in app. E.

Table 14.--Carbon steel plate: Belgium's production, capacity, capacity utilization, and exports, 1979-81, January-June 1981, and January-June 1982 1/

Item	1979	1980	1981	January-June-- 1981	1982
Production------1,000 short tons--	1,349	1,465	1,539	801	722
Capacity----------do----	2,316	2,316	2,316	1,158	1,185
Capacity utilization-----percent--	58.3	63.3	66.5	69.2	61.0
Exports to--					
United States-1,000 short tons--	216	281	304	178	97
EC----------do----	697	803	770	381	389
All other----------do----	287	204	374	185	167
Total----------do----	1,200	1,288	1,448	744	653

1/ Includes data for * * *.

Source: Compiled from data obtained from counsel for the cited Belgian producers.

The industry in Belgium that produces carbon steel plate consists basically of five companies, two of which operate plate mills and three of which produce plate in hot-strip mills. In 1980, 1.1 million tons of hot-rolled carbon steel plate were produced in plate mills, and 350,000 tons of plate were cut to length from decoiling and cutting lines in hot-strip mills. The Belgian producers are S.A. Forges de Clabecq (Clabecq), Fabrique de Fer de Charleroi (Fabfer), Cockerill-Sambre (Cockerill), Usines Gustave Boel S.A. (Boel), and Sidmar. Caroloregienne de Laminage S.A. (Carlam) is also a producer of plate; however, it is a subsidiary (70 percent) of Cockerill. Combined exports by Clabecq, Fabfer, and Cockerill accounted for about 99 percent of aggregate U.S. imports of hot-rolled carbon steel plate from Belgium in 1979-81 and January-June 1982.

Clabecq, with an annual capacity of about 1.1 million tons, is the largest of the Belgian carbon steel plate producers. Clabecq produces the product in a 110-inch semicontinuous plate mill utilizing one 4-high reversing stand and four 4-high finishing stands. It produces plate in maximum dimensions of 5-3/4 inches in thickness, 104 inches in width, and 50 feet in length.

Fabfer, a nonintegrated producer, is a leading European manufacturer of large plates. Plate is made in a 4-high plate mill with an annual capacity of about 711,000 tons. It is rolled up to 12 inches in thickness, 157 inches in width, and 82 feet in length.

Cockerill, which is the largest Belgian steel producer, produces an entire range of hot-rolled, cold-rolled, and uncoated flat products, and some coated flat products. Plate production is accomplished in hot-strip mills. Cockerill has the capacity to produce 4.3 million tons of coils per year, and the current annual capacity (including that of Carlam) of its decoiling and

cutting lines is 550,000 tons (which represents a 12-percent increase from annual capacity in 1979-81). Plate is rolled in maximum dimensions of 0.5 inch in thickness, 80 inches in width, and 41 feet in length.

West Germany.--West Germany's production of carbon steel plate in 1980 amounted to 5.0 million tons, or about 2 percent less than the 1979 total of 5.1 million tons. Production in 1981 amounted to 5.2 million tons (estimated from production of 4.4 million tons in January-October 1981). 1/ According to a report by the Organization for Economic Cooperation and Development (OECD), the nominal capacity of West Germany's reversing plate mills in 1979 was 8.8 million tons. 2/ On the basis of these data, West Germany's utilization of

Table 15.--Carbon steel plate: 1/ West Germany's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production----------1,000 short tons--	5,072	4,989	2/ 5,239
Capacity----------do----	8,785	8,785	8,785
Capacity utilization----------percent--	57.7	56.8	59.6
Exports to--			
United States 3/----1,000 short tons--	89	97	4/
EC----------do----	988	1,097	4/
All other----------do----	1,204	1,065	4/
Total----------do----	2,281	2,259	4/

1/ Data include sheets cut to length and over 3 milimeters (0.118 inches) in thickness.

2/ Based on production of 4.366 million tons in January-October 1981.

3/ Official U.S. import statistics show the following imports of hot-rolled carbon steel plate from West Germany (in thousands of short tons): 1979--75; 1980--102; and 1981--96.

4/ Not available.

Source: Capacity obtained from the Organization of Economic Cooperation and Development, Report on the Steel Plate Sector; production and exports, compiled from data obtained from Iron and Steel Yearbook, 1981 and Statistics of World Trade in Steel, 1979 and 1980.

1/ These figures, as well as all data shown for West Germany in table 15, include sheet cut to length and over 3 milimeters (0.118 inches) in thickness.

2/ This report by the OECD, Report on the Steel Plate Sector, shows that West Germany's production of carbon steel plate 4.75 milimeters or more in thickness amounted to 4.6 million tons in 1979 (the latest year for which such data are available). The OECD figure for West Germany's production of this so-called "heavy" plate is about 91 percent of the comparable figure shown for 1979 in table 15. Data are not available on West Germany's production of carbon steel plate in hot-strip mills.

its capacity to produce plate remained relatively stable during 1979-81, fluctuating from about 57 percent in 1980 to 60 percent in 1981. As shown in table 15, the EC represented West Germany's largest export market for plate in 1980, accounting for 49 percent of its aggregate exports. The United States took about 4 percent of aggregate exports in 1979 and 1980. 1/

Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Allegedly LTFV Imports

U.S. imports

Imports from all sources.--Imports of cut-to-length and coiled carbon steel plate from all sources increased from 2.0 million tons in 1980 to 2.3 million tons in 1981, and then declined by 35 percent to 1.5 million tons in 1982 (table 16). Imports continued to decline in January-August 1983, falling 23 percent, compared with imports in the corresponding period of 1982.

Imports of cut-to-length carbon steel plate from all sources rose from 1.6 million tons in 1980 to 1.8 million tons in 1981, and then dropped to 1.1 million tons in 1982 (table 17). These imports declined 17 percent in January-August 1983, compared with those during January-August 1982.

Imports of coiled carbon steel plate from all sources rose from 445,000 tons in 1980 to 512,000 tons in 1981, and then declined to 389,000 tons in 1982 (table 18). Imports of coiled plate decreased 39 percent in January-August 1983, compared with imports in January-August 1982.

Imports from Belgium.--Imports of cut-to-length and coiled carbon steel plate from Belgium 2/ increased from 290,000 tons in 1980 to 341,000 tons in 1981, or by 18 percent. Imports then decreased 40 percent in 1982 from 1981 levels, and by 48 percent in January-August 1983, compared with those in January-August 1982 (table 16).

Imports of cut-to-length carbon steel plate from Belgium increased from 286,000 tons in 1980 to 301,000 tons in 1981, but then declined 41 percent in 1982 (table 17). During January-August 1983, these imports decreased by 46 percent, compared with those in the corresponding period of 1982.

Imports of coiled carbon steel plate from Belgium increased from 4,000 tons in 1980 to 40,000 tons in 1981, and then declined by 38 percent in 1982 (table 18). Imports of coiled plate from Belgium fell another 65 percent in January-August 1983, compared with such imports in the corresponding period of 1982.

1/ According to the OECD report, the capacity to produce plate in reversing mills in West Germany is distributed as follows (in millions of short tons): Thyssen--3.24; Dillinger--2.31; Hoesch--1.06; Peine Salzgitter--0.79; and Mannesmann (which is believed to use virtually all its output of plate in the production of pipe and tube)--1.38.

2/ Official U.S. import statistics aggregate imports from Belgium and Luxembourg. However, it is believed that virtually all imports of carbon steel plate from Belgium/Luxembourg are produced in Belgium.

Table 16.--Cut-to-length and coiled carbon steel plate: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983

Source	1980	1981	1982	January-August-- 1982	January-August-- 1983
	Quantity (1,000 short tons)				
Belgium/Luxembourg	290	1/ 341	203	171	89
West Germany	234	196	182	124	45
Brazil	324	309	167	130	203
Canada	272	259	164	123	159
Republic of South Africa	82	74	134	85	18
Republic of Korea	223	133	130	104	98
Japan	147	117	91	78	15
Finland	24	63	85	46	76
Italy	18	44	82	43	9
Spain	110	100	76	75	30
All other	289	713	224	151	133
Total, all sources	2,013	2,349	1,538	1,130	875
	Value (1,000 dollars)				
Belgium/Luxembourg	93,856	1/123,858	69,036	59,709	22,148
West Germany	69,467	68,631	55,036	55,036	11,808
Brazil	102,232	112,877	52,440	42,454	45,821
Canada	91,486	95,712	62,190	45,716	40,665
Republic of South Africa	24,105	25,467	42,015	27,524	4,408
Republic of Korea	70,811	46,525	42,384	34,736	21,347
Japan	46,347	40,647	33,291	28,364	4,835
Finland	7,529	22,200	26,644	15,319	18,476
Italy	4,420	13,380	22,537	11,418	2,371
Spain	36,500	37,189	24,247	24,113	6,121
All other	90,060	243,707	71,754	50,934	33,326
Total, all sources	638,813	830,193	501,574	379,624	211,326

See footnote at end of table.

Table 16.--Cut-to-length and coiled carbon steel plate: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983--Continued

Source	1980	1981	1982	January-August--	
				1982	1983
	Unit value (per ton)				
Belgium/Luxembourg	$323	1/ $364	$340	$349	$250
West Germany	297	349	302	315	261
Brazil	315	365	314	328	226
Canada	337	370	380	373	256
Republic of South Africa	295	344	315	325	242
Republic of Korea	318	351	327	335	217
Japan	315	346	366	363	315
Finland	309	352	315	334	243
Italy	243	301	276	263	251
Spain	331	371	319	320	202
All other	312	342	320	336	251
Average, all sources	316	353	326	336	242

1/ Includes 13,600 tons of slab greater than 6 inches in thickness.

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Table 17.--Cut-to-length carbon steel plate: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983

Source	1980	1981	1982	January-August-- 1982	January-August-- 1983
	Quantity (1,000 short tons)				
Belgium/Luxembourg	286	1/ 301	178	148	80
West Germany	101	96	51	36	22
Brazil	323	309	149	114	180
Canada	251	228	149	112	148
Republic of South Africa	66	63	128	82	12
Republic of Korea	212	115	90	79	76
Japan	32	28	51	44	9
Finland	24	49	73	36	64
Italy	1	17	60	22	4
Spain	110	99	76	75	18
All other	162	332	144	83	80
Total, all sources	1,568	1,837	1,149	831	693
	Value (1,000 dollars)				
Belgium/Luxembourg	92,619	1/ 110,978	62,057	53,260	20,273
West Germany	33,856	37,380	16,854	12,804	5,780
Brazil	101,796	112,855	47,528	38,077	41,000
Canada	85,373	85,749	57,423	42,084	37,241
Republic of South Africa	20,080	22,428	40,300	26,525	3,137
Republic of Korea	67,887	41,259	31,230	27,371	16,465
Japan	11,396	12,074	20,714	17,379	2,941
Finland	7,488	17,825	23,165	12,372	15,741
Italy	308	5,471	16,710	5,591	1,134
Spain	36,306	36,909	24,212	24,078	3,559
All other	53,331	189,817	47,362	30,335	20,969
Total, all sources	510,398	672,895	387,555	289,876	168,240

See footnote at end of table.

Table 17.--Cut-to-length carbon steel plate: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983--Continued

Source	1980	1981	1982	January-August--	
				1982	1983
	Unit value (per ton)				
Belgium/Luxembourg	$323	1/ $369	$349	$360	$253
West Germany	337	388	332	357	258
Brazil	315	365	319	335	228
Canada	341	377	385	377	252
Republic of South Africa	306	354	316	325	255
South Korea	320	359	345	349	217
Japan	354	432	404	399	335
Finland	309	367	318	340	248
Italy	288	314	276	253	303
Spain	330	372	319	320	202
All other	329	357	329	365	262
Average, all sources	325	366	337	349	243

1/ Includes 13,600 tons of slab greater than 6 inches in thickness.

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Table 18.--Coiled carbon steel plate: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983

Source	1980	1981	1982	January-August--	
				1982	1983
	Quantity (1,000 short tons)				
Belgium/Luxembourg	4	40	25	23	8
West Germany	133	100	131	89	23
Brazil	2	1/	18	16	23
Canada	21	31	15	11	11
Republic of South Africa	16	11	6	3	6
Republif of Korea	11	18	39	25	22
Japan	115	89	40	35	7
Finland	1/	15	12	9	13
Italy	17	27	21	21	6
Spain	1/	1	1/	1/	13
All other	126	180	82	68	50
Total, all sources	445	512	389	300	182
	Value (1,000 dollars)				
Belgium/Luxembourg	1,237	12,879	6,979	6,449	1,875
West Germany	35,611	31,251	38,182	26,452	6,029
Brazil	436	22	4,913	4,378	4,821
Canada	6,113	9,962	4,767	3,632	3,424
Republic of South Africa	4,075	3,039	1,715	998	1,271
Republic of Korea	2,924	5,266	11,154	7,365	4,882
Japan	34,951	28,573	12,577	10,986	1,895
Finland	41	4,375	3,479	2,947	2,735
Italy	4,112	7,909	5,828	5,828	1,237
Spain	195	199	35	35	2,561
All other	36,720	53,824	24,390	20,678	12,356
Total, all sources	126,415	157,299	114,019	89,748	43,086

See footnote at end of table.

Table 18.--Coiled carbon steel plate: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983--Continued

Source	1980	1981	1982	January-August--	
				1982	1983
	Unit value (per ton)				
Belgium/Luxembourg	$313	$324	$278	$278	$224
West Germany	267	312	291	298	263
Brazil	275	338	273	277	208
Canada	292	319	324	330	310
Republic of South Africa	254	284	285	313	215
Republic of Korea	277	300	284	294	218
Japan	304	319	317	318	288
Finland	254	299	294	311	217
Italy	240	293	274	274	216
Spain	527	258	236	236	202
All other	291	299	297	304	247
Average, all sources	284	307	293	300	236

1/ Less than 500 short tons.

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Imports from West Germany.--Imports of cut-to-length and coiled carbon steel plate from West Germany decreased consistently during the period covered by these investigations (table 16). From a total of 234,000 tons in 1980, plate imports from West Germany declined 16 percent in 1981, and 7 percent in 1982. In January-August 1983, such imports fell by 64 percent, compared with those in January-August 1982.

Imports of cut-to-length carbon steel plate from West Germany also declined throughout the investigative period, falling 5 percent in 1981, 47 percent in 1982, and 39 percent in January-August 1983 compared with imports in January-August 1982 (table 17).

Imports of coiled plate from West Germany declined 25 percent from 1980 to 1981, but then increased 31 percent in 1982, reaching a level just under the quantity imported in 1980 (table 18). In January-August 1983, imports of coiled plate from West Germany dropped 74 percent compared with such imports during the corresponding period of 1982.

U.S. market penetration

Imports from all sources.--Market penetration of imports of cut-to-length and coiled plate from all countries increased from 22.1 percent of U.S consumption in 1980 to 28.7 percent in 1982, and then fell to 26.2 percent in January-August 1983 (table 19). Market penetration of cut-to-length plate from all countries increased steadily, from 21.2 percent of consumption in 1980 to 28.8 percent in 1982, and then rose to 31.0 percent in January-August 1983. Imports of coiled plate declined slightly, from 25.8 percent of consumption in 1980 to 23.1 percent in 1981, before increasing to 28.3 percent in 1982. Market penetration of coiled plate imports dropped sharply to 16.5 percent in January-August 1983.

Imports from Belgium.--Market penetration of imports of cut-to-length and coiled plate from Belgium increased steadily, from 3.2 percent of consumption

Table 19.--Cut-to-length and coiled carbon steel plate: Ratios of imports, from Belgium, West Germany, and all countries to apparent U.S. consumption, by types, 1980-82, January-August 1982, and January-August 1983

(In percent)

Item	1980	1981	1982	January-August--	
				1982	1983
Ratio of imports to apparent U.S. consumption:					
From Belgium:					
Cut-to-length plate	3.9	4.1	4.5	5.1	3.6
Coiled plate	.2	1.8	1.8	2.3	.7
Total	3.2	3.6	3.8	4.4	2.7
From West Germany:					
Cut-to-length plate	1.4	1.3	1.3	1.2	1.0
Coiled plate	7.7	4.5	9.5	8.8	2.1
Total	2.6	2.0	3.4	3.2	1.3
From all countries:					
Cut-to-length plate	21.2	25.0	28.8	28.6	31.0
Coiled plate	25.8	23.1	28.3	29.6	16.5
Total	22.1	24.5	28.7	28.9	26.2

Source: Consumption, calculated as the sum of U.S. producers' domestic shipments and imports for consumption. Shipments, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

Note.--Because domestic producers' shipments (and therefore apparent U.S. consumption) are understated to the extent that questionnaire data were not received from all firms, market penetration by imports is somewhat overstated.

in 1980 to 3.8 percent in 1982, and then fell to 2.7 percent in January-August 1983. Imports of cut-to-length plate from Belgium increased from 3.9 percent in 1980 to 4.5 percent in 1982, and then fell to 3.6 percent in January-August 1983. Imports of coiled plate from Belgium were at very low levels in 1980, accounting for only 0.2 percent of consumption; they rose to 1.8 percent of consumption in 1981 and 1982, and then fell to 0.7 percent of consumption in January-August 1983.

Imports from West Germany.--Market penetration of imports of cut-to-length and coiled plate from West Germany decreased from 2.6 percent of consumption in 1980 to 2.0 percent in 1981, and then increased to 3.4 percent in 1982. Imports of all plate then fell to 1.3 percent of consumption in January-August 1983. Imports of cut-to-length plate declined from 1.4 percent of consumption in 1980 to 1.3 percent in 1981 and 1982, and then fell to 1.0 percent in January-August 1983. Imports of coiled plate decreased from 7.7 percent of consumption in 1980 to 4.5 percent in 1981, and then increased to 9.5 percent in 1982. Coiled plated imports then fell sharply, to 2.1 percent of consumption in January-August 1983.

The question of injury to a regional industry

The petitioner in these investigations alleges injury to both the national industry producing hot-rolled carbon steel plate and, in the case of imports from West Germany, to the Western regional industry. The Western region defined by petitioner includes California, Washington, and Oregon. Gilmore, the petitioner, and Kaiser are the only producers of carbon steel plate located in this area. Table 20 presents data on the steel plate operations of both firms for each of the various indicies of injury for which information was developed.

Apparent consumption of carbon steel plate in the Western area declined consistently during 1980-82, falling 32 percent overall (table 21). Western area consumption increased 2 percent in January-August 1983 when compared with consumption in January-August 1982.

In examining the issue of a regional industry, the statute directs the Commission to consider the extent to which producers within that market sell all or almost all of their production of the like product in that market, and the extent to which demand in the regional market is supplied by producers of the product located elsewhere in the United States.

Both Gilmore and Kaiser sell over * * * percent of their steel plate to the Western area. * * *.

Table 20.--The carbon steel plate operations of the Western area producers, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Capacity------short tons--	***	***	***	***	***
Production----------do----	***	***	***	***	***
Capacity utilization percent--	***	***	***	***	***
Shipments-----short tons--	***	***	***	***	***
Exports----------do----	***	***	***	***	***
End-of-period inventories short tons--	***	***	***	***	***
Production and related workers 1/----- number--	***	***	***	***	***
Net sales 1/ 1,000 dollars--	***	***	***	***	***
Net operating profit or (loss)---1,000 dollars--	***	***	***	***	***
Ratio of net operating profit or (loss) to net sales 1/---percent--	***	***	***	***	***
Capital expenditures 1/ 1,000 dollars--	***	***	***	***	***

1/ Represents data supplied by Gilmore only.

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

Table 21.--Cut-to-length and coiled carbon steel plate: U.S. domestic shipments, imports for consumption, and apparent consumption in the Western area, by types, 1980-82, January-August 1982, and January-August 1983

(In short tons)

Item	Domestic shipments	Imports	Apparent consumption
Cut-to-length plate:			
1980	***	217,377	***
1981	***	224,624	***
1982	***	210,117	***
January-August--			
1982	***	150,014	***
1983	***	136,691	***
Coiled plate:			
1980	***	93,188	***
1981	***	100,914	***
1982	***	75,902	***
January-August--			
1982	***	57,086	***
1983	***	40,303	***
Total plate:			
1980	***	310,565	***
1981	***	325,538	***
1982	***	286,019	***
January-August--			
1982	***	207,100	***
1983	***	176,994	***

Source: Shipments, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the Department of Commerce.

Total plate imports from West Germany into the three-State Western area increased consistently during 1980-82, by 33 percent in 1981 and 7 percent in 1982 (table 22). Such imports declined 9 percent in January-August 1983, compared with those in the corresponding period of 1982. Cut-to-length plate and coiled plate imports followed different patterns during 1980-82, but each increased during that overall period. In January-August 1983, imports of West German cut-to-length plate into the Western area increased 18 percent; imports of coiled plate from that country declined 36 percent, compared with such imports in January-August 1982.

Unit values per short ton for both types of carbon steel plate from West Germany were lower in the Western area, by 3 to 9 percent, compared with unit values prevailing nationally for West German carbon steel plate during 1980-82 and January-August 1983.

Table 22.--Cut-to-length and coiled carbon steel plate: Imports from West Germany into the Western area, by types, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Cut-to-length plate:					
Quantity--short tons--	16,207	26,017	21,069	9,585	11,264
Value--1,000 dollars--	5,268	9,480	6,340	3,409	2,691
Unit value per short ton--	$325	$364	$301	$356	$239
Coiled plate:					
Quantity--short tons--	9,338	7,923	15,226	9,391	5,986
Value--1,000 dollars--	2,555	2,401	4,279	2,743	1,524
Unit value per short ton--	$274	$303	$281	$292	$255
Total plate:					
Quantity--short tons--	25,545	33,940	36,296	18,976	17,250
Value--1,000 dollars--	7,823	11,881	10,619	6,152	4,215
Unit value per short ton--	$306	$350	$293	$324	$244

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

Imports of all carbon steel plate from West Germany into the Western area increased from * * * percent of apparent consumption in that region in 1980 to * * * percent in 1982, and then declined to * * * percent in January-August 1983. The ratios of imports of carbon steel plate to apparent Western area consumption, by types, are presented in table 23.

Table 23.--Cut-to-length and coiled carbon steel plate: Ratio of imports from West Germany and from all countries to apparent Western area consumption, by types, 1980-82, January-August 1982, and January-August 1983

(In percent)

Item	1980	1981	1982	January-August--	
				1982	1983
Ratio of imports to apparent Western area consumption from--					
West Germany:					
Cut-to-length plate	***	***	***	***	***
Coiled plate	***	***	***	***	***
Total	***	***	***	***	***
All countries:					
Cut-to-length plate	***	***	***	***	***
Coiled plate	***	***	***	***	***
Total	***	***	***	***	***

Source: Compiled from official statistics of the Department of Commerce, and tables 21 and 22.

Imports of all carbon steel plate from West Germany into the Western area as a share of total U.S. imports from West Germany increased from 11 percent in 1980 to 20 percent in 1982 and 38 percent in January-August 1983 (table 24).

Prices

Market conditions in industries that require steel as an input, such as automobiles, construction, energy, and utilities, have long affected demand in the steel industry. For example, demand for carbon steel plate and its price depend largely on the level of activity in the construction industry. The construction industry, in turn, is highly influenced by the business cycle, particularly movements in interest rates, and the level of Government spending. Because of falling construction levels, demand for carbon steel plate decreased in 1978-81, fell sharply in 1982, and continued to decline in 1983. As demand for plate falls, competition and discounting increase, and the price of plate softens. Public nonresidential building construction, measured by value put in place, was down 9.2 percent in real terms in 1981 from its peak in 1978. 1/ Nonbuilding construction on the same basis was 19.4 percent below the 1978 level. 2/ Private nonresidential building construction (office buildings) was the only strong segment of this market in 1981 and

1/ These percentages are based on Bureau of Census data on the value of construction put in place, in constant 1972 dollars.

2/ Nonbuilding construction includes such construction project categories as bridges, military facilities, development projects such as dams, sewer and water supply systems, railways, and subways.

Table 24.--Cut-to-length and coiled carbon steel plate: U.S. imports into the Western area from West Germany and from all countries as a share of their total U.S. imports, 1980-82, January-August 1982, and January-August 1983

(In percent)

Item	1980	1981	1982	January-August--	
				1982	1983
Ratio of U.S. imports into the Western area from West Germany and from all countries to total U.S. imports from--					
West Germany:					
Cut-to-length plate	16.0	27.1	41.3	26.6	51.2
Coiled plate	7.0	7.9	11.6	10.6	26.0
Total	10.9	17.3	19.9	15.3	38.3
All countries:					
Cut-to-length plate	13.9	12.2	18.3	18.1	19.7
Coiled plate	20.9	19.7	19.5	19.0	22.1
Total	15.0	13.9	18.6	18.3	20.2

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

1982. Public nonresidential and nonbuilding construction continued their downward trend during 1982, declining by 5 and 4 percent, respectively, in real terms, from the levels of 1981. In 1983, the value of public nonresidential construction put in place fell 2 percent below the 1982 level in real terms. Public nonbuilding construction dropped more than 20 percent during the same period. 1/ Private nonresidential building construction also weakened in January-June 1983, registering an 11-percent decline, compared with such construction in January-June 1982.

U.S. producers usually quote prices for carbon steel products at the time of shipment on an f.o.b. mill basis. 2/ Importers of such products from Belgium and West Germany generally quote prices at the time of the order, either f.a.s. port of entry or f.o.b. warehouse. Prices consist of a base

1/ Based on data for January-June, annualized.

2/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account for freight costs as if the product were shipped from the closer producer.

price for each product plus additional charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by changing the base price, the charges for extras, or both. According to Bureau of Labor Statistics data, there were eight announced base price increases for hot-rolled carbon steel plate during January 1979-June 1983. A recent increase occurred in early September. 1/

U.S. producers maintain published list prices; however, according to industry sources, discounting from list prices has increased during recent months. Discounting can take several forms. Freight absorption is one method. Others are foregoing the cost of extras and pricing primary quality steel mill products as secondary quality. Also, discounts can be simply a reduction in base price.

The Commission requested data on average net selling prices for specific products from domestic producers and importers. These prices are used to analyze trends in prices. In order to make direct comparisons of prices, the Commission also requested data on prices paid by steel purchasers.

Trends in prices.--The Commission asked domestic producers and importers for their average net selling prices to steel service centers/distributors and end users for six specified carbon steel cut-to-length plate products and two coiled plate products, by quarters, during January 1981-September 1983. 2/ Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data cannot be used to compare the levels of domestic producers' and importers' prices from the purchasers viewpoint, but are useful for comparing trends in these prices and should reflect any discounting that may have occurred.

The f.o.b. net selling prices reported by domestic producers and importers are presented as indexes in tables 25-28. In 1981, domestic producers' prices for the six cut-to-length plate products (numbered 1-6) and for the two coiled plate products (numbered 7 and 8) generally increased, rising faster on sales to end users than on sales to service centers/ distributors. The lone exception was for product 4 in 1981, when the domestic price to end users remained flat, but the price to service centers/ distributors increased through October-December. During 1982, domestic producers' prices for these cut-to-length plate products and for the coiled plate products generally held firm until mid year, and then fell to levels sharply lower than those of January-March 1981. In each instance, this

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1/ Base price increases of 5 percent and 7 percent for cut-to-length plate and 7 percent for plate in coils announced in 1983 did not hold, and only resulted in larger discounts from list prices.

2/ As a basis for price trend analyses, the Commission selected eight representative products covering the carbon steel plate subject to these investigations. These products and their specifications are listed in app. F.

reversed the generally upward trend in domestic hot-rolled carbon steel plate prices established in 1980 and continuing into early 1982.

Generally complete price data were reported for Belgian plate products 1 through 3, and 5 through 7 sold to service centers/distributors (table 25). Only scattered Belgian plate product prices to end users were reported (table 26). Prices to service centers/distributors for plate imported from Belgium generally increased during 1981, but trended downward beginning in January and continuing through December 1982 to levels well below those of January-March 1981. The few reported prices to end users for products 1, 2, and 3 fluctuated without any clear trends, although prices in 1982 remained unchanged for both products.

Table 25.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to service center/distributor customers, by types of products and by quarters, January 1981-September 1983

Product and period	Domestic	Belgium
Product 1		
1981:		
January-March	100	100
April-June	103	102
July-September	101	102
October-December	102	101
1982:		
January-March	104	99
April-June	102	92
July-September	93	87
October-December	88	79
1983:		
January-March	70	71
April-June	69	66
July-September	68	73
Product 2		
1981:		
January-March	100	100
April-June	103	102
July-September	104	103
October-December	104	106

See footnote at end of table.

Table 25.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to service center/distributor customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	Belgium
Product 2		
1982:		
January-March	102	102
April-June	100	96
July-September	96	91
October-December	90	80
1983:		
January-March	92	76
April-June	87	73
July-September	77	71
Product 3		
1981:		
January-March	100	100
April-June	104	105
July-September	103	103
October-December	105	105
1982:		
January-March	102	103
April-June	97	95
July-September	96	94
October-December	91	79
1983:		
January-March	80	81
April-June	76	71
July-September	77	74
Product 4		
1981:		
January-March	100	1/
April-June	106	1/
July-September	105	
October-December	109	1/
1982:		
January-March	95	1/
April-June	101	1/
July-September	101	1/
October-December	91	1/

See footnote at end of table.

Table 25.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to service center/distributor customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	Belgium
Product 4		
1983:		
January-March	85	1/
April-June	87	1/
July-September	72	1/
Product 5		
1981:		
January-March	100	100
April-June	102	99
July-September	102	101
October-December	103	100
1982:		
January-March	100	99
April-June	99	90
July-September	94	92
October-December	90	78
1983:		
January-March	75	75
April-June	83	68
July-September	78	71
Product 6		
1981:		
January-March	100	100
April-June	110	107
July-September	112	112
October-December	105	112
1982:		
January-March	106	112
April-June	104	103
July-September	98	102
October-December	86	90
1983:		
January-March	70	75
April-June	68	67
July-September	68	71

See footnote at end of table.

Table 25.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to service center/distributor customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	Belgium
Product 7		
1981:		
January-March	100	100
April-June	101	97
July-September	103	-
October-December	105	106
1982:		
January-March	104	86
April-June	101	87
July-September	90	93
October-December	85	71
1983:		
January-March	86	72
April-June	84	75
July-September	87	79
Product 8		
1981:		
January-March	100	-
April-June	101	-
July-September	101	-
October-December	101	1/
1982:		
January-March	100	1/
April-June	101	1/
July-September	101	1/
October-December	101	1/
1983:		
January-March	81	1/
April-June	84	1/
July-September	79	

1/ Comparable data base for indexing not available.

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

Table 26.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983

Product and period	Domestic	Belgium
Product 1		
1981:		
January-March	100	-
April-June	105	1/
July-September	106	-
October-December	109	-
1982:		
January-March	106	1/
April-June	107	-
July-September	98	-
October-December	95	-
1983:		
January-March	93	1/
April-June	89	-
July-September	88	-
Product 2		
1981:		
January-March	100	-
April-June	105	1/
July-September	105	-
October-December	107	-
1982:		
January-March	105	1/
April-June	102	-
July-September	100	1/
October-December	92	1/
1983:		
January-March	92	76
April-June	87	73
July-September	77	71
Product 3		
1981:		
January-March	100	-
April-June	105	-
July-September	107	-
October-December	110	-

See footnote at end of table.

Table 26.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	Belgium
Product 3		
1982:		
January-March	107	1/
April-June	107	-
July-September	102	1/
October-December	96	1/
1983:		
January-March	95	1/
April-June	91	1/
July-September	84	-
Product 4		
1981:		
January-March	100	-
April-June	100	-
July-September	101	-
October-December	100	1/
1982:		
January-March	105	-
April-June	103	-
July-September	96	-
October-December	96	-
1983:		
January-March	99	-
April-June	98	-
July-September	100	-
Product 5		
1981:		
January-March	100	-
April-June	106	-
July-September	107	-
October-December	110	-
1982:		
January-March	108	-
April-June	108	-
July-September	102	-
October-December	94	-

See footnote at end of table.

Table 26.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	Belgium
Product 5		
1983:		
January-March	96	-
April-June	97	1/
July-September	90	1/
Product 6		
1981:		
January-March	100	-
April-June	105	-
July-September	105	-
October-December	104	-
1982:		
January-March	105	-
April-June	103	-
July-September	98	-
October-December	90	-
1983:		
January-March	96	-
April-June	92	-
July-September	94	-
Product 7		
1981:		
January-March	100	-
April-June	101	-
July-September	107	-
October-December	103	-
1982:		
January-March	103	-
April-June	99	-
July-September	100	-
October-December	91	-
1983:		
January-March	91	-
April-June	90	-
July-September	88	-

See footnote at end of table.

Table 26.--Indexes of weighted average net selling prices for sales of imports from Belgium and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	Belgium
Product 5		
1983:		
January-March	96	-
April-June	97	1/
July-September	90	1/
Product 6		
1981:		
January-March	100	-
April-June	105	-
July-September	105	-
October-December	104	-
1982:		
January-March	105	-
April-June	103	-
July-September	98	-
October-December	90	-
1983:		
January-March	96	-
April-June	92	-
July-September	94	-
Product 7		
1981:		
January-March	100	-
April-June	101	-
July-September	107	-
October-December	103	-
1982:		
January-March	103	-
April-June	99	-
July-September	100	-
October-December	91	-
1983:		
January-March	91	-
April-June	90	-
July-September	88	-

See footnote at end of table.

Table 27.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to service center/ distributor customers, by types of products and by quarters, January 1981-September 1983

Product and period	Domestic	West Germany
Product 1		
1981:		
January-March	100	100
April-June	103	110
July-September	101	113
October-December	102	112
1982:		
January-March	104	113
April-June	102	105
July-September	93	105
October-December	88	-
1983:		
January-March	70	-
April-June	69	74
July-September	68	74
Product 2		
1981:		
January-March	100	100
April-June	103	107
July-September	104	108
October-December	104	111
1982:		
January-March	102	113
April-June	100	102
July-September	96	104
October-December	90	-
1983:		
January-March	92	-
April-June	87	71
July-September	77	78
Product 3		
1981:		
January-March	100	-
April-June	104	1/
July-September	103	1/
October-December	105	1/

See footnote at end of table.

Table 27.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to service center/ distributor customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	West Germany
Product 3		
1982:		
January-March	102	1/
April-June	97	1/
July-September	96	1/
October-December	91	1/
1983:		
January-March	80	-
April-June	76	1/
July-September	77	1/
Product 4		
1981:		
January-March	100	100
April-June	106	110
July-September	105	111
October-December	109	115
1982:		
January-March	95	116
April-June	101	107
July-September	101	104
October-December	91	-
1983:		
January-March	85	-
April-June	87	73
July-September	72	-
Product 5		
1981:		
January-March	100	-
April-June	102	1/
July-September	102	1/
October-December	103	1/
1982:		
January-March	100	1/
April-June	99	1/
July-September	94	1/
October-December	90	-

See footnote at end of table.

Table 27.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to service center/ distributor customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	West Germany
Product 5		
1983:		
January-March	75	-
April-June	83	1/
July-September	78	1/
Product 6		
1981:		
January-March	100	100
April-June	110	105
July-September	112	108
October-December	105	100
1982:		
January-March	106	109
April-June	104	106
July-September	98	92
October-December	86	103
1983:		
January-March	70	-
April-June	68	66
July-September	68	68
Product 7		
1981:		
January-March	100	100
April-June	101	100
July-September	103	103
October-December	105	103
1982:		
January-March	100	91
April-June	101	89
July-September	90	82
October-December	85	82
1983:		
January-March	86	87
April-June	84	88
July-September	87	89

See footnote at end of table.

Table 27.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to service center/ distributor customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	West Germany
Product 8		
1981:		
January-March	100	100
April-June	101	102
July-September	101	104
October-December	101	103
1982:		
January-March	101	91
April-June	99	86
July-September	86	77
October-December	80	78
1983:		
January-March	81	82
April-June	84	81
July-September	79	81

1/ Comparable data base for indexing not available.

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

Table 28.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983

Product and period	Domestic	West Germany
Product 1		
1981:		
January-March	100	-
April-June	105	-
July-September	106	-
October-December	109	1/
1982:		
January-March	106	-
April-June	107	-
July-September	98	1/
October-December	95	-
1983:		
January-March	93	-
April-June	89	-
July-September	88	1/
Product 2		
1981:		
January-March	100	-
April-June	105	-
July-September	105	1/
October-December	107	1/
1982:		
January-March	105	-
April-June	102	-
July-September	100	1/
October-December	92	-
1983:		
January-March	91	-
April-June	85	-
July-September	84	1/
Product 3		
1981:		
January-March	100	-
April-June	105	-
July-September	107	1/
October-December	110	1/

See footnote at end of table.

Table 28.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	West Germany
Product 3		
1982:		
January-March	107	-
April-June	107	-
July-September	102	-
October-December	96	1/
1983:		
January-March	95	-
April-June	91	1/
July-September	84	1/
Product 4		
1981:		
January-March	100	-
April-June	100	-
July-September	101	-
October-December	100	-
1982:		
January-March	105	-
April-June	103	-
July-September	96	-
October-December	96	-
1983:		
January-March	99	-
April-June	98	-
July-September	100	-
Product 5		
1981:		
January-March	100	-
April-June	106	-
July-September	107	1/
October-December	110	-
1982:		
January-March	108	-
April-June	108	-
July-September	102	-
October-December	94	-

See footnote at end of table.

Table 28.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	West Germany
Product 5		
1983:		
January-March	96	-
April-June	97	-
July-September	90	1/
Product 6		
1981:		
January-March	100	-
April-June	105	-
July-September	105	-
October-December	104	-
1982:		
January-March	105	-
April-June	103	-
July-September	98	-
October-December	90	-
1983:		
January-March	96	-
April-June	92	1/
July-September	94	1/
Product 7		
1981:		
January-March	100	-
April-June	101	-
July-September	107	-
October-December	103	-
1982:		
January-March	103	-
April-June	99	-
July-September	100	-
October-December	91	-
1983:		
January-March	91	-
April-June	90	-
July-September	88	-

See footnote at end of table.

Table 28.--Indexes of weighted average net selling prices for sales of imports from West Germany and for sales of domestic products to end-user customers, by types of products and by quarters, January 1981-September 1983--Continued

Product and period	Domestic	West Germany
Product 8		
1981:		
January-March	100	-
April-June	101	-
July-September	110	-
October-December	105	-
1982:		
January-March	104	1/
April-June	104	-
July-September	102	-
October-December	99	-
1983:		
January-March	99	-
April-June	96	-
July-September	102	-

1/ Comparable data base for indexing not available.

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

Comparisons between price trends for domestic and imported Belgian cut-to-length plate can be made for plate products 1, 2, 3, 5, and 6 sold to service centers/distributors (table 25). For the sales to service centers/distributors, the imported Belgian plate prices generally declined more sharply in 1982 than did domestic prices. Decreases in the indexes of Belgian prices for cut-to-length plate in 1982 ranged from 18.8 to 23.3 percent; in contrast, comparable domestic price indexes fell less precipitously, from 10.0 to 18.9 percent. For coiled plate product 7, full-year 1982 trend comparisons show the imported Belgian plate prices falling 17.4 percent and the domestic prices falling 18.3 percent. In January-September 1983, prices of domestic and imported Belgian cut-to-length plate sold to service centers/distributors continued their downward slide. Decreases in the indexes of domestic prices were sharper than those of the Belgian products, ranging from 14.4 to 23.3 percent; in contrast, Belgian price index decreases ranged from 6.8 to 20.0 percent. Comparisons of domestic and import price trends in January-September 1983 for coiled plate product 7 show a converse trend to plate cut-to-length. Price indexes of both the domestic and imported products reflect an upturn. The domestic index moved up 2.4 percent and the import price index climbed 11.3 percent. Comparisons of domestic and Belgian price trends for the plate products sold to end users are not possible because of spotty import price data (table 26).

Comparisons of price trends for domestic and imported West German cut-to-length plate can be made for products 1, 2, 3, 4, and 6 sold to service centers/distributors (table 27). Domestic price indexes reflect a sharp decline during January 1982-September 1983, ranging from 26.0 to 38.2 percent; the indexes of the imported products fell between 27.0 and 32.0 percent. Price index comparisons for domestic and imported West German coiled plate sold to service centers/distribors show a slight uptrend in 1981, and then a steady decline in 1982 and a small upturn in January-September 1983. Both domestic and West German price indexes reflect the same general pattern. The price index for West German coiled plate turned downward one quarter earlier (January-March 1982) than that of the domestic products (7 and 8). The overall decline of the domestic indexes was 2 points lower than that of the West German indexes. No comparisons of price trends in sales to end users can be made (table 28).

Purchase prices.--The Commission asked purchasers to furnish the delivered prices they paid for the same eight representative imported and domestically produced carbon steel plate products, by quarters, during January 1981-September 1982. Purchasers were asked for prices, including delivery charges, paid in specific transactions. To insure that these prices would be comparable, the purchasers were identified by their location, and questionnaires were sent to firms located in seven metropolitan areas: Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle. The information obtained was used to compare the levels of importers' and domestic producers' prices.

Twenty-six purchasers responding to this questionnaire provided usable price data, most of which were for purchases of domestically produced products. Purchase prices were reported on all steel mill products produced domestically, but not necessarily for each quarter from January-March 1981

through July-September 1983 or for each metropolitan area or for each type of customer. Only scattered prices were reported for hot-rolled plate imported from Belgium and West Germany, and, in many instances, these could not be matched with corresponding purchases of domestically produced products because of differences in periods, metropolitan areas, or types of purchasers for which such prices were reported. Nevertheless, purchasers reported data that provided 17 comparisons of domestic and Belgian delivered prices for hot-rolled carbon steel plate cut to length and 7 comparisons for coiled plate; the data covered five of the seven geographic areas, four of the six cut-to-length plate products, and one of the coiled plate products. Comparisons of delivered prices for hot-rolled plate produced domestically with prices for imports of comparable products imported from West Germany were possible in 14 instances for cut-to-length plate and in 6 instances for coiled plate.

Belgium.--Tables 29-31 present average margins by which imports of Belgian hot-rolled carbon steel plate undersold the domestic material. Table 29 shows data based on purchases by service centers/distributors, and tables 30 and 31 show data based on purchases by end users. Of the nine comparisons for sales to service centers presented in table 29, three show underselling by Belgian cut-to-length plate, ranging from 1 to 9 percent, or * * *. The remaining six comparisons show overselling, ranging from 5 to 12 percent, or * * *. Three of the instances of overselling occurred in the Portland/ Seattle area. (The service center involved explained that these were very small quantity spot purchases of Belgian cut-to-length plate. Such an "immediate buy off the docks to fill a quick need costs a bit of a premium." The director of purchasing also noted that Belgian plate bought in quantity on an indent basis reflects a price pattern 10 percent or more below competing domestic prices.) 1/

The eight comparisons for sales to end users presented in table 30 show five instances of underselling by Belgium cut-to-length plate, ranging from 2 to 24 percent, or * * * per ton, and three instances of overselling, ranging from 4 to 8 percent, or * * * per ton. All eight comparisons involved sales in the Houston/New Orleans area.

Four of the seven instances involving sales to end users of coiled plate (table 31) reflect margins of underselling, ranging from 4 to 14 percent, or * * * per ton. These instances include three market areas, Chicago, Houston/New Orleans, and Los Angeles/San Francisco. The three examples of overselling all occurred in the Houston/New Orleans area and ranged from 2 to 26 percent, or * * * per ton. * * *. This past week (Oct. 24 to 28) Romanian plate appeared in the Houston market at a $14/hundredweight price level. * * *. 2/

1/ Telephone conversation between * * * and Howard L. Gooley, Commission staff, Oct. 28, 1983.

2/ Telephone conversation between * * * and Howard L. Gooley, Commission staff, Oct. 28, 1983.

Table 29.--Average margins by which imports from Belgium undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by quarters, January 1981-Sept 1982

Product and period 1/	Atlanta area		Chicago area		Detroit area		Houston/New Orleans		Los Angeles/San Francisco		Philadelphia /New York		Portland/ Seattle	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1														
1982														
January-March	***	4	-	-	-	-	-	-	-	-	-	-	-	-
April-June	***	-6	-	-	-	-	-	-	-	-	-	-	-	-
Product 2														
1982														
January-March	***	-12	-	-	-	-	-	-	-	-	-	-	***	-5
April-June	***	-9	-	-	-	-	-	-	-	-	-	-	***	-
July-September	***	-	-	-	-	-	-	-	-	-	-	-	***	-5
October-December	***	9	-	-	-	-	-	-	-	-	-	-	***	-
Product 3														
1982														
July-September	-	-	-	-	-	-	-	-	-	-	-	-	***	1
1983														
April-June	-	-	-	-	-	-	-	-	-	-	-	-	***	-10

1/ See product list for specifications.

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

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Table 30.--Average margins by which imports from Belgium undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by quarters, January 1981-Sept 1982

Product and period 1/	Atlanta area		Chicago area		Detroit area		Houston/New Orleans		Los Angeles/San Francisco		Philadelphia /New York		Portland/ Seattle	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1														
1982														
January-March	-	-	-	-	-	-	***	11	-	-	-	-	-	-
1983														
July-September	-	-	-	-	-	-	***	-8	-	-	-	-	-	-
Product 2														
1982														
April-June	-	-	-	-	-	-	***	24	-	-	-	-	-	-
Product 3														
1982														
January-March	-	-	-	-	-	-	***	2	-	-	-	-	-	-
1983														
July-September	-	-	-	-	-	-	***	-8	-	-	-	-	-	-
Product 5														
1982														
April-June	-	-	-	-	-	-	***	12	-	-	-	-	-	-
July-September	-	-	-	-	-	-	***	21	-	-	-	-	-	-
1983														
July-September	-	-	-	-	-	-	***	-4	-	-	-	-	-	-

1/ See product list for specifications.

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

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Table 31.--Average margins by which imports from Belgium undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by quarters, January 1981-Sept 1982

Product and period 1/	Atlanta area		Chicago area		Detroit area		Houston/New Orleans		Los Angeles/San Francisco		Philadelphia /New York		Portland/ Seattle	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 7														
1982														
January-March	-	-	***	-	-	-	***	-26	-	-	-	-	-	-
April-June	-	-	***	14	-	-	***	-23	-	-	-	-	-	-
October-December	-	-	***	-	-	-	***	-2	-	-	-	-	-	-
1983														
January-March	-	-	***	-	-	-	***	5	***	4	-	-	-	-
April-June	-	-	***	5	-	-	***	-	***	-	-	-	-	-

1/ See product list for specifications.

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

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West Germany.--Tables 32 through 35 present average margins by which imports of West German hot-rolled carbon steel plate undersold the domestic material. Tables 32 and 33 show data based on purchases by service centers/distributors, and tables 34 and 35 show data based on purchases by end users. All of the six average margins for sales of cut-to-length plate to service centers presented in table 32 show underselling by the West German plate, with margins ranging from 9 to 11 percent, or * * * per ton. Five of the six instances of underselling occurred in the Portland/Seattle market area. Of the two average margins for sales of coiled plate shown in table 33, one shows a 4-percent margin of underselling (* * * per ton), and the other a 4-percent margin of overselling (* * * per ton). The underselling occurred in the Portland/Seattle market; the overselling involved a purchaser located in the Atlanta market area.

The eight comparisons possible on purchases of cut-to-length plate reported by end users are shown in table 34. Six of these show margins of underselling by imports from West Germany ranging from 8 to 17 percent, or * * * per ton, and two show overselling ranging from 14 to 20 percent, or * * * per ton. Five of the six comparisons based on purchases of coiled plate (table 35) reflect overselling by imports, all in the Houston/New Orleans market area. These margins ranged from 1 to 45 percent, or * * * per ton. The single instance of underselling shows a 10-percent, or * * * per ton, lower price for West German coiled plate purchased in the Chicago market area.

Lost sales

Domestic producers, for the most part, did not provide specific allegations of lost sales of carbon steel plate to imports from Belgium or West Germany. * * *. These allegations involved 6 purchasers located in various market areas other than the Western market. All purchasers were contacted. The allegations involved a total of 3,066 tons of hot-rolled carbon steel plate.

The first instance involved * * *, as the alleged purchaser of * * *. * * *, purchasing manager * * *, stated that the firm was * * *. * * *. * * *. Price is paramount * * * in his purchase decision, and quality of the imported product is as acceptable as domestic.

A second instance named * * *, as the alleged purchaser of * * * Belgian plate * * *. Again, the Belgian product was alleged to be more than $100 per ton lower in price than the domestic plate. The purchasing agent * * * recalled that this purchase * * * was made, but that it was the last order of any size placed * * *. The market has been too soft recently to warrant any significant purchases.

* * *, was alleged to have purchased * * * plate * * *. * * *. The person now responsible for plate purchases, however, recalled that the import price of * * * was not out of line at that time compared with * * * for the domestic product. * * *.

Table 32.--Average margins by which imports from West Germany undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, and by quarters, January 1981-Sept 1982

Product and period 1/	Atlanta area		Chicago area		Detroit area		Houston/New Orleans		Los Angeles/San Francisco		Philadelphia /New York		Portland/ Seattle	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1														
1982														
April-June	-	-	-	-	-	-	-	-	-	-	-	-	***	11
Product 2														
1982														
October-December	***	9	-	-	-	-	-	-	-	-	-	-	***	11
1983														
April-June	-	-	-	-	-	-	-	-	-	-	-	-	***	11
Product 3														
1983														
April-June	-	-	-	-	-	-	-	-	-	-	-	-	***	11
Product 5														
1983														
April-June	-	-	-	-	-	-	-	-	-	-	-	-	***	11
Product 6														
1983														
April-June	-	-	-	-	-	-	-	-	-	-	-	-	***	11

1/ See product list for specifications.

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

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Table 33.--Average margins by which imports from West Germany undersold U.S.-produced products based on average net delivered purchase prices for the largest purchase of such imports and domestic products by service center/distributor customers, and by quarters, January 1981-Sept. 1982

Coiled plate

Product and Period 1/	Atlanta area		Chicago area		Detroit area		Houston/New Orleans		Los Angeles/San Francisco		Philadelphia /New York		Portland/ Seattle	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per con	per cent
Product 7														
1982														
April-June	-	-	-	-	-	-	-	-	-	-	-	-	***	4
Product 8														
1983														
April-June	***	-4	-	-	-	-	-	-	-	-	-	-		

1/ See product list for specifications.

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

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Table 34.--Average margins by which imports from West Germany undersold U.S.-produced products based on average net delivered purchase prices for the largest purchasers of such imports and domestic products by end user customers, and by quarters, January 1981-Sept 1982

Product and Period 1/	Atlanta area		Chicago area		Detroit area		Houston/New Orleans		Los Angeles/San Francisco		Philadelphia /New York		Portland/ Seattle	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1														
1982														
July-September	-	-	-	-	-	-	***	15	-	-	-	-	-	-
Product 2														
1982														
April-June	-	-	-	-	-	-	***	13	-	-	-	-	-	-
Product 3														
1982														
January-March	-	-	-	-	-	-	***	8	-	-	-	-	-	-
Product 5														
1982														
January-March	-	-	-	-	-	-	***	9	-	-	-	-	-	-
Product 6														
1982														
April-June	-	-	-	-	***	-	***	-14	-	-	-	-	-	-
July-September	-	-	-	-	***	-20	***	-	-	-	-	-	-	-
October-December	-	-	-	-	***	10	-	-	-	-	-	-	-	-
1983														
July-September	-	-	***	17	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications.

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

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Table 35.--Average margins by which imports from West Germany undersold U.S.-produced products based on average net delivered purchase prices for the largest purchasers of such imports and domestic products by end user customers, and by quarters, January 1981-Sept 1982

Product and Period 1/	Atlanta area		Chicago area		Detroit area		Houston/New Orleans		Los Angeles/San Francisco		Philadelphia /New York		Portland/ Seattle	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 7														
1982														
January-March	-	-	-	-	-	-	***	-25	-	-	-	-	-	-
April-June	-	-	-	-	-	-	***	-45	-	-	-	-	-	-
October-December	-	-	-	-	-	-	***	-11	-	-	-	-	-	-
1983														
April-June	-	-	-	-	-	-	***	-4	-	-	-	-	-	-
July-September	-	-	-	-	-	-	***	-1	-	-	-	-	-	-
Product 8														
1982														
April-June	-	-	***	10	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications.

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

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Another allegation involved * * * alleged to be the purchaser of * * * plate * * *. * * *. The import prices were about $60 per ton below the domestic price. * * *.

* * *, as the alleged purchaser of * * * plate * * * at a price more than * * * below domestic published prices. * * *. During this time period the market had softened very quickly and the imported plate price had turned down more quickly than the domestic price. * * *. Since then, domestic producers have lowered their prices but offshore sources cut their prices accordingly, thereby creating a spiraling downward trend. This puts a lid on demand because purchasers are afraid of getting stuck with plate brought at a non competitive price. * * *. Imported plate prices from EC and other source countries get the orders at 8 to 10 percent lower prices than domestic quotes.

Thirteen instances of lost sales were attributed to purchases of imported plate by * * *. All purchases occurred in 1983. * * *.

* * * * * * *

Lost revenues

* * * * * * *

One instance named * * *, an end user located in * * *, as the purchaser of * * * plate * * *. * * *, purchasing manager, affirmed the purchase and corroborated the prices. Competing Belgian plate was priced at * * * per ton. * * *. Shipments of imported plate from Belgium and other source countries came in rusted and bent. The returns were high and disrupted production schedules. * * *. Lost revenue * * * amounted to * * * in this instance.

Another example cited * * *, as the purchaser of * * * plate after * * * in the face of competing * * * plate. * * *. * * *. The competing * * * plate was offered at * * *. * * * noted that the plate market in the Southeast was off 40 percent last year but is up about 20 percent this year, although still pretty flat. He is buying more foreign plate to keep competitive. * * *. Lost revenue * * * on the above sale totaled * * *.

* * *, was named as the purchaser in two instances involving competition from * * * plate. * * *. * * * noted that Finland and Spain are currently active in the plate market. Lost revenue on these sales totaled $* * *.

Another allegation named * * *, as the purchaser of * * * plate after * * *. Competing * * * imports were quoted at * * * per ton, * * *. * * *, stated that he was aware of import prices but only considered domestic prices. The domestic producer offered to reduce its prices, * * *. * * *.

* * * * * * * *

Exchange-rate fluctuations

Quarterly data reported by the International Monetary Fund on the value of the Belgian franc and the West German mark indicate that during January 1981-June 1983 the quarterly real value 1/ of the two currencies depreciated relative to the dollar by a total of 23 percent and 8 percent, respectively, as show in the following tabulation (January-March 1981 = 100): 2/

	(Dollars per franc)	(Dollars per mark)
1981:		
Jan.-Mar	100	100
Apr.-June	91	92
July-Sept	87	87
Oct. Dec	92	96
1982:		
Jan.-Mar	85	92
Apr.-June	81	92
July-Sept	77	88
Oct. Dec	74	88
1983:		
Jan.-Mar	77	91
Apr.-June	77	92

The above percentage changes indicate the maximum amount that foreign producers could reduce their dollar prices of steel without reducing their profits, assuming they had no dollar-denominated costs or contracts. Foreign producers, however, may choose to increase their profits by not reducing their dollar prices or by reducing their dollar prices by less than the depreciation would allow.

1/ The real value of a currency is the absolute value adjusted for the difference between inflation rates in the United States and the foreign country.

2/ International Financial Statistics, September 1983.

APPENDIX A

FEDERAL REGISTER NOTICE OF THE COMMISSION'S INVESTIGATIONS

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-146 and 147 (Preliminary)]

Certain Flat-Rolled Carbon Steel Products From Belgium and the Federal Republic of Germany

AGENCY: International Trade Commission.

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

EFFECTIVE DATE: September 29, 1983.

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. 1673b(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 Belgium and the Federal Republic of Germany (West Germany) of the flat—rolled carbon steel products provided for in item 607.66 of the tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value.

FOR FURTHER INFORMATION CONTACT: Mr. Lawrence Rausch, Office of Investigations, U.S. International Trade Commission, 701 E St. NW., Washington, D.C. 20436, telephone 202-523-0286.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to a petition filed on September 29, 1983, by counsel on behalf of the Gilmore Steel Corp., Portland, Oreg. The Commission must make its determination in these investigations within 45 days after the date of the filing of the petition, or by November 14, 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 these 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 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 201.16(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 certificate of service will not be accepted by the Secretary.

Written Submissions

Any person may submit to the Commission on or before November 2, 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 fata, will be available for public inspection.

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Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on October 26, 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. Lawrence Rausch (202-523-0286), not later than October 24, 1983, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these 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. Rausch.

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

(Issued: October 4, 1983

Kenneth R. Mason,

Secretary.

[FR Doc. 83-27890 Filed 10-13-83; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 731-TA-146 and 147 (Preliminary)

CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS FROM BELGIUM AND WEST GERMANY

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on October 26, 1983, in Room 117 of the USITC Building, 701 E Street, NW., Washington, D.C.

Government appearance

U.S. Department of Commerce
Washington, D.C.

Lionel Olmer, Under Secretary for International Trade

In support of the imposition of antidumping duties

Heller, Ehrman, White & McAuliffe--Counsel
San Francisco, Calif.
on behalf of

Gilmore Steel Corp.
Oregon Steel Mills Div.

Thomas Boklund, President

John H. Cutler--OF COUNSEL

In opposition to the imposition of antidumping duties

Law Office of Robert M. Gottschalk, P.C.--Counsel
Washington, D.C.
on behalf of

S.A. Forges de Clabecq (Belgium)

Robert M. Gottschalk)
Julian H. Spirer)--OF COUNSEL
Melvin Schwechter)

In opposition to the imposition of antidumping duties--Continued

Coudert Brothers--Counsel
Washington, D.C.
on behalf of

Concerned West German producers
Krupp Stahl A.G. (West Germany)

Milo G. Coerper--OF COUNSEL

Windels, Marx, Davies & Ives--Counsel
New York, N.Y.
on behalf of

Aktiengesellschaft der Dillinger Huttenwerke (West Germany)

Pierre F. de Ravel d'Esclapon--OF COUNSEL

Arent, Fox, Kintner, Plotkin & Kahn--Counsel
Washington, D.C.
on behalf of

Stahlwerke Peine-Salzgitter A.G. (West Germany)

Stephen L. Gibson--OF COUNSEL

Graubard, Moskovitz & McCauley--Counsel
Washington, D.C.
on behalf of

Thyssen A.G. (West Germany)

Beatrice A. Brickell--OF COUNSEL

APPENDIX C

RECENT INVESTIGATIONS CONDUCTED BY THE COMMISSION CONCERNING HOT-ROLLED CARBON STEEL PLATE OR SHEET

Country	Hot-rolled carbon steel plate	Hot-rolled carbon steel sheet
Belgium	2/	2/
Brazil	3/	4/
France	5/	2/
Italy	5/	2/
Korea	6/ 7/	6/ 7/
Luxembourg	5/	5/
Netherlands	5/	8/
Romania	9/ 10/	11/
Spain	6/ 12/	6/ 13/
United Kingdom	2/	5/ 6/
West Germany	2/	2/

1/ Except as noted, all product/country combinations identified involved both countervailing duty and antidumping investigations.

2/ Subject to settlement agreement; investigation terminated (47 F.R. 49058, Oct. 29, 1982, and 47 F.R. 51020, Nov. 10, 1982).

3/ Final affirmative "material injury" determination by Commission on Feb. 28, 1983, in its countervailing duty investigation. Commission's antidumping investigation in progress; preliminary "likelihood of material injury" determination by Commission on Mar. 8, 1983, and preliminary LTFV determination by Commerce on Sept. 7, 1983 (48 F.R. 40419).

4/ Negative "reasonable indication of material injury" determination by Commission on Feb. 28, 1983, in its countervailing duty investigation. Commission's antidumping investigation on certain "coiled thick sheet" in progress; preliminary "likelihood of material injury" determination by Commission on Mar. 8, 1983, and preliminary LTFV determination by Commerce on Sept. 7, 1983.

5/ Negative "reasonable indication of material injury" determination by Commission on Feb. 28, 1983.

6/ Countervailing duty investigation only.

7/ Final affirmative "material injury" determination by Commission on Feb. 2, 1983.

8/ Negative final subsidy determination by Commerce (47 F.R. 40725, Sept. 15, 1982).

9/ Antidumping investigation only.

10/ Investigation suspended; subject to settlement agreement.

11/ Not covered by petitions; no investigation instituted.

12/ Final affirmative "material injury" determination by Commission on Dec. 7, 1982.

13/ Negative "reasonable indication of material injury" determination by Commission on June 2, 1982.

APPENDIX D

STEEL POLICIES OF THE EUROPEAN COMMUNITY

STEEL POLICIES OF THE EUROPEAN COMMUNITY

In 1951, seven years before the signing of the Treaty of Rome establishing the European Economic Community, the European Coal and Steel Community (ECSC) was founded in order to coordinate and aid the reconstruction of the national coal and steel industries in Europe following World War II. The means by which the ECSC has chosen to accomplish this restructuring has taken the form of various aids to the firms and workers constituting the member states' coal and steel industries, and, beginning in 1977, increasing direct intervention in the market. Various grants and loans from the ECSC to member state firms from 1954 to 1978 1/ included--

Loans to encourage modernization of European steel firms;

Loans to stimulate creation of new industrial activity following job cutbacks in the coal and steel sectors;

Interest-relief grants aimed at facilitating change;

Aid for scientific research in the steel sector;

Creation in 1975 of the European Regional Development Fund to provide assistance to the steel sector on a regional basis; and

Low-interest loans granted to the steel sector by the European Investment Bank.

In addition, numerous programs were initiated at the Community level to provide relief to unemployed and underemployed steel workers.

It became apparent by 1976, however, that despite these extensive efforts by the Community, the European Community (EC) steel situation was becoming grave. Following the boom year for steel in 1974, the European steel industry was progressively weakened by a prolonged recession, exacerbated by increasing energy costs and rapidly expanding steel capacities in many Third World countries, which until the 1970's had been the chief export markets for EC steel. Between 1974 and 1978, total employment in the EC steel sector decreased from 792,000 to 699,000 workers, over 100,000 additional workers were put on reduced work weeks, and steel production decreased 20 percent. 2/ Faced with these developments, the Community opted for even more dirigible policies, stating that "the Community does not intend to abandon this rescue program [of the steel sector] to the fate of market forces." 3/ In January 1977 the Community instituted the Simonet Plan, a system of voluntary production quotas aimed at restricting deliveries within the EC and thereby stabilizing prices, and in April 1977, the Commission of the European Communities (CEC) proposed a system of production quotas and reference prices

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1/ Commission of the European Communities, A Steel Policy for Europe, March 1979, pp. 4 and 5.

2/ Ibid. For employment data, see Agence Internationale, D'Information Pour La Presse, Europe, Luxembourg, Jan. 30, 1982.

3/ A Steel Policy for Europe, p. 6.

for domestic shipments and imports, dubbed the Davignon Plan (Davignon I), after the EC Commissioner for Industrial Policy. The goals of Davignon I were, in the short run, to stabilize price levels in the EC market by establishing compulsory minimum prices and voluntary quotas on both intra-EC shipments and imports. It was thought that these measures would stablize prices and return EC steel producers to profitability, thereby allowing them to go ahead with restructuring and modernization plans.

The goal of establishing minimum price levels was approached by instituting compulsory floor prices for concrete reinforcing bars and "guidance" prices for most other principal steel products. A plan forwarded in November 1977 established reference prices for imports into the EC market to prevent undercutting of the EC minimum prices by foreign competitors. To insure the maintenance of price levels, Davignon I called for bilateral agreements with major steel trading partners involving quantitative restrictions on imports and more vigorous application of EC antidumping measures.

Davignon I was deemed successful by most observers until 1980, when a worldwide recession hit the EC steel industry, causing producers to once again break ranks and engage in numerous price-cutting efforts to maintain capacity utilization rates. Again the Community intervened, this time declaring the situation a "manifest crisis" and invoking, for the first time, its powers under article 58 of the Treaty of Paris. Article 58 states in part:

> In the event of a decline in demand, if the High Authority considers the Community is confronted with a period of manifest crisis . . . it shall, after consulting the Consultative Committee and with the assent of the Council, establish a system of production quotas, accompanied to the necessary extent by measures provided for in Article 74. 1/

The revised and strengthened Davignon Plan (Davignon II) was established in October 1980, and was recently renewed until June 30, 1983. 2/ Davignon II retains the minimum pricing schemes for imports and intra-EC shipments, as well as the bilateral quota arrangements for imports into the EC, which are negotiated annually. In 1982, negotiations were conducted with 14 countries, and total steel imports were limited to 90.5 percent of the actual 1980 import levels. 3/ If the exporting countries stay within the negotiated quotas, they can sell carbon steel products at 6 percent below the minimum prices established for intra-EC shipments, and specialty steel at 4 percent below those minimums. If a country exceeds the quota, it is allowed continued access to the EC market, but becomes subject to published base prices for imports. If such imports are sold at less than these prices, they become subject to antidumping measures. In most periods, foreign suppliers have not filled their EC quotas; only Spain has seriously exceeded its quota.

1/ Art. 74, in essence, gives the Community power to enforce antidumping measures.

2/ For details of Davignon II and its most recent extension, see Official Journal of the European Communities, Oct. 31, 1980, and July 1, 1982.

3/ Europe, Jan. 30, 1982.

The significant difference between Davignon II and prior plans is the invocation of article 58--the establishment of mandatory production quotas on raw steel and most rolled steel products. 1/ Quotas are set on a quarterly basis, and are calculated for each firm for both total production and intra-EC shipments. Limits on intra-EC shipments are based on a ratio determined by the pattern of a firm's steel shipments to its customers in the Community and to non-EC countries during 1977-80. No firm may make steel deliveries to EC customers in excess of the amount set by its assigned ratio of EC shipments to total production. 2/

It is important to note that a potential effect of this scheme, given the continued worldwide sluggish demand for steel, is to provide EC steel producers with an incentive to export their products. If a firm's exports to third countries have declined from those in the reference period, it will be constrained in the amount of shipments it can make to customers within the protected EC market. If the firm succeeds in increasing exports in the current period, it provides a "multiplier" effect whereby it can expand EC shipments and thereby maximize production under the restraints imposed by the quota system. 3/

Quotas are now compulsory on seven carbon steel products and voluntary on two products. Production and quota data are published in the Official Journal of the European Communities, and the most recent data are presented in table E-1.

As can be seen from data in the table, the Community was generally able to successfully enforce quantitative limits on EC products for the last 6

1/ Official Journal of the European Communities, point 4, Oct. 31, 1980.

2/ Specifically, the ratio is based, in part, on the pattern of shipments in the 12 months (not consecutive) from 1977 to June 1980 in which the total production of the four main rolled steel products was highest. The four product groups originally covered were hot-rolled coils, reversing-mill plate, heavy sections, and bars.

3/ See U.S. International Trade Commission, Operation of the Trade Agreements Program, 1980 (unpublished); also George Washington University, The Journal of International Law and Economics, "The Concrete Reinforcement Bars Case and the Davignon Plan: Judicial Endorsement of the ECSC's Crisis Policies," vol. 14, No. 3, 1980, pp. 586 and 587.

Assume, for example, a production quota of 100 units, an intra-EC delivery ratio of 0.9, and foreign exports of 5 units. The maximum allowable amount of EC internal deliveries, x units, will be determined by

$$0.9 = \frac{x}{x + 5}$$

The solution, x=45, shows that, even though the production quota is set at 100 units, the firm may not deliver more than 50 units in all. By increasing its exports to 10 units, however, the new solution for allowable EC deliveries is x=90, permitting the firm to fill its entire production quota. Since EC firms differ in terms of their total production and internal delivery ratios, the equation dictates that those firms with the highest ratios of EC deliveries to total production will receive the most powerful incentive to export.

Table D-1.--Carbon steel products subject to EC restraints: EC production, by products and by quarters, July-December 1981, and production quotas, by products and by quarters, July 1981-September 1982

(In thousands of short tons)

Product	Production		Production quotas				
	July-Sept. 1981	Oct.-Dec. 1981	July-Sept. 1981	Oct.-Dec. 1981	Jan.-Mar. 1982	Apr.-June 1982	July-Sept. 1982
Mandatory quotas:							
Hot-rolled coil:							
Hot-rolled coil 1/	6,035	6,817	5,635	6,325	5,712	6,021	4,863
Uncoated sheet 2/	4,011	4,102	4,112	3,994	3,769	4,169	3,541
Galvanized sheet	884	1,052	946	1,026	1,106	1,242	992
Other coated sheet	517	627	534	650	655	745	698
Wire rod 3/	2,395	2,801	2,502	2,908	2,833	2,644	2,266
Reinforcing bar 4/	1,869	2,248	2,179	2,437	2,372	1,994	1,705
Merchant bar 4/	2,491	2,532	2,774	3,061	2,910	2,760	2,377
Voluntary quotas:							
Reversing-mill plate	1,844	1,883	1,779	1,922	1,828	1,875	1,472
Heavy sections	1,350	1,553	1,414	1,512	1,375	1,315	1,197

1/ Includes hot-rolled sheet in coils for direct use and export, hot-rolled sheet used to produce other products, plate cut from hot-rolled coils, and hot-rolled strip.

2/ Includes cold-rolled sheet in coils or cut to length, and cut-to-length hot-rolled sheet.

3/ Quotas on wire rod were made compulsory beginning in July-September 1982.

4/ Data for July-September 1981 are estimated from combined data for merchant and reinforcing bar.

Source: Official Journal of the European Communities, July 9, 1982.

months of 1981, as production of most products under quota closely tracked the actual quotas. Only hot-rolled coil for direct use and export noticeably exceeded the quantitive limit set by the Community (8 percent in October-December 1981). Discipline also seems to have been maintained in relation to plate and sections under voluntary quotas. Also, the table shows that the Community is continuing to call for further restrictions in the output of these products. All products, with the exception of "other coated sheets" 1/ and galvanized sheet, were assigned lower production quotas for July-September 1982 than for the corresponding period of 1981.

1/ "Other coated sheets" refers primarily to electrogalvanized sheet and sheet coated with other metals. It is reported that much of this material is exported to the Eastern bloc countries.

As mentioned above, the production quotas are set for each firm each quarter by a formula based, in part, on the 12 months (not consecutive) with the highest production from 1977 to 1980. Firms are then assigned "abatement rates" by which they must cut total production and intra-EC deliveries from those in the reference period. Abatement rates for the various carbon steel products are given in table E-2 (a negative abatement rate (i.e., rates in parentheses) means an increase in tonnage allowed to be produced).

The table indicates several conflicting trends. For the large-tonnage items produced from hot-rolled coil, such as hot- and cold-rolled sheet and hot-rolled plate, abatement rates were generally higher for intra-EC shipments than for total production (intra-EC shipments and exports) in the last two quarters of 1981. The effect of this difference may have been to encourage exports in this time period. Beginning in January-March 1982, however, total abatement rates for production of hot-rolled coil and uncoated sheet were noticeably higher than those for intra-EC shipments. On the other hand, abatement rates for intra-EC shipments of heavy sections have consistently been higher than those for total production of these products. Finally, it should be noted that hot-dipped galvanized sheet and other coated sheet received negative abatement rates in the second quarter of 1982, and other coated sheet received negative abatement rates in the third quarter of 1982. The assigning of these abatement rates indicates that the Community is optimistic about the prospects of demand for these products for the last 6 months of 1982.

So far, the results of Davignon II are mixed, and the general policy of market intervention by the Community as well as the various programs the policy entails are not without critics. Although table E-1 shows that EC producers as a whole are complying with the abatement rates, Mr. Davignon recently reported that 40 companies had been notified of apparent violations of output quotas in each of the last two quarters of 1981. 1/ Among major European producers cited for quota violations were the West German firms Thyssen and Klockner, and Finsider of Italy, all of which were fined for exceeding the hot-rolled coil quotas. 2/ Also, individual EC member states, such as West Germany, France, and Italy, have threatened to file actions with the Community charging fellow member states with violations of intra-EC delivery quotas and lax enforcement of those quotas by EC officials. 3/

The goal of the European Community in both Davignon I and II is to provide steel producers with the requisite price stability and profitability to effect a "restructuring" of the European steel industry. The specific goals of the restructuring policy are to--

> Prohibit national aids (subsidies 4/) which increase production capacity or distort competition within the Common Market;

1/ Metal Bulletin, July 20, 1982.

2/ Ibid., Nov. 10, 1981; American Metal Market, Aug. 26, 1982; Europe, June 24, 1982.

3/ Metal Bulletin, July 2, 1982 (West Germany), and Apr. 2, 1982 (Italy); American Metal Market, Aug. 20, 1982 (France).

4/ The term "subsidy" is used interchangeably with "aids" in the literature.

Table D-2.--Carbon steel products subject to EC restraints: Abatement rates for total production and intra-EC shipments, by products and by quarters, July 1981-September 1982

(In percent)

Product	July-Sept. 1981		Oct.-Dec. 1981	
	Total production	Intra-EC shipments	Total production	Intra-EC shipments
Mandatory quotas:				
Hot-rolled coil:				
Hot-rolled coil 1/	27	31	18	20
Uncoated sheet 2/	28	36	30	25
Galvanized sheet	17	23	10	17
Other coated sheet	-	-	(22)	(18)
Wire rod 3/	29	31	23	25
Reinforcing bar	4/ 30	4/ 35	24	27
Merchant bar	4/ 30	4/ 35	20	24
Voluntary quotas:				
Reversing-mill plate	25	26	19	19
Heavy sections	30	38	23	27

Product	Jan.-Mar. 1982		Apr.-June 1982		July-Sept. 1982	
	Total production	Intra-EC shipments	Total production	Intra-EC shipments	Total production	Intra-EC shipments
Mandatory quotas:						
Hot-rolled coil:						
Hot-rolled coil 1/	26	20	22	11	37	33
Uncoated sheet 2/	34	23	27	14	38	33
Galvanized sheet	3	5	(9)	(13)	13	15
Other coated sheet	(23)	(26)	(40)	(45)	(31)	(35)
Wire rod 3/	25	26	30	30	40	40
Reinforcing bar	26	29	38	41	47	50
Merchant bar	24	25	28	30	38	40
Voluntary quotas:						
Reversing-mill plate	23	20	21	18	38	36
Heavy sections	30	31	33	34	39	48

1/ Includes hot-rolled sheet in coils for direct use and export, hot-rolled sheet used to produce other products, plate cut from hot-rolled coils, and hot-rolled strip.

2/ Includes cold-rolled sheet in coils or cut to length, and cut-to-length hot-rolled sheet.

3/ Quotas on wire rod were made compulsory beginning in July-September 1982.

4/ Estimated from abatement rates for merchant and reinforcing bar combined.

Source: European Community Memorandum No. 23, June 24, 1982.

Grant Community loans for modernization and rationalization ". . . to provide a better balance between supply and demand";

Increase Community aid for industrial conversion and diversification in the major steelmaking areas;

Improve sharing of available work among workers to minimize human hardships incurred in the restructuring;

Intensify research efforts of products and processes to realize cost efficiencies; and

Conduct negotiations with other major steel producers ". . . to ensure an equitable division of the cost burden at the world level." 1/

In order to prod its member states to actually engage in the socially and politically costly capacity reductions planners envision, the Community established antisubsidy codes which aimed at ending member states' aid to their steel industries. The current EC code calls for an end to state subsidies by December 31, 1985; after that date, the only state aids allowed will be interest payment abatements on long-term loans. 2/ The effect of termination of state subsidies, it is hoped, will be to bring about a substantial reduction in EC raw-steel and steel-mill-product capacity. By September 30, 1982, member states are required to submit detailed plans on reductions and rationalizations to be realized by the end of 1985.

As of September 1982, however, EC efforts aimed at restructuring of production and capacity have failed. Plans submitted so far to the EC Commission "will lead, except in a few cases, to a totally insufficient reduction in Community steel capacity," according to an EC Commissioner. 3/ This statement is bolstered by the data presented in table E-3, which compares 1980 production, CEC capacity goals for 1985, and announced restructuring plans of EC firms.

As shown in the table, the Community so far has had little success in compelling member states to reduce raw-steel and steel-mill-product capacities in line with Community restructuring goals. As the Community's goal is to bring capacities into balance with projected demand by 1985, data in table E-3 suggest that unless company restructuring plans are dramatically modified, substantial excess raw-steel and steel-mill-product capacity will exist in the European Community for the foreseeable future.

As might be expected, given the above data, the EC restructuring policy has come under severe attack from a number of quarters. Chief critics include the West German steel industry, steel industry representatives of the United Kingdom, and members of the European Independent Steel Producers Association

1/ A Steel Policy for Europe, p. 7.
2/ World Business Weekly, July 13, 1981.
3/ Statement of EC Commissioner Karl-Heing Narjes to the West German Iron & Steel Federation, reported in the Herald Tribune, May 12, 1982.

Table D-3.--Raw steel and selected steel-mill products: EC production and capacity, 1/ by products, 1980, and projections of such capacity in 1985

Product	1980		1985			
	Production	Capacity	Capacity goal	Announced capacity projection	Projected capacity surplus: Quantity	Projected capacity surplus: Percent
	Million short tons					
Raw steel	140.8	225.8	160.3	220.6	60.3	38
Steel-mill products:						
Plate	10.7	21.2	10.6	20.9	10.3	97
Hot-rolled strip 2/	4.7	8.7	4.1	7.2	3.1	76
Hot-rolled coil 3/	13.1	19.0	16.9	21.5	4.6	27
Cold-rolled sheet	28.9	48.9	42.7	49.8	7.1	17
Heavy sections	9.3	17.3	10.8	17.2	6.4	59
Reinforcing bar	9.6	15.2	9.7	13.8	4.1	42
Wire rod	11.9	19.4	15.5	21.7	6.2	40

1/ "Capacity" in EC publications is termed "maximum possible production." For a precise definition of this term, see ECSC, Investment in the Community Coalmining and Iron and Steel Industries, Report on the 1981 Survey, p. 39.

2/ Includes hot-rolled strip and cut-to-length sheet.

3/ Hot-rolled coils as finished products.

Source: Commission of the European Communities, as reported in Europe, May 29, 1982, and American Metal Market, June 10, 1982.

(EISA). The West German Iron & Steel Federation has charged that the European Commission "had proved too weak to effectively promote restructuring of the Community steel industry in accordance with Common Market principles, and to withstand the growing pressure from national policies." 1/ The Federation lists the following defects of the EC aid code:

(1) The Commission does not take into account subsidies granted before the code took effect when it assesses new aid proposals;

(2) "Emergency" subsidies are not tied to reductions in capacity;

(3) Operating subsidies may be extended after 1985;

1/ Europe, Mar. 24, 1982.

(4) State funds intended to balance losses of nationalized steel firms are not covered by the code;

(5) The discretion given to the CEC in applying the code is too broad; and

(6) The CEC has not been sufficiently concerned with whether the subsidies will help restore competitiveness and profitability. 1/

EISA, for its part, has complained to the Commission that it is allowing the major European firms to receive "billions" in financial aid from their member states, "without doing anything else than closing down surplus excess [capacity while] creating new excess capacities." 2/ The association, which represents the smaller, nonintegrated, nonsubsidized EC firms, 3/ echoes the criticisms of the West German industry association and, in addition, points out that integrated producers can transfer production quotas based on inefficient machinery to their remaining equipment, which is then utilized at a higher rate. 4/

The last issue, relating to the transfer of production quotas, is somewhat similar to discussions of interfirm production quota transfers at the U.S. International Trade Commission's hearing on the present cases. 5/ In an effort to comply with CEC restructuring plans while also trying to minimize the dislocation caused by capacity shutdowns, EC steel producers are reported to be engaging in "synergies" involving the exchange of production quotas and steel products from firm to firm and across national boundaries. Chief among the firms engaged so far in such synergies is the Belgian producer Cockerill-Sambre, which has traded products and/or quotas with Usinor, of France, and Klockner, of West Germany. Other firms rumored to be negotiating synergies include Sacilor, of France; Arbed, of Luxembourg; and British Steel Corp., of the United Kingdom. 6/

1/ Ibid., see also Metal Bulletin Monthly, April 1982.

2/ Europe, Apr. 17, 1982.

3/ These firms also tend to concentrate production in a few product lines, notably light sections, rod, and bar, similar to the so-called minimills in the United States.

4/ Ibid.

5/ See transcript of the hearing, pp. 671-675 and 721-728.

6/ See "Usinor and C-S to Cooperate," Metal Bulletin, July 23, 1982, and "Cockerill Seeks Outside Partners," Metal Bulletin, May 14, 1982; "Cockerill-Sambre Signs Pact with Usinor to Buoy Profits," American Metal Market, July 27, 1982; and "Eurofer Nations Reported Trying to Elude Duties," American Metal Market, June 21, 1982. This last-cited article suggests that such arrangements may be employed to circumvent countervailing and antidumping duties imposed by the U.S. Government.

APPENDIX E

DATA ON ALL HOT-ROLLED CARBON STEEL SHEET

Table E-1.--Hot-rolled carbon steel sheet: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent consumption, 1978-82, January-August 1982, and January-August 1983

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1978	14,114	3,343	78	17,379	23.7	19.2
1979	14,494	2,676	69	17,101	18.5	15.6
1980	10,870	1,937	92	12,715	17.8	15.2
1981	12,051	2,161	120	14,092	17.9	15.3
1982	8,128	1,754	34	9,848	21.6	17.8
Jan.-Aug.--						
1982	5,748	1,201	24	6,925	20.9	17.3
1983	6,780	1,071	1/ 19	7,832	15.8	13.7

1/ Exports for August were estimated.

Source: Shipments, compiled from data of the American Iron & Steel Institute; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

Table E-2.--Hot-rolled carbon steel sheet: 1/ U.S. producers' reported production, practical capacity, capacity utilization, shipments, exports, and end-of-period inventories, 1978-81, January-September 1981, and January-September 1982

Period	Production	Capacity	Capacity utilization	Shipments		End-of-period inventories
				Total	Exports	
	-1,000 short tons-		Percent	-----1,000 short tons-----		
1978	11,744	17,886	65.7	11,616	43	686
1979	12,658	19,456	65.1	12,765	136	619
1980	9,881	18,806	52.5	9,896	178	593
1981	11,466	19,417	59.1	11,408	126	676
Jan.-Sept.--						
1981	9,075	2/ 14,563	62.3	9,009	82	663
1982	5,957	2/ 14,563	40.9	5,984	75	565

1/ Includes operations on strip.

2/ 75 percent of the annual reported capacity as of Sept. 30.

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

Table E-3.--Average number of employees, total and production and related workers in U.S. establishments producing hot-rolled carbon steel sheet, 1/ hours paid 2/ for the latter, and labor productivity, 1978-81, January-September 1981, and January-September 1982

Period	Employment			Hours paid for production and related workers producing--		Labor productivity
	Total	Production and related workers producing--				
		All products	Hot-rolled sheet	All products	Hot-rolled sheet	
	Number			Thousands		Tons per hour
1978	204,012	175,323	23,103	359,685	47,440	0.2370
1979	222,786	189,715	25,400	385,182	51,596	.2356
1980	187,466	157,279	20,432	306,920	39,970	.2369
1981	192,471	163,161	22,404	320,041	44,338	.2480
Jan.-Sept.--						
1981	200,041	173,180	25,033	260,024	37,710	.2334
1982	141,755	118,404	18,567	170,480	27,293	.2126

1/ Includes operations in producing strip.
2/ Includes hours worked plus hours of paid leave time.

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

Table E-4.--Wages and total compensation 1/ paid to production and related workers in U.S. establishments producing hot-rolled carbon steel sheet, 2/ and unit labor costs in the production of such merchandise, 1978-81, January-September 1981, and January-September 1982

Period	Wages paid to production and related workers producing--		Total compensation paid to production and related workers producing--		Hourly compensation	Labor cost
	All products	Hot-rolled sheet	All products	Hot-rolled sheet		
	Million dollars					Per ton
1978	3,980	542	5,046	685	$14.45	$60.98
1979	4,759	657	6,011	830	16.09	68.22
1980	4,254	573	5,557	747	18.68	78.83
1981	4,766	691	6,239	900	20.30	81.81
Jan.-Sept.--						
1981	4,579	574	5,965	742	19.68	84.33
1982	2,924	444	3,922	607	22.24	104.64

1/ Includes wages and contributions to social security and other employee benefits.

2/ Includes operations in producing strip.

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

Table E-5.--Profit-and-loss experience of U.S. producers on their operations producing hot-rolled carbon steel sheet, 1/ accounting years 1978-81, January-September 1981, and January-September 1982

Period	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Operating profit or (loss)	Ratio of operating profit or (loss) to net sales
	Million dollars					Percent
1978	3,346	3,102	244	82	162	4.8
1979	4,014	3,827	187	92	95	2.4
1980	3,083	3,228	(145)	87	(232)	(7.5)
1981	3,980	4,009	(29)	110	(139)	(3.5)
Jan.-Sept.--						
1981	3,135	3,127	8	87	(79)	(2.5)
1982	1,981	2,234	(253)	82	(335)	(16.9)

1/ Includes operations on strip.

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

Table E-6. Hot-rolled carbon steel sheet: U.S. imports for consumption, by sources, 1978-82, January-August 1982, and January-August 1983

Source	1978	1979	1980	1981	1982	January-August-- 1982	January-August-- 1983
	Quantity (1,000 short tons)						
EC countries:							
Belgium/Luxembourg	72	19	21	106	88	72	37
West Germany	674	545	338	325	402	231	109
France	694	529	395	461	197	137	188
Italy	249	85	38	70	65	65	33
Netherlands	322	269	189	254	128	76	47
United Kingdom	34	11	1	2/	15	3	3
Other 1/	1	0	0	0	0	0	0
Subtotal	2,046	1,458	982	1,216	896	584	417
Brazil	9	28	7	3	63	51	114
Canada	229	208	163	184	117	76	103
Japan	616	770	640	531	381	280	174
Republic of South Africa	134	74	69	38	26	17	28
Spain	33	5	1	5	5	5	11
Republic of Korea	67	28	34	72	150	99	111
All other	209	105	41	112	116	89	113
Total, all sources	3,343	2,676	1,937	2,161	1,754	1,201	1,071
	Ratio of imports to apparent U.S. consumption (percent)						
EC countries:							
Belgium/Luxembourg	0.4	0.1	0.2	0.7	0.9	1.0	0.5
West Germany	3.9	3.2	2.7	2.3	4.1	3.3	1.4
France	4.0	3.1	3.1	3.3	2.0	2.0	2.4
Italy	1.4	.5	.3	.5	.7	.9	.4
Netherlands	1.9	1.6	1.5	1.8	1.3	1.1	.6
United Kingdom	.2	.1	3/	3/	.2	3/	3/
Other 1/	3/	-	-	-	-	-	-
Subtotal	11.8	8.5	7.7	8.6	9.1	8.4	5.3
Brazil	.1	.2	.1	3/	.6	.7	1.4
Canada	1.3	1.2	1.3	1.3	1.2	1.1	1.3
Japan	3.5	4.5	5.0	3.8	3.9	4.0	2.2
Republic of South Africa	.8	.4	.5	.3	.3	.2	.4
Spain	.2	3/	3/	3/	.1	.1	.1
Republic of Korea	.4	.2	.3	.5	1.5	1.4	1.4
All other	1.2	.6	.3	.8	1.2	1.3	1.4
Total, all sources	19.2	15.6	15.2	15.3	17.8	17.3	13.7

1/ Imports from Greece; no imports were reported from Denmark or Ireland.
2/ Less than 500 short tons.
3/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron & Steel Institute.

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

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Capacity of Belgium and West Germany to Produce Hot-Rolled Carbon Steel Sheet 1/

Belgium

According to data published by the European Coal and Steel Community (ECSC) Commission, production of hot-rolled sheet and strip in Belgium in 1980 amounted to 7.2 million tons, representing a 9-percent decrease from production in 1979. Although 1981 production data are not yet available from the ECSC, Commission staff estimates, based on the Belgian Government's responses to Department of Commerce questionnaires, indicate that 1981 production in Belgium * * * million tons, or by * * * percent. Data reported by the ECSC also show that Belgian capacity to produce hot-rolled sheet and strip has remained about the same from 1979 to 1981. The ECSC projects that this capacity will increase by 15 percent from 1981 to 1984.

Belgian production, the potential to produce hot-rolled sheet and strip (capacity), and projections of that production capacity through 1984, according to data published by the ECSC, are shown in the following tabulation;

	Production (million tons)	Production Capacity (million tons)	Capacity utilization (percent)
1979------	7.9	10.7	73.8
1980------	7.2	10.7	67.2
1981------	1/ ***	***	1/ ***
1982------	2/	11.2	2/
1983------	2/	11.7	2/
1984------	2/	12.3	2/

1/ Estimated.
2/ Not available.

As shown by data compiled from Commerce's questionnaires in the following tabulation, the United States accounted for * * * percent of total Belgian exports of hot-rolled sheet and strip in 1981, respectively a * * * increase over the share going to the U.S. market in 1980:

1/ The following was taken from the staff report to the Commission entitled "Certain Carbon Steel Products from Belgium, France, Italy, Luxembourg, the United Kingdom, and the Federal Republic of Germany," Investigation Nos. 701-TA-86, 92, 93, 94, 96, 97, 101, 104, 105, 109, 117, 119, 121, 123, 124, and 128 (Final), Sept. 23, 1982.

Exports 1/ to--	1979	1980	1981
United States---1,000 short tons--	2/	***	***
Other EC----------do----	2/	***	***
All other----------do----	2/	***	***
Total----------do----	2/	***	***
Exports to the United States as a share of total exports---percent--	2/	***	***

1/ Compiled from Commerce's questionnaires.
2/ Not available.

The attractiveness of the U.S. market for Belgian (and other) producers/ exporters of hot-rolled sheet and strip vis-a-vis other markets in the near future will depend on several factors. One factor affecting the United States as a potential market is the level of tariff barriers on imports of these products. For hot-rolled sheet and strip, comparative tariff rates in major consuming markets are as follows (in percent ad valorem):

	1981 tariff rate	Final (1987) MTN rate
United States----------	7.5% to 9%	4.9 to 6.5%.
Canada----------	Free to 10%	Free to 7.8%.
European Community-----	Free	Free.
Japan----------	7.5% to 10%	4.9% to 5.8%.
Austria----------	Free to 16%	Free to 10%.
Sweden----------	Free to 6%	Free to 5%.

Other factors affecting the potential shipments to the U.S. market include internal demand for hot-rolled sheet and strip within Belgium and possible countervailing duty and/or dumping duties assessed on these products as a result of these investigations. The final countervailing duty determination by Commerce would add 0 to 13 percent to the f.o.b. price of such merchandise entering the United States.

West Germany

According to data published by the ECSC, production of hot-rolled sheet and strip in West Germany in 1980 amounted to 18.2 million tons, representing a 1-percent decrease from that of 1979. Although 1981 production data are not yet available from the ECSC, Commission staff estimates, based on the West German Government's responses to the Department of Commerce's questionnaires, indicate that 1981 production of hot-rolled sheet and strip in West Germany * * * to about * * * million tons, or by * * * percent. Data reported by the ECSC also show that West Germany's capacity to produce hot-rolled sheet and strip increased from 1979 to 1981. The ECSC projects that West German capacity will remain about the same from 1981 to 1984.

West German production, the potential to produce hot-rolled sheet and strip (capacity), and projections of that production potential through 1984, according to data published by the ECSC, are shown in the following tabulation:

	Production (million tons)	Production Capacity (million tons)	Capacity Utilization (percent)
1979----	18.4	25.0	73.6
1980----	18.2	27.8	65.5
1981----	1/ ***	***	1/ ***
1982----	2/	28.5	2/
1983----	2/	28.5	2/
1984----	2/	28.5	2

1/ Estimated.
2/ Not available.

As shown in the following tabulation, the United States accounted for * * * percent of total West German exports of hot-rolled sheet and strip in 1981, respresenting a * * *-percent increase from the share going to the U.S. market in 1980, but only * * * percent above that of 1979:

Exports 1/ to--	1979	1980	1981
United States--1,000 short tons--	9	5	10
Other EC----------do----	294	325	285
All other countries---------do----	492	526	564
Total----------do----	795	856	859
Exports to the United States as a share of total exports--percent--	1.1	0.6	1.2

1/ Compiled from Commerce's questionnaires.

* * * * * * *

APPENDIX F

PRODUCT LIST

PRODUCT LIST USED FOR PRODUCERS, IMPORTERS, AND PURCHASERS

The products identified below are those used by the Commission to collect pricing information from producers, importers, and purchasers of the flat-rolled carbon steel products subject to these investigations.

Product 1: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 3/16 inch to under 1/4 inch in thickness, over 90 inches through 100 inches in width.

Product 2: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 1/4 inch to under 5/16 inch in thickness, over 90 inches through 100 inches in width.

Product 3: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 3/8 inch to under 1/2 inch in thickness, over 90 inches through 100 inches in width.

Product 4: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 1 inch through 1-3/16 inches in thickness, over 36 inches through 48 inches in width.

Product 5: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 1 inch through 1-3/16 inches in thickness, over 90 inches through 100 inches in width.

Product 6: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge or gas cut, not heat treated, not cleaned or oiled, over 1-1/2 inches through 3 inches in thickness, over 90 inches through 100 inches in width.

Product 7: Hot-rolled carbon steel bands, in coils, structural quality, mill edge, 0.20 percent carbon maximum, 58,000 pounds tensile strength minute, 36,000 pounds yield strength minute, not pickled, non killed, 3/16 inch through 1/4 inch in thickness, over 36 inches through 72 inches in width.

Product 8: Hot-rolled carbon steel bands, in coils, structural quality, mill edge, 0.20 percent carbon maximum, 58,000 pounds tensile strength minute, 36,000 pounds yield strength minute, not pickled, non killed, over 1/4 inch through 1/2 inch in thickness, over 36 inches through 72 inches in width.