

CERTAIN HOT-ROLLED CARBON STEEL PLATE FROM THE REPUBLIC OF KOREA

**Determination of the Commission in
Investigation No. 731-TA-151
(Preliminary) Under the
Tariff Act of 1930, Together
With the Information Obtained
in the Investigation**

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-151 (Preliminary)

CERTAIN HOT-ROLLED CARBON STEEL PLATE FROM THE REPUBLIC OF KOREA

Determination

On the basis of the record 1/ developed in the subject investigation, 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 the Republic of Korea of certain 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 (LTFV). 2/

Background

On October 31, 1983, a petition was filed with the Commission and the Department of Commerce by counsel on behalf of the Gilmore Steel Corp., Portland, Oreg., alleging that imports of certain hot-rolled carbon steel plate from the Republic of Korea 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 October 31, 1983, the Commission instituted preliminary antidumping investigation No. 731-TA-151 (Preliminary) under section 733(a) of the Act to determine whether there is a reasonable indication that an industry in the United States is materially

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

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 investigation 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 November 8, 1983 (48 F.R. 51378). The conference was held in Washington, D.C., on November 22, 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 investigation, 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 the Republic of Korea of certain hot-rolled carbon steel plate, not in coils, 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). 2/

We have reached our determination based on a record that demonstrates a reasonable indication that the domestic industry is experiencing difficulties including declining production, capacity utilization, and domestic producers' shipments. Profitability of the domestic industry has declined and losses have occurred. Imports from Korea have consistently undersold the domestic producers since 1981 and have increased their share of U.S. consumption during that time period. In addition, allegations of sales and revenue lost because of lower priced Korean imports have been verified during this investigation.

The Domestic Industry

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." 3/ "Like

1/ The Commission did not cumulate the imports from the Republic of Korea with imports from Belgium, West Germany, and Brazil.

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

3/ 19 U.S.C. §1677(4)(A) (1980).

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." 4/

The imported product which is the subject of this investigation is hot-rolled carbon steel plate, 0.1875 inch or more in thickness and not in coils, as provided for in item 607.6615 of the TSUSA. This same article is produced in the United States. Thus, the like product is hot-rolled carbon steel plate, 0.1875 inch or more in thickness and not in coils (cut-length plate). The domestic producers of this product constitute the relevant domestic industry in this investigation. 5/ 6/

Petitioner in this investigation raised the issue of whether hot-rolled carbon steel plate in coils should also be considered a like product in this investigation. We do not find domestically produced hot-rolled carbon steel plate in coils to be "like" imported cut-length hot-rolled carbon steel plate (the subject of this investigation) for the same reasons we stated in our recent opinion regarding Certain Flat-Rolled Carbon Steel Products From

4/ 19 U.S.C. § 1677(10) (1980).

5/ See the listing of firms in the Report at A-7 through A-9.

6/ Petitioner argued that the relevant domestic industry is a national industry made up of U.S. producers of carbon steel plate as a whole, or, in the alternative, two separate regional industries made up of producers located in a West Coast regional market and a Gulf Coast regional market. Having reached an affirmative determination of a reasonable indication of material injury to the U.S. cut-length hot-rolled carbon steel plate industry as a whole, the Commission does not reach the issues of (1) whether the producers in the West Coast and Gulf Coast regions should be treated as if they are separate industries, and (2) if so, whether there is a reasonable indication of material injury to those industries or a threat thereof caused by the subject imports.

Belgium and the Federal Republic of Germany, Invs. Nos. 731-TA-146 and 147
(Preliminary). 7/ 8/

Condition of the Domestic Industry 9/

The U.S. industry producing cut-length hot-rolled carbon steel plate has been experiencing difficulties during the period covered in this investigation. Production fell from 5.9 million tons in 1980 to 2.8 million tons in 1982, or by 52 percent. 10/ Production declined an additional 25 percent during January-August 1983, compared with that in the corresponding period of 1982. 11/ As a consequence of the decline in production, capacity

7/ USITC Pub. 1451 (November 1983). In that investigation and in Certain Steel Products from Brazil, Inv. No. 731-TA-123 (Preliminary), USITC Pub. 1361 (1983), the Commission indicated that the question of whether coiled and cut-length carbon steel plate products are "like" has not yet been finally adjudicated. The Commission will reconsider the issue during the final investigation involving flat-rolled carbon steel products from Brazil. USITC Pub. 1451 at 8; USITC Pub. 1361 at 5.

8/ On November 16, 1983, the International Trade Administration (ITA) rescinded the notice announcing initiation of antidumping investigations concerning hot-rolled carbon steel sheet in coils allegedly imported from Belgium and West Germany at less than fair value. 48 F.R. 52757 (1983). The product designated as sheet by the ITA is the same product that we have referred to as plate in coils during our discussion of the like product. The basis for the ITA's action was a determination that the petitioner Gilmore Steel Corporation does not produce the merchandise under consideration and is not an interested party eligible to file an antidumping petition for this merchandise. In its Federal Register notice the ITA noted that Gilmore is a producer of carbon steel plate cut-to-length which the ITA does not consider to be "like" hot-rolled carbon steel sheet (carbon steel plate in coils). 48 F.R. 52758.

9/ The Commission recently found that there was a reasonable indication that the same domestic industry being considered in this investigation was materially injured by LTFV imports from Belgium and West Germany. Certain Flat-Rolled Carbon Steel Products from Belgium and the Federal Republic of Germany, Invs. Nos. 731-TA-146 and 147 (Preliminary). Since only a month elapsed between the filing of the petition in that investigation and the filing of the petition in this investigation, the data concerning the condition of the domestic industry have not changed.

10/ Report at A-11. The Commission has received data from firms together accounting for more than 90 percent of the domestic production of the subject plate in 1982. Id. at A-11.

11/ Id.

utilization decreased by more than one-half, from 59.1 percent in 1980 to 29.1 percent in 1982. 12/ During January-August 1983, capacity utilization dropped to 24.4 percent from 32.6 percent in the corresponding period in 1982. 13/ Employment also decreased during the period in question. 14/

In addition, U.S. producers' shipments have declined. Domestic shipments decreased from 5.8 million short tons in 1980 to 2.8 million short tons in 1982, or by 51 percent. 15/ During January-August 1983, shipments declined 26 percent, compared with the volume of shipments during the corresponding period of 1982. 16/

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 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. 17/ During January-August 1983, net sales fell by 39 percent, to \$577 million, in comparison with \$953 million in the corresponding period of 1982. 18/

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. 19/ During January-August 1983, the aggregate loss reported by

12/ Id.

13/ Id.

14/ See generally id. at A-13 through A-16.

15/ Id. at A-12.

16/ Id.

17/ Id. at A-17 and A-18.

18/ Id.

19/ Id. at A-18.

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. 20/ 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. 21/

Reasonable indication of material injury

As consumption has declined since 1980, the actual tonnages of the Korean imports have also decreased. However, imports of cut-length hot-rolled carbon steel plate from Korea as a share of declining apparent U.S. consumption have steadily increased from 1.6 percent in 1981 to 2.2 percent in 1982, and from 2.7 percent during the first eight months of 1982 to 3.4 percent during the corresponding period of 1983. 22/ 23/

The information available on prices in this investigation demonstrates that there was a general pattern of underselling of the domestic product by the Korean imports. 24/ There were several verified lost sales in which U.S. consumers purchased Korean imports instead of the domestic product because of the lower price of the Korean product. 25/ The record also supports allegations of lost revenues by domestic producers due to price reductions forced by competition from the low priced Korean imports. 26/

20/ Id.

21/ Id.

22/ Id. at A-26, Table 15.

23/ Korea's share of the market dropped from 2.2 percent in 1980 to 1.6 percent in 1981. However, Korea's share of the market in 1980 was unusually high compared to 1978 and 1979. Furthermore, with the steady increase of market share since 1981, the market share of Korean imports in January-August 1983 was greater than that held in 1980.

24/ Report at A-37 to A-39, Table 25.

25/ Report at A-41 to A-42.

26/ Report at A-43 to A-44.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On October 31, 1983, a petition was 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 hot-rolled carbon steel plate from the Republic of Korea (Korea) 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 investigation No. 731-TA-151 (Preliminary) 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 December 15, 1983.

Notice of the institution of the Commission's investigation 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 of November 8, 1983 (48 F.R. 51378). 1/ The conference was held in Washington, D.C., on November 22, 1983. 2/ The Commission voted on this case at its meeting on December 7, 1983.

The Product

Description and uses

The imported product from Korea which is the subject of this investigation is hot-rolled carbon steel plate, 0.1875 inch or more in thickness and not in coils, as provided for in item 607.6615 of the Tariff Schedules of the United States Annotated (TSUSA). Hot-rolled carbon steel plate is a flat-rolled steel mill product made by rolling reheated slabs or ingots in plate mills or hot-strip mills. Plate is generally considered to be a finished product, and is distinguished from other flat-rolled products by its dimensions. Substantially identical products are produced in the United States.

The TSUSA defines the subject carbon steel plate as a flat-rolled product whether or not corrugated or crimped; 0.1875 inch (3/16 inch or 4.76 millimeters) or more in thickness and over 8 inches in width; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal and

1/ Copies of the notices instituting investigations by the Commission and the Department of Commerce are presented in app. A.

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

not clad; not pickled and not cold rolled; and not in coils. 1/ Carbon steel slab which for tariff purposes is classified as hot-rolled plate is not included. 2/

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 in reheating 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 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. 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 time lost in replacing worn components.

1/ Comparable plate in coils is classified for tariff purposes under TSUSA item 607.6610. Gilmore, the petitioner, did not allege that plate in coils from Korea is being, or is likely to be, sold in the United States at LTFV. Such coiled plate is, therefore, not included within the scope of this investigation.

2/ "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.

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 flame cutting or shearing rectangular plates.

Coiled plate, which is produced on 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 \$20 per ton to the product, thus making the cost of the cut products approximately \$60 to \$80 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 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 25 percent of all domestically produced carbon steel plate ^{2/} went to service centers and distributors. The remaining 75 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

^{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.

markets included the oil and gas industry (4 percent) and rail transportation (3 percent). Carbon steel plate is primarily used in the construction of bridges, storage tanks, pressure vessels, railroad freight and passenger cars, ships, industrial machinery, and other capital goods sector products.

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

Market	1980		1981		1982	
	Percent:		Percent:		Percent:	
	Quantity:	of	Quantity:	of	Quantity:	of
	<u>1,000</u>	total	<u>1,000</u>	total	<u>1,000</u>	total
	<u>tons</u>		<u>tons</u>		<u>tons</u>	
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.

U.S. tariff treatment

As mentioned, the imported products subject to this investigation are classified for tariff purposes under item 607.6615 of the TSUSA. The current column 1 (most-favored-nation) rate of duty, 1/ the preconcession and final concession rates granted under the Tokyo round of the Multilateral Trade Negotiations (MTN), 2/ the rate of duty for least developed developing

1/ 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 or under the "LDDC" rate of duty column.

2/ 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.

countries (LDDC's), 1/ and the column 2 duty rate 2/ 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 General System of Preferences (GSP). 3/

Table 2.---Hot-rolled carbon steel plate (TSUSA item 607.6615): 1/ U.S. rates of duty as of Jan. 1, 1980, Jan. 1, 1983, and Jan. 1, 1987

Article description (abridged)	Rate of duty				
	Col. 1			LDDC's	Col. 2
	Jan. 1, 1980 <u>2/</u>	Jan. 1, 1983	Jan. 1, 1987		
Carbon steel plate, not in coils, not coated or plated with metal, not pickled, and not cold rolled.	7.5% ad val.	7.0% ad val.	6.0% ad val.	6.0% ad val.	20% ad val.

1/ In 1977-79, such imports entered under TSUSA item 608.8415.

2/ The rate shown for Jan. 1, 1980, was also the rate prior to the first staged reduction under the Tokyo round.

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 4/ from Japan, 5/ and countervailing duties

1/ 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 TSUS which are not granted duty-free treatment under the GSP.

2/ 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.

3/ 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.

4/ Excluding coiled plate.

5/ 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.

are currently in effect with respect to imports from Korea 1/ and Spain. 2/

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.

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. 3/

Nature and Extent of Alleged Sales at LTFV

The petition alleges that imports of hot-rolled carbon steel plate from Korea are being sold in the United States at LTFV. Margins were calculated by taking the difference between the average mill net export price and the Korean f.o.b. factory (home market) price. The average LTFV margins so calculated, as a percent of foreign mill net export price, for the first half of 1983 ranged from 0.3 to 63.9 percent on a national basis, from 2.0 to 53.8 percent

1/ 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.

2/ 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 is 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.

3/ 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.

in the West Coast regional market, 1/ and from 27.2 to 72.6 percent in the Gulf Coast regional market. 2/

U.S. Producers

About 17 firms produce hot-rolled 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 hot-rolled carbon steel plate (as reported in response to the Commission's questionnaires) in 1982:

<u>Firm</u>	<u>Share of shipments</u> <u>(percent)</u>
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 hot-rolled carbon steel plate is highly concentrated, with the five largest producers---* * *---together accounting for 80 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 specialize in producing steel plate and plate products.

Domestic producers currently operate approximately 30 establishments in which carbon steel plate is produced. These plants are scattered throughout the United States, but are concentrated in the Great Lakes area and in Pennsylvania. Table 3 shows the principal producers, locations of their various plants that produce carbon steel plate, 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, hot-rolled and cold-rolled sheet) and Brier Hill Works (plate-finishing mill), both in Youngstown, Ohio, 1977, and its Pittsburgh Works (plate and hot-rolled sheet), 1981; and U.S. Steel's

1/ The petitioner defined the West Coast regional market as the States of California, Oregon, and Washington.

2/ The petitioner defined the Gulf Coast regional market as the States of Texas, Louisiana, Mississippi, Alabama, and Florida.

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	***
	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.	***
	Baytown, Tex-----	160-inch sheared plate	
	Gary, Ind-----	160/210-inch sheared plate, 84-inch hot strip.	
	South Chicago, Ill-----	96-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
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.

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.

On August 11, 1983, Phoenix Steel Corp. filed for bankruptcy under chapter 11 of the Bankruptcy Code. Kaiser, which stopped producing raw steel on October 25, 1983, has indicated that rolling of plate and sheet products will be phased out by yearend (1983). On October 24, 1983, Armco announced plans to shut down its facilities in Houston, Tex., by the end of January 1984.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 30 firms that imported carbon steel plate from Korea during October 1982-September 1983. The seven largest importers together accounted for approximately 95 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 hot-rolled carbon steel plate declined slightly from 1980 to 1981, by less than 1 percent. ^{1/} Consumption dropped dramatically in 1982 to 4.0 million tons ^{2/} from 7.4 million tons in 1981, representing a decline of 46 percent. A continued drop in consumption occurred in January-August 1983, when consumption declined to 2.2 million tons compared with 2.9 million tons in the corresponding period of 1982, representing a drop of 23 percent (table 4).

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

Period	Domestic shipments ^{1/}	Imports	Apparent consumption	Ratio of--	
				Domestic shipments to consumption	Imports to consumption
	-----1,000 short tons-----			-----Percent-----	
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

^{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.

The share of the market supplied by U.S. producers of hot-rolled carbon steel plate declined steadily throughout the period of investigation, or from 78.8 percent in 1980 to 71.2 percent in 1982. A continued decline was indicated in January-August 1983, when the U.S. producers' share of the market fell to 69.0 percent.

^{1/} The term "hot-rolled carbon steel plate" will be used subsequently in this report to refer to cut-to-length plate. Data in the following sections of the report present statistics only on cut-to-length plate. However, comparable data on coiled plate are presented in app. D.

^{2/} Unless otherwise noted, all quantities shown in this report are in short tons (2,000 pounds).

Consideration of Material Injury to an Industry in the United States

The information in this section of the report was compiled from questionnaire data. It is therefore understated to the extent that a few domestic firms that are believed to produce hot-rolled carbon steel plate did not respond to the Commission's questionnaires. Nevertheless, all of the major producers have responded, and they are believed to account for more than 90 percent of total U.S. production of such merchandise.

U.S. production, capacity, and capacity utilization

U.S. production of hot-rolled carbon steel plate declined from 5.9 million tons in 1980 to 5.6 million tons in 1981, or by about 5 percent. It dropped significantly to 2.8 million tons in 1982, representing a fall of 50 percent. U.S. production continued to decline in January-August 1983, by 537,000 tons, or 25 percent, compared with production in the corresponding period of 1982.

The capacity of the U.S. industry to produce hot-rolled carbon steel plate decreased by 2.5 percent from 1980 to 1981, but otherwise remained relatively steady throughout the investigative period. Capacity utilization therefore fell throughout the period, declining slightly from 59.1 percent in 1980 to 57.7 percent in 1981 and dropping to 29.1 percent in 1982. It continued to decline in January-August 1983, to 24.4 percent, compared with 32.6 percent in January-August 1982 (table 5).

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

Item	1980	1981	1982	January-August--	
				1982	1983
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

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.

U.S. producers' domestic shipments

U.S. producers' domestic shipments of hot-rolled carbon steel plate fell throughout the period, declining from 5.8 million tons in 1980 to 5.5 million tons in 1981, or by about 6 percent. Shipments in 1982 dropped sharply, by 2.7 million tons, or 49 percent, and then fell again, by 26 percent, in January-August 1983 compared with those during the corresponding period of 1982. The f.o.b. plant value of such shipments rose from \$2.6 billion in 1980 to \$2.7 billion in 1981, but then fell by almost half to \$1.4 billion in 1982. The value of producers' domestic shipments in January-August 1983, \$631 million, was 38 percent less than the value of shipments in January-August 1982.

The unit values of hot-rolled carbon steel plate increased from \$443 in 1980 to \$489 in 1981. However, unit values slipped to \$480 in 1982 and fell to \$410 in January-August 1983 (table 6).

Table 6.--Hot-rolled carbon steel plate: U.S. producers' domestic shipments, 1/ 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Quantity					
1,000 short tons--:	5,835	5,513	2,836	2,072	1,540
Value-----million dollars--:	2,586	2,696	1,362	1,021	631
Unit value-----per ton--:	\$443	\$489	\$480	\$493	\$410

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' export shipments

U.S. producers' exports of hot-rolled carbon steel plate fell from 112,000 tons in 1980 to 42,000 tons in 1982, or by 62 percent. A further drop of 13,000 tons, or 50 percent, took place in January-August 1983 compared with export shipments in the corresponding period of 1982 (table 7). U.S. producers' exports as a share of their total shipments declined steadily from 1.9 percent in 1980 to 1.5 percent in 1982. A continued drop to 0.8 percent is indicated in January-August 1983, compared with 1.2 percent in the corresponding period of 1982.

Table 7.--Hot-rolled carbon steel plate: U.S. producers' export shipments, 1/ 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Quantity					
1,000 short tons--	112	87	42	26	13
Value <u>2/</u> --1,000 dollars--	43,081	37,935	20,034	12,681	6,023
Unit value-----per ton--	\$385	\$436	\$477	\$488	\$463

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

2/ F.o.b. plant.

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 hot-rolled 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 percent of shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of short tons):

	<u>Quantity</u>
As of Dec. 31--	
1979-----	311
1980-----	280
1981-----	231
1982-----	129
As of Aug. 31--	
1982-----	175
1983-----	160

U.S. employment, wages, and productivity

The average number of all persons employed in domestic establishments producing hot-rolled carbon steel plate declined steadily during 1980-82 and January-August 1983. The number of production and related workers producing hot-rolled carbon steel plate declined from 17,571 in 1980 to 16,655 in 1981, or by 5 percent. The number of such workers then declined significantly to 8,808 in 1982, or by 47 percent. A continued decline is shown in January-August 1983 compared with employment in the corresponding period of 1982, with the number of production and related workers decreasing from 9,735 to 6,737, ^{A-13} representing a drop of 31 percent (table 8).

Table 8.--Average number of employees, total and production and related workers, in U.S. establishments producing hot-rolled carbon steel plate, 1/ and hours paid 2/ for the latter, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Average employment:					
All persons:					
Number-----	174,730	173,999	132,656	134,805	114,424
Percentage change-----	<u>3/</u>	-0.4	-23.8	<u>3/</u>	-15.1
Production and related workers producing--					
All products:					
Number-----	139,012	139,196	104,119	104,122	90,904
Percentage change-----	<u>3/</u>	.1	-25.2	<u>3/</u>	-12.7
Hot-rolled carbon steel plate:					
Number-----	17,571	16,655	8,808	9,735	6,737
Percentage change-----	<u>3/</u>	-5.2	-47.1	<u>3/</u>	-30.8
Hours worked by production and related workers producing--					
All products:					
Number-----thousands--	289,233	291,564	205,374	141,391	129,373
Percentage change-----	<u>3/</u>	.8	-29.6	<u>3/</u>	-8.5
Hot-rolled carbon steel plate:					
Number-----thousands--	31,866	30,135	15,805	11,414	8,084
Percentage change-----	<u>3/</u>	-5.4	-47.6	<u>3/</u>	-29.1

1/ Aggregate data include operations of domestic producers in producing both hot-rolled carbon steel plate (i.e., cut-to-length plate) and coiled plate.

2/ Includes hours worked plus hours of paid leave time.

3/ Not available.

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

The number of hours worked by production and related workers producing hot-rolled carbon steel plate similarly declined throughout the period. Such hours worked declined by 5 percent from 1980 to 1981, then fell by an additional 48 percent in 1982. Hours worked continued to decline, by 29 percent, in January-August 1983 compared with hours worked in the corresponding period of 1982 (table 8).

Wages and total compensation paid to production and related workers are shown in table 9. The difference between total compensation and wages is an¹⁴ estimate of workers benefits. Wages paid to production and related workers

Table 9.--Wages and total compensation 1/ paid to production and related workers in establishments producing hot-rolled carbon steel plate, 2/ 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					
million dollars--	4,023	4,428	3,388	2,315	1,920
Hot-rolled carbon steel plate:					
Value-million dollars--	414	427	235	170	113
Percentage change-----	<u>3/</u>	3.1	-45.0	<u>3/</u>	-33.5
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-----	<u>3/</u>	10.5	-18.3	<u>3/</u>	-9.9
Hot-rolled carbon steel plate:					
Value-million dollars--	538	557	325	214	171
Percentage change-----	<u>3/</u>	3.5	-41.7	<u>3/</u>	-20.1

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

2/ Aggregate data include operations of domestic producers in producing both hot-rolled carbon steel plate (i.e., cut-to-length plate) and coiled plate.

3/ Not available.

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

producing hot-rolled carbon steel plate increased by 3 percent from 1980 to 1981 but then decreased significantly, by 45 percent, in 1982. Wages paid to these workers declined by an additional 34 percent in January-August 1983 compared with wages paid during January-August 1982.

Data on labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel plate are presented in table 10. Labor productivity increased slightly, by less than 1 percent, from 1980 to 1981, then declined by 4 percent in 1982. Labor productivity increased by almost 6 percent in January-August 1983 compared with that in January-August 1982. Hourly wages, based on total compensation paid excluding fringe benefits, increased steadily from \$12.99 per hour in 1980 to \$14.87 per hour in 1982, but then declined to \$13.98 per hour in January-August 1983.

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

Item	1980	1981	1982	January-August--	
				1982	1983
Labor productivity:					
Quantity-----tons per hour--	0.1862	0.1874	0.1799	0.1865	0.1969
Percentage change-----	<u>1/</u>	.6	-4.0	<u>1/</u>	5.6
Hourly compensation: <u>2/</u>					
Value-----per hour--	\$12.99	\$14.17	\$14.87	\$14.89	\$13.98
Percentage change-----	<u>1/</u>	9.1	4.9	<u>1/</u>	-6.1
Unit labor costs:					
Value-----per ton--	\$90.68	\$98.65	\$114.28	\$100.52	\$107.41
Percentage change-----	<u>1/</u>	8.8	15.8	<u>1/</u>	6.9

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.

Unit labor costs (per ton) rose steadily from \$90.68 per ton in 1980 to \$114.28 per ton in 1982, representing an increase of 26 percent. Unit labor costs in January-August 1983 were lower than the average unit costs in 1982, but were nevertheless about 7 percent greater than such costs in January-August 1982.

Financial experience of U.S. producers

Overall operations of the establishments within which hot-rolled carbon steel plate is produced.--Ten producers of carbon steel plate provided the Commission with usable income-and-loss data relative to the overall operations of the establishments within which such merchandise was produced. 1/ Net sales for these establishments were \$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 an operating loss 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.

1/ The overall operations include some production facilities in which coiled plate and hot-rolled sheet are produced.

Table 11.--Income-and-loss experience of 10 U.S. producers on the overall operations of their establishments within which carbon steel plate is produced, 1/ accounting years 1980-82 and interim periods ending Aug. 31, 1982, and Aug. 31, 1983

Item	1980	1981	1982	Interim period to 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 admin- istrative expenses-----do-----	568	634	647	455	415
Operating income or (loss)-----do-----	(838)	(71)	(2,375)	(1,456)	(1,363)
Depreciation and amortiza- tion expenses 2/-----do-----	532	553	469	313	303
Cash flow or (deficit) from operations 2/-----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/ The overall operations include some production facilities in which coiled plate and hot-rolled sheet are produced.

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

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

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

Operations on hot-rolled carbon steel plate.--Income-and-loss data were received from 10 firms accounting for 91 percent of total reported shipments of hot-rolled (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

Table 12.--Income-and-loss experience of U.S. producers 1/ on their operations on hot-rolled carbon steel plate, accounting years 1980-82 and interim periods ending Aug. 31, 1982, and Aug. 31, 1983

Item	1980	1981	1982	Interim period to Aug. 31--	
				1982	1983
Net sales-----million dollars--	2,418	2,467	1,273	953	577
Cost of goods sold-----do-----	2,310	2,327	1,370	998	710
Gross income or (loss)-----do-----	108	140	(97)	(45)	(133)
General, selling, and administrative expenses-----do-----	71	74	61	43	33
Operating income or (loss)-----do-----	37	66	(158)	(88)	(166)
Depreciation and amortization expenses-----do-----	58	50	40	27	22
Cash flow or (deficit) from operations-----do-----	95	116	(118)	(61)	(144)
Ratio of operating income or (loss) to net sales---percent---	1.5	2.7	(12.4)	(9.2)	(28.8)
Number of firms reporting operating losses-----	4	2	10	9	7

1/ Data for 10 firms which accounted for 91 percent of 1982 shipments reported in response to the Commission's questionnaires.

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

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. 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, in the corresponding period of 1982. * * *.

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 nine 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.

Capital expenditures.---Three firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of hot-rolled carbon steel plate. Such capital expenditures declined annually from \$23 million in 1980 to \$18 million in 1982, and amounted to \$6 million in January-August 1983, as shown in the following tabulation (in thousands of dollars):

<u>Period</u>	<u>Expenditures</u>
1980-----	23,403
1981-----	21,058
1982-----	17,716
January-August--	
1982-----	8,479
1983-----	5,634

Research and development expenditures.---Research and development expenses relative to operations on hot-rolled carbon steel plate, as reported by eight producers that responded to this part of the Commission's questionnaires, increased from \$4.7 million in 1980 to \$5.4 million in 1981 and then declined to \$3.8 million in 1982 and \$1.7 million in January-August 1983. Research and development expenditures are shown in the following tabulation (in thousands of dollars):

<u>Period</u>	<u>Expenditures</u>
1980-----	4,685
1981-----	5,420
1982-----	3,844
January-August--	
1982-----	2,628
1983-----	1,725

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 allegedly 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 hot-rolled carbon steel plate and of the U.S. market penetration of such imports 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." Discussions of importers' inventories of such merchandise imported from Korea and the information available on that country's capacity to generate exports follow.

U.S. importers' inventories

End-of-period inventories of carbon steel plate from Korea, as reported by importers in response to the Commission's questionnaires, fell sharply during 1980-82 and January-August 1983. ^{1/} As indicated in the following tabulation, stocks held as of August 31, 1983, were less than yearend inventories during 1980-82, and were also substantially less than inventories held as of August 31, 1982.

Period	Reported imports from Korea	End-of-period inventories	Ratio of inventories to reported imports
	Short tons		Percent
1980-----	***	***	***
1981-----	***	***	***
1982-----	***	***	***
January-August--			
1982-----	***	***	^{1/} ***
1983-----	***	***	^{1/} ***

^{1/} Computed from annualized imports.

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

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

Korea was the 16th largest producer of raw steel in the world in 1982, with production of approximately 12 million tons. Its production of raw steel has increased annually and significantly for the last 10 years, as shown in the following tabulation (in thousands of short tons):

<u>Production</u>	
1973-----	1,275
1974-----	2,146
1975-----	2,198
1976-----	3,875
1977-----	4,792
1978-----	5,477
1979-----	8,389
1980-----	9,433
1981-----	11,853
1982-----	12,125

^{1/} The firms reporting data on end-of-period inventories accounted for the great bulk of total U.S. imports of hot-rolled carbon steel plate from Korea (as reported by the Department of Commerce). Imports by these firms accounted for 97 percent of aggregate imports of such plate from Korea in 1980, 98 percent in 1981, 39 percent in 1982, and 94 percent in January-August 1983.²⁰

The Korean steel industry is dominated by one firm, Pohang Iron & Steel Co. (POSCO), of which 32 percent is owned by the Government of Korea, and 40 percent is owned by the Korean Development Bank. POSCO is Korea's only fully integrated steel mill. Its production of raw steel in 1982 totaled 8.0 million tons, which represented a 7-percent increase over its output in 1981, and was sufficient to rank POSCO as the 10th largest steel producer in the world. According to testimony at the Commission's conference, two firms in Korea produce hot-rolled carbon steel plate, with POSCO being by far the larger of the two. 1/

The available data on Korean production, capacity to produce, and exports of hot-rolled carbon steel plate are given in table 13. Although Korea's reported capacity to produce such merchandise remained unchanged during the period shown in the table, its production of plate more than doubled from 1978 to 1981, and exports rose sharply. Representatives of the Korean Iron & Steel Association have stated that no further major expansions of capacity are contemplated until the 1990's, when a second integrated steel mill facility is slated to begin production. 2/

1/ Dongkuk, the other producer, reportedly accounts for less than 2 percent of Korean exports of plate. Transcript of the conference, p. 101.

2/ See Certain Carbon Steel Products from the Republic of Korea, Determinations of the Commission in Investigations Nos. 701-TA-170, 701-TA-171, and 701-TA-173 (Final) Under Section 705(b) of the Tariff Act of 1930, Together With the Information Obtained in the Investigations, USITC Publication 1346, February 1983, p. A-17. The data in table 13 were obtained during those countervailing duty investigations. More current data on the ability of manufacturers in Korea to produce carbon steel plate and to generate exports of such merchandise were not available for this preliminary investigation. Such data were requested of counsel for POSCO during the Commission's conference (transcript, pp. 89 and 90), but no information has yet been received.

Table 13.--Hot-rolled carbon steel plate: Korea's consumption, production, rated capacity, 1/ capacity utilization, and exports, 1978-81, January-September 1981, and January-September 1982

Item	1978	1979	1980	1981	Jan.-Sept.--	
					1981	1982
Consumption						
1,000 short tons--	1,156	1,036	808	1,434	832	779
Production-----do-----	906	1,580	1,649	1,946	1,430	1,490
Capacity-----do-----	1,953	1,953	1,953	1,953	1,465	1,465
Capacity utilization						
percent--	46.4	80.9	84.4	99.6	97.6	101.7
Exports to--						
United States						
1,000 short tons--	90	165	196	106	89	66
Japan-----do-----	29	260	440	373	279	400
EC-----do-----	0	49	23	4	4	9
Canada-----do-----	4	28	25	32	28	7
Australia-----do-----	1	11	22	14	11	2
All other-----do-----	49	227	274	254	213	360
Total-----	173	740	980	783	624	844

1/ The methodology by which "rated capacity" was obtained was not made known by the source of these data; hence, such data may not be directly comparable with capacity data in other sections of this report. Capacity shown for the January-September periods is 75 percent of reported annual rated capacity.

Source: Korean Iron & Steel Association.

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 hot-rolled carbon steel plate from all sources increased from 1.6 million tons in 1980 to 1.8 million tons in 1981, and then declined by 37 percent to 1.1 million tons in 1982 (table 14). Imports continued to decline in January-August 1983, falling by 17 percent when compared with imports in the corresponding period of 1982.

The value of these imports increased from \$510 million in 1980 to \$673 million in 1981, or by 32 percent, then decreased to \$388 million in 1982, representing a decline of 42 percent. The value of imports continued to decline, by 42 percent, in January-August 1983 compared with the value of imports during the corresponding period of 1982.

Table 14.--Hot-rolled carbon steel plate (TSUSA item 607.6615): 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)					
Korea-----	212	115	90	79	76
Belgium/Luxembourg-----	286	<u>1</u> / 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
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	532	144	83	80
Total, all sources-----	1,568	1,837	1,149	831	693
Value (1,000 dollars) <u>2</u> /					
Korea-----	67,887	41,259	31,230	27,371	16,465
Belgium/Luxembourg-----	92,619	<u>1</u> / 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-----	20,030	22,428	40,300	26,525	3,137
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	36,989	24,212	24,078	3,559
All other-----	53,331	189,886	47,362	30,335	20,969
Total, all sources-----	510,398	672,895	387,555	289,876	168,240

See footnotes at end of table.

Table 14.--Hot-rolled carbon steel plate (TSUSA item 607.6615): 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)				
Korea	\$320	\$359	\$345	\$349	\$217
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
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.

^{2/} Customs value (f.o.b. port of exportation).

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.

The average unit value of imports from all sources increased from \$325 per ton in 1980 to \$366 per ton in 1981, and then declined to \$337 per ton in 1982. The unit value of imports of hot-rolled plate fell sharply to \$243 per ton in January-August 1983.

Imports from Korea.--Imports of hot-rolled carbon steel plate from Korea declined throughout the period of investigation. Imports decreased from 212,000 tons in 1980 to 115,000 tons in 1981, or by 46 percent. Imports then declined by an additional 22 percent to 90,000 tons in 1982. In January-August 1983, imports from Korea amounted to 76,000 tons, representing a decline of 4 percent compared with imports during the corresponding period of 1982.

The value of imports of hot-rolled carbon steel plate from Korea also fell steadily throughout the period, from \$68 million in 1980 to \$31 million in 1982. The value of such imports dropped to \$16 million in January-August 1983 compared with \$27 million in January-August 1982. The unit value of these imports increased from \$320 per ton in 1980 to \$359 per ton in 1981 and

then declined to \$345 per ton in 1982. The unit value of imports from Korea fell sharply to \$217 per ton in January-August 1983.

As a share of the total quantity of U.S. imports of hot-rolled carbon steel plate, imports from Korea declined from 13.5 percent in 1980 to 6.3 percent in 1981, then increased to 7.8 percent in 1982. Korea's share of imports continued to increase to 11.0 percent in January-August 1983, compared with 9.5 percent in the corresponding period of 1982.

U.S. market penetration

Imports from all sources.---Market penetration of imports of hot-rolled carbon steel plate from all countries increased steadily from 21.2 percent of apparent U.S. consumption in 1980 to 28.8 percent in 1982, and then rose to 31.0 percent in January-August 1983 (table 15). Expressed as a ratio to U.S. producers' shipments, imports from all sources exhibited a similar trend, rising from 26.9 percent in 1980 to a peak of 45.0 percent in January-August 1983.

Imports from Korea.---Imports of hot-rolled carbon steel plate from Korea decreased from 2.9 percent of apparent consumption in 1980 to 1.6 percent in 1981, but then increased to 2.2 percent in 1982. Market penetration of such imports from Korea rose to 3.4 percent in January-August 1983 compared with 2.7 percent in January-August 1982. Expressed as a ratio to U.S. producers' shipments, imports from Korea exhibited a similar trend, falling from 3.6 percent in 1980 to 2.1 percent in 1981, and then rising to a peak of 4.9 percent in January-August 1983.

The question of injury to a regional industry

Gilmore, the petitioner in this investigation, alleges injury to the national industry producing hot-rolled carbon steel plate and to regional industries producing such merchandise in the West Coast and Gulf Coast areas. The West Coast area, as defined by the petitioner, includes the States of California, Washington, and Oregon; the Gulf Coast area includes the States of Texas, Louisiana, Mississippi, Alabama, and Florida. Gilmore and Kaiser are the only producers of carbon steel plate located in the West Coast area, so defined, and U.S. Steel, Republic, and Armco are the only producers of such merchandise in the Gulf Coast area. As indicated previously, Kaiser and Armco have both announced plans to discontinue their platemaking activities in these areas in the near future. For the purposes of this preliminary investigation, information is presented for the West Coast and Gulf Coast areas as defined by the petitioner.

West Coast area.---Table 16 presents data on the steel plate operations of the West Coast area producers (Gilmore and Kaiser) for each of the various indices of injury for which information was developed. Such information was obtained during the Commission's recent investigations on imports of cut-to-

Table 15.--Hot-rolled carbon steel plate (TSUSA item 607.6615): Ratios of imports to apparent U.S. consumption and to U.S. producers' shipments, by principal sources, 1980-82, January-August 1982, and January-August 1983

(In percent)					
Source	1980	1981	1982	January-August--	
				1982	1983
Ratio of imports to consumption					
Korea	2.9	1.6	2.2	2.7	3.4
Belgium/Luxembourg	3.9	4.1	4.5	5.1	3.6
West Germany	1.4	1.3	1.3	1.2	1.0
Brazil	4.4	4.2	3.7	3.9	8.1
Canada	3.4	3.1	3.7	3.9	6.6
Republic of South Africa	.9	.8	3.2	2.8	.5
Japan	.4	.4	1.3	1.5	.4
Finland	.3	.7	1.8	1.2	2.9
Italy	1/	.2	1.5	.8	.2
Spain	1.5	1.3	1.9	2.6	.8
All other	2.2	7.2	3.6	2.8	3.6
Total, all sources	21.2	25.0	28.8	28.6	31.0
Ratio of imports to U.S. producers' shipments					
Korea	3.6	2.1	3.2	3.8	4.9
Belgium/Luxembourg	4.9	5.5	6.3	7.1	5.2
West Germany	1.7	1.7	1.8	1.7	1.4
Brazil	5.5	5.6	5.2	5.5	11.7
Canada	4.3	4.1	5.2	5.4	9.6
Republic of South Africa	1.1	1.1	4.5	4.0	.8
Japan	.5	.5	1.8	2.1	.6
Finland	.4	.9	2.6	1.7	4.2
Italy	1/	.3	2.1	1.1	.3
Spain	1.9	1.8	2.7	3.6	1.2
All other	2.8	9.6	5.1	4.0	5.2
Total, all sources	26.9	33.3	40.5	40.1	45.0

1/ Less than 0.05 percent.

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.

Table 16.--The carbon steel plate operations of the West Coast 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/					
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.

length and coiled carbon steel plate from Belgium and the Federal Republic of Germany. 1/

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 *** percent of their steel plate in the West Coast area. As shown in table 17, all domestic producers located outside the area together supplied

1/ Certain Flat-Rolled Carbon Steel Products From Belgium and the Federal Republic of Germany: Determination(s) of the Commission in Investigations Nos. 731-TA-146 and 147 (Preliminary) . . . , USITC Publication 1451, November 1983. In the case of imports of plate from the Federal Republic of Germany, the petitioner (Gilmore) alleged regional injury to the domestic industry producing such merchandise in the West Coast area.

Table 17.--Hot-rolled carbon steel plate: Domestic shipments, imports for consumption, and apparent consumption in the West Coast area, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
	Quantity (short tons)				
Domestic shipments by--					
Gilmore-----	***	***	***	***	***
Kaiser-----	***	***	***	***	***
Subtotal-----	***	***	***	***	***
All other producers-----	***	***	***	***	***
Total, all U.S. producers-----	***	***	***	***	***
Imports from--					
Korea-----	87,111	50,661	47,090	41,321	22,054
West Germany-----	16,207	26,017	21,069	9,585	11,264
All other sources-----	114,059	147,946	141,958	99,108	103,373
Total imports-----	217,377	224,624	210,117	150,014	136,691
Apparent West Coast area consumption-----	***	***	***	***	***
	Share of total (percent)				
Domestic shipments by--					
Gilmore-----	***	***	***	***	***
Kaiser-----	***	***	***	***	***
Subtotal-----	***	***	***	***	***
All other producers-----	***	***	***	***	***
Total, all U.S. producers-----	***	***	***	***	***
Imports from--					
Korea-----	***	***	***	***	***
West Germany-----	***	***	***	***	***
All other sources-----	***	***	***	***	***
Total imports-----	***	***	***	***	***
Apparent West Coast area consumption-----	100.0	100.0	100.0	100.0	100.0

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.

less than *** percent of the West Coast area's apparent consumption of hot-rolled carbon steel plate during each of the periods covered, except 1981. Only one U.S. producer located outside of the area, ***, reported any significant shipments into the West Coast area. That firm's shipments into the area, as a share of total demand in the area, amounted to *** percent in 1980, *** percent in 1981, and *** percent in 1982 and January-August 1983.

Imports of hot-rolled carbon steel plate from Korea into the three-State West Coast area declined steadily during 1980-82, dropping by 42 percent in 1981 and 7 percent in 1982 (table 18). Such imports fell an additional 47 percent in January-August 1983 compared with those in January-August 1982.

Table 18.--Hot-rolled carbon steel plate (TSUSA item 607.6615): Imports from Korea into the West Coast area, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Quantity----short tons--	87,111	50,661	47,090	41,321	22,054
Value----1,000 dollars---	29,300	18,071	16,164	12,304	5,554
Unit value					
per short ton---	\$336	\$357	\$343	\$298	\$252

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

Imports of hot-rolled carbon steel plate from Korea into the West Coast area decreased from *** percent of apparent consumption in that area in 1980 to *** percent in 1981, and then increased to *** percent in 1982 (table 17). Imports from Korea declined to *** percent of apparent West Coast area consumption in January-August 1983 compared with *** percent in the corresponding period of 1982.

Imports of hot-rolled carbon steel plate from Korea into the West Coast area, as a share of total U.S. imports of such merchandise from Korea, increased from 41 percent in 1980 to 44 percent in 1981 and 52 percent in 1982, but then fell sharply to 29 percent in January-August 1983 (table 19).

Table 19.--Hot-rolled carbon steel plate (TSUSA item 607.6615): Imports into the West Coast area as a share of total U.S. imports of such merchandise, by selected sources, 1980-82, January-August 1982, and January-August 1983

Source	(In percent)				
	1980	1981	1982	January-August--	
				1982	1983
Korea-----	41.1	44.0	52.3	52.3	29.0
West Germany-----	16.0	27.1	41.3	26.6	51.2
All other countries-----	9.1	9.1	14.1	13.8	17.4
Total-----	13.9	12.2	18.3	18.1	19.7

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

Gulf Coast area.--There is less information available on producers located in the Gulf Coast area; however the three producers with production facilities in the area--Armco, Republic, and U.S. Steel--were able to provide some information on their operations in that area in producing hot-rolled carbon steel plate (table 20). Gilmore, the petitioner in this investigation, testified at the Commission's conference that it sells little, if any, plate in the Gulf Coast area. ^{1/}

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

Item	1980	1981	1982	January-August--	
				1982	1983
Capacity---1,000 short tons--	***	***	***	***	***
Production-----do-----	***	***	***	***	***
Capacity utilization					
percent--	***	***	***	***	***
Shipments--1,000 short tons--	***	***	***	***	***

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

As indicated previously, Armco has announced that it is closing its plant in Houston, Tex., in January 1984. In terms of the financial performance of the other producers in the area, Republic reported that its plant, located in Gadsden, Ala., had an operating ratio (ratio of net operating profit to net sales) of *** percent in 1980; this *** to *** percent in 1982, with ***

^{1/} Transcript of the conference, p. 28.

percent in January-August 1983. There are no separate financial data available on U.S. Steel's production facilities in Baytown, Tex.

Apparent U.S. consumption in the Gulf Coast area, shipments by producers in the area and by producers outside the area, and imports into the area are presented in table 21. Domestic producers in the area accounted for *** percent of consumption in the area in 1980, *** percent in 1981, *** percent in 1982, and *** percent in January-August 1983. Domestic producers in the area shipped *** percent of their shipments within the area in 1980, *** percent in the area in 1981, *** percent in the area in 1982, and *** percent in the area in January-August 1983.

Imports of hot-rolled carbon steel plate from Korea into the five-State Gulf Coast area declined steadily from 64,358 short tons in 1980 to 27,497 tons in 1982, a drop of 57 percent. Imports increased to 35,395 tons in January-August 1983, compared with 25,262 tons in January-August 1982, an increase of 40 percent (table 22).

Imports of hot-rolled carbon steel plate from Korea into the Gulf Coast area decreased from 3.1 percent of consumption in the area in 1980 to 1.7 percent of consumption in the area in 1981, and then increased to 2.0 percent in 1982. Imports from Korea increased to 7.6 percent of consumption in January-August 1983, compared with 3.0 percent in the corresponding period of 1982 (table 21).

Table 21.--Hot-rolled carbon steel plate: Domestic shipments, imports for consumption, and apparent consumption in the Gulf Coast area, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Quantity (1,000 short tons)					
Domestic shipments by--					
Armco-----	***	***	***	***	***
Republic-----	***	***	***	***	***
U.S. Steel-----	***	***	***	***	***
Subtotal-----	***	***	***	***	***
All other producers-----	***	***	***	***	***
Total, all U.S. producers-----	1,299	1,485	826	439	291
Imports from--					
Korea-----	64	43	27	25	35
All other sources-----	695	936	473	367	136
Total imports-----	759	979	500	392	171
Apparent Gulf Coast area consumption-----	2,058	2,464	1,326	831	462
Share of total (percent)					
Domestic shipments by--					
Armco-----	***	***	***	***	***
Republic-----	***	***	***	***	***
U.S. Steel-----	***	***	***	***	***
Subtotal-----	***	***	***	***	***
All other producers-----	***	***	***	***	***
Total, all U.S. producers-----	63.1	60.3	62.3	52.8	63.0
Imports from--					
Korea-----	3.1	1.7	2.0	3.0	7.6
All other sources-----	33.8	38.0	35.7	44.2	29.4
Total imports-----	36.9	39.7	37.7	47.2	37.0
Apparent Gulf Coast area consumption-----	100.0	100.0	100.0	100.0	100.0

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.

Table 22.--Hot-rolled carbon steel plate (TSUSA item 607.6615): Imports from Korea into the Gulf Coast area, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August---	
				1982	1983
Quantity-----short tons---	64,358	43,409	27,497	25,262	35,395
Value-----1,000 dollars---	19,961	15,864	9,442	8,784	6,984
Unit value					
per short ton---	\$310	\$365	\$343	\$348	\$197

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

Imports of hot-rolled carbon steel plate from Korea into the Gulf Coast area, as a share of total U.S. imports of such merchandise from Korea, increased from 30.2 percent in 1980 to 37.4 percent in 1981, and then dropped back to 30.0 percent in 1982. In January-August 1983, imports into the Gulf Coast area increased to 46.1 percent of total U.S. imports of such merchandise from Korea (table 23).

Table 23.--Hot-rolled carbon steel plate (TSUSA item 607.6615): Imports into the Gulf Coast area as a share of total U.S. imports of such merchandise, by selected sources, 1980-82, January-August 1982, and January-August 1983

(In percent)					
Source	1980	1981	1982	January-August---	
				1982	1983
Korea-----	30.2	37.4	30.0	31.6	46.1
All other countries-----	51.2	54.4	44.7	47.1	24.4
Total-----	48.4	53.3	43.5	45.6	24.7

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

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 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, 3/ 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. Private nonresidential building construction also weakened in January-June 1983, registering an 11-percent decline, compared with such construction in January-June 1982.

Market conditions for capital goods industries also have a large effect on the demand for steel. Steel plate, for example, is used in storage tanks, pressure vessels, railroad cars, shipbuilding, and industrial machinery, all of which are considered capital goods. Orders for all nondefense capital goods rose slightly, in constant 1978 dollars, from \$16.8 billion in January-March 1981 to \$17.2 billion in April-June 1981 (table 24). The market then decreased rather steadily to \$13.4 billion in January-March 1983. Orders for nondefense capital goods strengthened a bit to \$15.3 billion by July-September 1983. Orders for machinery (except electrical) followed the same trend; a slight increase in the first quarter of 1981 followed by a 26-percent reduction, in constant 1978 dollars, from \$11.9 billion in April-June 1981 to \$8.8 billion in January-March 1983. Machine orders then surged by 18 percent to \$10.4 billion in July-September 1983. Machinery is a large capital goods industry, and it used about 15 percent of domestically produced carbon steel plate in 1982. 4/

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.

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

4/ See table 1.

Table 24.--Orders for domestic capital goods and machinery in constant 1978 dollars, 1/ by quarters, January 1981-September 1983.

(In billions of dollars)

Period	Nondefense capital goods	Nonelectrical machinery
1981:		
January-March-----	16.8	11.7
April-June-----	17.2	11.9
July-September-----	16.6	11.5
October-December-----	15.5	10.9
1982:		
January-March-----	14.9	9.9
April-June-----	14.2	9.4
July-September-----	13.2	8.7
October-December-----	13.4	8.5
1983:		
January-March-----	13.4	8.8
April-June-----	15.9	10.5
July-September <u>2/</u> -----	15.3	10.4

1/ Data are net new orders of nondefense capital goods and nonelectrical machinery.

2/ Estimated, using the average for July and August.

Source: Data Resource, Inc., U.S. Central Data Bank.

U.S. producers usually quote prices for carbon steel products at the time of shipment on an f.o.b. mill basis. 1/ Importers of such products 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 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. 2/

1/ 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.

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

U.S. producers maintain published list prices; however, according to industry sources, discounting from list prices has increased during recent years. 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. The information so obtained is used in this report to analyze trends in prices and to calculate general levels of underselling in the domestic market.

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 cut-to-length carbon steel plate products, by quarters, during January 1981-September 1983. 1/ 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 in a particular market area, but are useful for comparing trends in these prices and should reflect general patterns of underselling and any discounting that may have occurred. The f.o.b. net selling prices received by domestic producers and importers are presented in table 25. 2/ The following discussion of trends in prices deals with sales to service-center/distributor customers. Because of incomplete data, price trends for importers' sales of Korean plate to end users could not be adequately established.

Domestic prices.--Domestic prices for all of the six subject products followed a similar trend: relatively constant or gradually increasing prices from January-March 1981 to January-March 1982, then a sharp downward price trend throughout the remainder of 1982 and into 1983. Producers' prices for sales of product 1 to service centers/distributors strengthened from *** per ton in January-March 1981 to *** in January-March 1982, or by 4 percent, before dropping by 35 percent to *** per ton in July-September 1983.

Service-center/distributor buyers of product 2 had a slightly fluctuating market in 1981 and during the first two quarters of 1982. Prices then fell 23 percent from *** per ton in April-June 1982 to *** per ton in July-September 1983. Prices paid in the service-center/distributor market for product 3 rose by 5 percent in 1981, but then fell from a high of *** per ton in October-December 1981 to *** per ton in July-September 1983, or by 27 percent.

1/ A list of these products is presented in app. E.

2/ A table that compares indexed prices received by domestic producers and importers of plate from Korea is shown in app. E.

Table 25 : Ranges and weighted average net selling prices for the largest sales of imports from Korea and of domestic products and the average margins by which imports from Korea undersold domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983

Plate-cut-to-length

Product and Period 1/	Prices paid by service centers/distributors										Prices paid by end users									
	Korea : low	Korea : hi	Korea : avg	Domes : low	Domes : hi	Domes : avg	Under : sell	Under : ing	Per : cent		Korea : low	Korea : hi	Korea : avg	Domes : low	Domes : hi	Domes : avg	Under : sell	Under : ing	Per : cent	
Product 1																				
1981																				
January-March----																				
April-June-----								17:	4:											
July-September---								-16:	-3:											
October-December--								-12:	-2:											6
1982																				
January-March----								-9:	-2:											7
April-June-----								-23:	-5:											
July-September---								-23:	-5:											
October-December--																				
1983																				
January-March----								-2:	-1:											27
April-June-----								-9:	-3:											33
July-September---																				
October-December--																				
Product 2																				
1981																				
January-March----	***	***	***	***	***	***		50:	10:		***	***	***	***	***	***		25:	5	
April-June-----								50:	10:									13:	3	
July-September---								46:	9:									37:	7	
October-December--								127:	25:									42:	8	
1982																				
January-March----								75:	15:									-78:	-16	
April-June-----								91:	19:									35:	7	
July-September---								77:	17:											
October-December--								114:	26:									63:	14	
1983																				
January-March----								91:	21:									-6:	-1	
April-June-----								143:	34:									64:	16	
July-September---								103:	28:									74:	18	
October-December--																				
Product 3																				
1981																				
January-March----								37:	8:									-15:	-3	
April-June-----								35:	7:									11:	2	
July-September---								23:	5:									10:	2	
October-December--								129:	27:											

Table 25 : Ranges and weighted average net selling prices for the largest sales of imports from Korea and of domestic products and the average margins by which imports from Korea undersold domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983 --Continued

Plate-cut-to-length

Product and Period 1/	Prices paid by service centers/distributors										Prices paid by end users									
	Korea : low	Korea : hi	Korea : avg	Domes : low	Domes : hi	Domes : avg	Under : sell : ing	Per : cent	Korea : low	Korea : hi	Korea : avg	Domes : low	Domes : hi	Domes : avg	Under : sell : ing	Per : cent				
Product 3																				
1982																				
January-March----								46:								15:				3
April-June-----								54:								69:				15
July-September---								56:								-				-
October-December--								101:								-37:				-9
1983																				
January-March----								5:								70:				17
April-June-----								70:								69:				18
July-September---								81:								-				-
Product 4																				
1981																				
January-March----	***	***	***	***	***	***		45:	10:	***	***	***	***	***	20:					4
April-June-----								53:	11:											
July-September---								42:	9:											
October-December--								135:	27:											
1982																				
January-March----								36:	8:											
April-June-----								54:	12:											
July-September---								123:	26:											
October-December--								75:	18:											
1983																				
January-March----								50:	13:											
April-June-----								108:	27:											
July-September---								43:	13:											
Product 5																				
1981																				
January-March----								47:	10:											5
April-June-----								37:	8:							26:				7
July-September---								34:	7:							34:				-
October-December--								104:	22:											-

Table 25 : Ranges and weighted average net selling prices for the largest sales of imports from Korea and of domestic products and the average margins by which imports from Korea undersold domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983 ---Continued

Plate-cut-to-length

Product and Period 1/	Prices paid by service centers/distributors						Prices paid by end users									
	Korea low	Korea hi	Korea avg	Domes low	Domes hi	Domes avg	Under sell ing	Per cent	Korea low	Korea hi	Korea avg	Domes low	Domes hi	Domes avg	Under sell ing	Per cent
Product 5																
1982																
January-March----							46:	10:								
April-June-----							75:	16:							78:	16
July-September----							56:	13:								
October-December--							119:	29:								
1983																
January-March----							-7:	-2:								
April-June-----							107:	28:							94:	22
July-September----							95:	27:							120:	28
Product 6																
1981																
January-March----	***	***	***	***	***	***	21:	4:	***	***	***	***	***	***	51:	10
April-June-----							52:	10:							17:	3
July-September----							51:	10:								
October-December--							76:	16:							5:	1
1982																
January-March----							47:	10:								
April-June-----							62:	13:								
July-September----							28:	6:								
October-December--							-21:	-5:								
1983																
January-March----							-32:	-10:							140:	29
April-June-----							1:	0:							123:	27
July-September----							7:	2:								

1/ See product list for specifications

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

Likewise, after a 9-percent increase in prices for product 4 in 1981, the domestic selling price plummeted by 34 percent from *** per ton in October-December 1981 to *** per ton in July-September 1983. Buyers of product 5 experienced fairly steady prices in 1981 and the first two quarters of 1982, followed by a rapid declining trend. Prices for product 5 fell 22 percent between April-June 1982 and July-September 1983. The downturn in domestic prices was the most obvious for product 6. Initially, prices rose 12 percent during the first three quarters of 1981, preceding a downward spiral of 39 percent from *** per ton in July-September 1981 to *** per ton in July-September 1983.

Import prices.---Prices for product 1 imported from Korea and sold to service centers/distributors rose by 11 percent from January-March 1981 through the second quarter of 1982. Such prices then declined by 8 percent from *** per ton in April-June 1982 to *** per ton in July-September (table 25). Prices dipped further to *** per ton in January-June 1983.

Importers' prices for sales of products 2, 3, 4, 5, and 6 to service centers/distributors followed similar trends. In January-September 1981, such prices for the above products all recorded small increases; however, prices for these five products then began a downward spiral from July-September 1981 to July-September 1983. During this period the price for product 2 fell by 41 percent from *** per ton to *** per ton. In the same timespan the price of product 3 declined from *** per ton to *** per ton, or by 39 percent. Likewise, importers' prices for product 4 decreased from *** per ton in July-September 1981 to *** per ton in July-September 1983, representing a drop of 35 percent. The importers' market price for product 5 fell by 40 percent and prices for product 6 decreased by 34 percent.

Margins of underselling.---Weighted-average prices indicate that domestic product 1 undersold the Korean imported product in all but one quarter (January-March 1981). Margins of overselling ranged from 1 to 5 percent (table 25).

Korean carbon steel plate products 2, 3, and 4 undersold domestic plate in every period. In fact, the lowest reported domestic price was above the highest reported import price in more than half the subject periods for these products. Import prices for product 2 showed margins of underselling ranging from 9 to 34 percent. Margins increased during the latter half of 1982 and into 1983. Most of the margins of underselling for product 3 were between 10 and 25 percent. Margins of underselling for product 4 ranged from 8 percent in January-March 1982 to 27 percent in April-June 1983.

Imported products 5 and 6 undersold domestic plate in nearly every period. Margins of underselling for product 5 were between 7 and 29 percent. However, domestic product 5 undersold the comparable Korean product by 2 percent in January-March 1983. For most of the subject period, Korean product 6 sold for about 10 percent less than the domestic product. In two instances, October-December 1982 and January-March 1983, domestic plate sold for less than Korean plate, by 5 and 10 percent, respectively.

Lost sales

Three domestic producers provided 21 allegations of lost sales of carbon steel plate to imports from Korea or to other domestic suppliers that had lowered their prices to compete with imports from Korea. These allegations involved 15 purchasers, 5 of which were fabricators and 10 of which were service centers. The total alleged lost sales amounted to 17,267 tons. Purchasers were concentrated in the West Coast area, but were also located in various other market areas throughout the United States. Of 10 purchasers that provided information relative to the allegations, 5 involved allegations of lost sales to imports from Korea.

The first instance of alleged sales lost to imports from Korea cited ***, as the purchaser of *** tons of Korean plate in ***. ***, buyer, explained that this purchase was ***. The balance of ***'s requirement, about *** tons, was sourced from ***, not Korea, at *** per ton. As for quality, *** noted that the imported product was consistently better than domestic. *** has spot purchased some Korean plate from service centers. The firm's ratio of imported plate to domestic plate is about ***. Belgium, Brazil, and Korea are the principal sources quoted to ***. The imported plate is at least *** per ton below domestic offer prices.

A second allegation named *** as the purchaser of *** tons of Korean plate in ***. ***, purchasing manager, confirmed the purchase of *** of Korean plate and explained that price was the key factor in order for the firm to be competitive. The Korean plate was bought at an effective delivered price of *** per ton, compared with domestic price offers of *** to *** per ton. ***.

*** was the alleged purchaser of *** tons of Korean plate in ***. ***, buyer, could not identify this alleged transaction but stated that he recently accepted an offer of Korean plate directly in competition with a domestic producer. The Korean price was reduced to *** per ton to undersell ***, whose price of *** was already very low according to ***. Korean plate consistently undersells domestic plate, but not by as much as does *** plate, said ***. *** has purchased more imported steel since ***. *** stated that Korean plate prices are *** to *** percent below domestic plate prices, depending on the quality involved.

*** was named as the purchaser of *** tons of plate from *** through ***. ***, *** supplied a picture of the plate market as seen by ***. *** needed low-cost plate to be competitive in ***. Because of the soft market and higher prices *** moved away from domestic sources. The company had to react to rapid shifts in schedules. Moreover, the large quantity requirements for special prices on domestic plate were above ***'s needs. In ***'s opinion, there was little Korean plate in the shipments *** received; most of this plate came from ***.

*** was the alleged purchaser of *** tons of Korean plate in ***. ***, buyer, confirmed the purchase. He received bids from domestic and a number of offshore sources. The Korean product started influencing *** in February 1982 and its prices dropped consistently through the second quarter of 1983. This forced U.S. distributors to buy foreign or be forced out of business. ***

purchased *** tons. The Korean product was *** per ton lower in the first quarter of 1983 and sold at *** per ton lower in the second quarter.

The remaining five purchasers were alleged by *** to have purchased plate from other domestic suppliers after they lowered their prices to compete with imports from Korea. These transactions, therefore, do not involve sales lost to domestic producers as a whole.

The first of these allegations by *** involved *** as a lost sale in *** that totaled *** tons ***. These sales, according to ***, were lost to domestic producers (*** and ***) whose quoted prices were cut to meet Korean prices. *** confirmed these purchases and stated that he uses the Korean and Brazilian offer prices as a lever to buy domestic plate at prices competitive with offshore plate prices. On *** plate, if the domestic price is *** to *** per ton above the import price he will overlook that difference and buy domestic. On *** plate, the acceptable domestic price can be as much as *** per ton higher. ***.

*** named *** in *** of lost sales to *** at prices designed to meet competing Korean plate prices. *** involved a purchase of *** tons of plate at *** per ton from *** in ***. ***, purchasing manager, confirmed the purchase at a price of *** per ton, f.o.b. mill, or *** per ton delivered. Korean, Belgian, and Brazilian sources are all quoting prices to ***. *** explained that he had purchased *** tons of *** plate, received in ***, at *** per ton. ***. As for quality, ***'s product is acceptable, says ***, but ***'s plate is not as good.

Another allegation identified *** as the purchaser of *** tons of hot-rolled carbon steel plate in ***. This sale was lost to ***, whose prices were allegedly reduced to meet Korean plate prices. ***, purchasing manager, affirmed the purchase. *** did not solicit import prices, but stated that import prices affected the price quoted by ***. *** should have had the inside track, said ***, but their quote was highest. *** was below ***, whose prices already were lowered to meet competition. The *** prices ranged from *** to *** per ton delivered.

*** was named in an alleged lost sale of *** tons of plate in ***. *** won the order at a price of *** per ton, compared with *** quoted by ***. ***, buyer for ***, confirmed the purchase, explaining that because of import prices, *** was able to drive ***'s price down and *** followed suit. *** had quotes on Korean, South African, European, Spanish, and Taiwan plate in recent solicitations. In this transaction, ***'s price was low "***," said ***.

*** was identified as the purchaser of *** tons of plate from *** at *** per ton after *** lowered its quote to meet the competing Korean plate offer. ***, purchasing manager, is not getting specific quotes for offshore plate, but sees *** and *** as "***," quoting lower and lower prices in response to offshore competition. Prices kept spiraling downward through July 1983. *** saw the overall market conditions as influencing prices in a downward pattern. ***. Foreign competition would be even more difficult if plate costs increase, says ***.

Lost revenues

*** provided seven specific instances of alleged lost revenues as a result of price reductions on sales of hot-rolled carbon steel plate in competition with comparable plate from Korea. Five of these sales occurred in 1983 and two in 1982. Each allegation involved a different purchaser. *** submitted one specific instance of lost revenue and three nonspecific allegations of lost revenue in competition with various unspecified sources of imported plate. In aggregate, these allegations totaled 20,606 tons of plate. Five of these examples of alleged lost revenue were investigated by the Commission's staff.

The first instance involved ***. This allegation named *** as purchaser of *** tons of plate in *** at reduced prices in the face of competing Korean plate. ***, ***, steel buyer for the firm, provided the comparative price quote evolution ***.

*** explained that *** amounted to *** tons. Based on this tonnage, the lost revenue to *** totaled ***. ^{1/} Noting that the bid competition from offshore fabricators was fierce, *** emphasized that *** cut its margin to a negative figure in order to win the bid and thus keep its operation going.

*** was named as the purchaser of *** tons of plate after ***'s price was reduced to meet competition from Korean plate. *** confirmed the purchase and stated that both Korean and Brazilian plate were in the competitive picture. According to *** the domestic price at *** per ton, delivered, was still higher than the competing imported plate. ***, however, tries to favor domestic sources if possible and, if the domestic price is only *** to *** per ton higher, will buy from the domestic mill.

*** of lost revenue were attributed to sales at reduced prices to *** because of competing Korean plate. ***. The firm's buyer, ***, stated that he uses the prices of Korean plate *** as a lever to obtain a competitive domestic price. He acknowledged *** purchases as made ***. The lost revenue *** is estimated at roughly ***.

*** named *** as a purchaser of hot-rolled plate at reduced prices because of competition from various sources of imported plate. *** corroborated the alleged pattern but did not provide specific tonnage or price data. *** stated that in 1982, Korean plate was a tremendous market factor. Then in 1983, Brazil took over as the price setter. *** formerly bought *** percent of its requirements from domestic sources. Now, the domestic share is *** percent and they are forced to discount sharply to save that share. Imported plate from many sources is available at a price of below \$300 per ton. In contrast, *** noted, the published base price for domestic plate is \$500 per ton. ***'s policy is that if the margin of underselling by imports is under *** percent, he will stay with the domestic source.

^{1/} Calculating lost revenue in a highly competitive market poses some problems. First, list price is not an accurate reflection of market price competition absent any import presence. Second, there may often be only one opportunity to quote, thus requiring an initially discounted price.

*** was listed as an account offered domestic plate at reduced prices to compete with foreign steel. No specific instance was provided. *** explained that domestic producers have made offers but their prices were still above offshore prices. He further stated that the firm was not quoted often by domestic mills because ***. *** did buy Korean plate earlier this year. Recently, offshore prices, including those of Korean plate, were about *** per ton under domestic plate prices.

Market competition as viewed by purchasers in the Northwest

As purchasers of cut-to-length plate, service centers and fabricators located in the Northwest market area *** provided their views of the conditions of competition in that market during the period under consideration. The Commission's staff met with representatives of eight service centers, ***. Their individual views and analyses of how the plate market works are briefly sketched below, with special focus on prices and the roles of Korean and other offshore sources of plate, as well as that of ***, in the dynamics of the market.

. 1/ *** sources imported plate from Korea, Belgium, West Germany, Spain, and Brazil. *** says his purchasing policy is "." *** described a changing pattern of price leadership. Before Brazil came into the market, Korea was the price leader. At one time during the second quarter of 1983, "***." At other times, *** plate was not the lowest but was competitive-- "***." 2/ *** says ***. ***'s prices "***." *** used Brazilian prices to negotiate prices from alternate offshore sources, among them Korea. Brazil currently is inactive, but trading companies are making offers into the first quarter of 1984 at *** per ton, ex-dock, duty paid. As *** sees it, the overall question is "***." Price is the top factor, says ***, second is delivery, and third is quality. On the whole, "***." Consequently, *** emphasized, "***," adding that "***." In a final assessment of the market, *** said "***." 3/

. With reference to the EC, *** stated that "." 4/ As for quality, *** also stated that the quality from EC mills is not as good. The problem is transit damage. *** did not quote prices but did comment on ***'s presence in the market. *** uses *** on "***" for "***." *** also bought *** plate in response to ***. *** noted that there is no incentive for ***. 5/

***. *** recounted the recent pattern of offshore presence and competition in the plate market. Korea and Brazil were both strong competitors before the EC agreement. Since the pending petition against

1/ ***.

2/ Field interview between *** and H. L. Gooley, Commission staff, ***.

3/ Id.

4/ Field interview between *** and H. L. Gooley, Commission staff, ***.

5/ According to ***.

Brazil, that source is out of the market. ***, which formerly sold Brazilian plate, recently is offering Spanish plate at *** to *** per ton ex-dock, duty paid. *** noted that although *** looks on *** as its primary plate source, his firm "***" and maintains a close sourcing relationship with at least one offshore source. *** has purchased Korean, Brazilian, and Taiwan plate and has accepted some marginal EC offers on heavy plate not available from western domestic suppliers. *** named *** as a service center competitor "***." *** emphasized, "***." Commenting on ***'s recent prices, *** stated that these quotes were somewhere between ***'s prices and offshore prices.

*** is located in ***; it is ***. *** of the firm's plate inventory is domestic in source. *** buys the balance from various offshore sources. He spreads the firm's EC plate tonnage between *** and ***. He likes both sources in terms of quality and price. The quality of Spanish plate is good, but not as good as that of ***. Korean plate from ***, however, is excellent. But the leadtime for Korean plate is 5 months, compared with 3 months for EC plate. *** is the most dependable importer. Recently, quotes of *** per ton, plus *** per ton freight from ***, were offered to *** for ***, Brazilian, Spanish, and Korean plate. The most current quote to the firm was from *** for Brazilian plate at *** per ton. Quotes for offshore plate, *** emphasized, are made on what is termed "***" for all sizes with no "***." Terms to *** are *** for all offshore sources. Import vendors add an interest cost and include it in the price. Price competition was described by *** in the way *** operates. The firm gives all domestic mills "***" at the order. Armed with an offshore quote, *** will call *** or *** and ask "***?" If the domestic mill comes within *** percent, it gets the order. In other words, *** uses the leverage of an offshore quote to obtain a discounted domestic price that is acceptable.

***. Foreign competition was a big factor in ***, according to ***. *** sourced from various offshore mills in trying to be competitive, among them ***, ***, and ***. The EC sources were not price setters, *** stated, but followed other offshore prices such as those established by Korean and Brazilian suppliers. *** did not consider *** a viable source because of freight cost. *** got perhaps *** percent of ***'s quantity requirements.

*** offered a perspective of domestic versus offshore competition based on recent price quotes. *** has tried to be competitive recently. The mill offers special prices to service centers. It's most recent quote was *** per ton on light plate up to 1-1/2 inches in thickness and *** per ton for plate from 1-1/2 inches to 3 inches in thickness, f.o.b. ***. In competition, however, there is Korean and Brazilian plate at lower prices. *** offered Spanish plate at *** per ton ex-dock, duty paid, ***. *** noted that Spanish plate is lower in quality and that since the last price offer, Brazilian plate is "***."

***. Sources of imported plate recently used by *** include Korea, Brazil, and Spain; the latter is a relative newcomer to the market. As for price competition, *** was at *** per ton in the recent past, but has since gone to *** per ton. Competing Korean and Brazilian plate is *** per ton. Both sources face a *** per ton freight cost to lay down plate in ***. ***, at *** per ton, is not competitive because freight costs would be about *** per ton from *** to ***. ***, purchasing manager, will give domestic sources

the order if they are within *** percent of the import price. According to
 , *** needs *** as a plate source. "*" says ***, "****."

Exchange rates

The recent strength of the U.S. dollar against most major currencies has led to claims that foreign steel producers have increased in competitiveness vis-a-vis U.S. producers. Indeed, because the dollar now buys more foreign currency than before, imported steel should be less expensive for U.S. purchasers. However, there are several reasons why the fall in the price of foreign steel may not have been as great as the percentage appreciation of the dollar. If foreign producers import raw materials from the United States or from countries whose currencies are tied to the dollar, a portion of their costs will rise with the dollar. Also, foreign producers may choose to increase their profits by lowering their dollar prices by less than the depreciation would allow, thereby not passing on the full cost reduction to consumers. They could then possibly increase their sales volume, their per unit profit, or both.

Quarterly data reported by the International Monetary Fund ^{1/} on the value of the Korean won indicate that during January 1981 to August 1983 the quarterly nominal value of the won declined by 15 percent relative to the U.S. dollar, and that the quarterly real value ^{2/} of the won depreciated by a total of 8 percent, as shown in the following tabulation (January-March 1981=100):

	<u>Dollars per won, nominal rate</u>	<u>Dollars per won, real rate</u>
1981:		
Jan.-Mar-----	100	100
Apr.-June-----	98	101
July-Sept-----	97	102
Oct.-Dec-----	97	102
1982:		
Jan.-Mar-----	94	99
Apr.-June-----	92	97
July-Sept-----	90	95
Oct.-Dec-----	90	95
1983:		
Jan.-Mar-----	89	94
Apr.-June-----	87	95
July-Aug-----	85	92

The above percentage changes indicate the maximum amount that the Korean producers could reduce their dollar prices of plate without reducing their profits, assuming they had no dollar-denominated costs or contracts.

^{1/} International Financial Statistics, October 1983.

^{2/} The real value of a currency is the absolute value adjusted for the differences between inflation rates in the United States and the foreign country.

APPENDIX A

NOTICES OF INVESTIGATIONS BY THE COMMISSION AND THE DEPARTMENT OF COMMERCE

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 731-TA-151
(Preliminary)]

**Certain Hot-Rolled Carbon Steel Plate
From the Republic of Korea**

AGENCY: United States International
Trade Commission.

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

EFFECTIVE DATE: October 31, 1983.

SUMMARY: The United States
International Trade Commission hereby
gives notice of the institution of a
preliminary antidumping investigation
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 the Republic of Korea of
the hot-rolled carbon steel plate
provided for in item 607.6615 of the

Tariff Schedules of the United States Annotated, which are alleged to be sold in the United States at less than fair value.

FOR FURTHER INFORMATION CONTACT:

Ms. Judith Zeck, Office of Investigations, U.S. International Trade Commission, 701 E St. NW., Washington, D.C. 20436, telephone 202-523-0339.

SUPPLEMENTARY INFORMATION:

Background.—This investigation is being instituted in response to a petition filed on October 31, 1983, by counsel on behalf of the Gilmore Steel Corp., Portland, Oreg. The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition, or by December 14, 1983 (19 CFR 207.17).

Participation.—Persons wishing to participate in this investigation 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 this investigation. Any party submitting a document in connection with the investigation 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 investigation. 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 this investigation 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 29, 1983, a written statement of information pertinent to the subject matter of this investigation (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 section 201.6 of the Commission's rules (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m. on November 22, 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, Ms. Judith Zeck (202-523-0339), not later than November 18, 1983, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation 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 Ms. Zeck.

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

Issued: November 2, 1983.

Kenneth R. Mason,

Secretary.

[FR Doc. 83-30153 Filed 11-7-83; 8:45 am]

BILLING CODE 7020-02-M

Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products are materially injuring, or are threatening to materially injure, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1983, and we will make ours on or before April 9, 1984.

EFFECTIVE DATE: November 28, 1983.

FOR FURTHER INFORMATION CONTACT: Loc Nguyen, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-1785.

SUPPLEMENTARY INFORMATION:

The Petition

On October 31, 1983, we received a petition from counsel for Gilmore Steel Corporation on behalf of the domestic carbon steel plate products industry. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Korea are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring or are threatening to materially injure a United States industry. The allegation of sales at less than fair value is supported by comparisons of the Korean steel prices published by the Korean Iron and Steel Association, with the 1983 average f.a.s. Korea port value of carbon steel plate imported into the United States (as provided by U.S. Department of Commerce statistics).

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on carbon steel plate and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping investigation to determine whether carbon steel plate from Korea is being, or is likely to be, sold at less than

fair value in the United States. If our investigation proceeds normally, we will make our preliminary determination by April 9, 1984.

Scope of Investigation

The merchandise covered by this investigation is carbon steel plate. The term "carbon steel plate" covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad, 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.6615 of the *Tariff Schedules of the United States Annotated*.

Semifinished products of solid rectangular cross sections with a width at least four times the thickness in the cast condition or processed only through primary mill hot-rolling are not included.

Carbon steel plate is used in the construction of bridges, mining equipment, pressure vessels, railroad freight and passenger cars, ships, line pipe, industrial machinery, machine parts, and a large variety of other products.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by December 15, 1983, whether there is a reasonable indication that imports of carbon steel plate from Korea are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Dated: November 19, 1983.

Alan F. Holmer,
Deputy Assistant Secretary for Import Administration.

[FR Doc. 83-31745 Filed 11-25-83; 8:45 am]

BILLING CODE 3510-DS-M

[A-580-011]

Carbon Steel Plate From the Republic of Korea; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether carbon steel plate from the Republic of

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigation No. 731-TA-151 (Preliminary)

CERTAIN HOT-ROLLED CARBON STEEL PLATE FROM THE REPUBLIC OF KOREA

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigation on November 22, 1983, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, D.C.

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

United States Steel Corp.
Pittsburgh, Pa.

John J. Mangan
Craig D. Mallick
Paul Fidel

In opposition to the imposition of antidumping duties

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

Pohang Iron & Steel Co., Ltd. (POSCO)
Seoul, Republic of Korea

N. David Palmeter)
Donald Cameron)--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	<u>2</u> /	<u>2</u> /
Brazil	<u>3</u> /	<u>4</u> /
France	<u>5</u> /	<u>2</u> /
Italy	<u>5</u> /	<u>2</u> /
Korea	<u>6</u> / <u>7</u> /	<u>6</u> / <u>7</u> /
Luxembourg	<u>5</u> /	<u>5</u> /
Netherlands	<u>5</u> /	<u>8</u> /
Romania	<u>9</u> / <u>10</u> /	<u>11</u> /
Spain	<u>6</u> / <u>12</u> /	<u>6</u> / <u>13</u> /
United Kingdom	<u>2</u> /	<u>5</u> / <u>6</u> /
West Germany	<u>2</u> /	<u>2</u> /

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 the 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 the 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 the Commission on June 2, 1982.

APPENDIX D
DATA ON COILED PLATE

Table D-1.--Coiled carbon steel plate: U.S. producers' domestic shipments, imports for consumption, and apparent U.S. consumption, 1980-82, January-August 1982, and January-August 1983

Period	Domestic shipments <u>1/</u>	Imports	Apparent consump- tion	Ratio of	
				Domestic shipments to con- sumption	Imports to con- sumption
	-----1,000 short tons-----			-----Percent-----	
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

^{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.

Table D.2.--Coiled carbon steel plate: U.S. production, ^{1/} practical capacity, ^{2/} and capacity utilization, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August---	
				1982	1983
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

^{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.

Table D-3.--Coiled carbon steel plate: U.S. producers' domestic shipments, 1/ 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Quantity					
1,000 short tons---	1,281	1,708	986	712	922
Value---million dollars---	422	622	351	237	286
Unit value-----per ton---	\$329	\$364	\$356	\$332	\$310

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.

Table D-4.--Coiled carbon steel plate: U.S. producers' export shipments, 1/ 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Quantity					
1,000 short tons---	43	35	6	12	1
Value-----1,000 dollars---	12,397	7,845	1,540	3,358	389
Unit value-----per ton---	\$288	\$253	\$257	\$280	\$389

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.

Table D-5.--Coiled carbon steel plate: U.S. producers' end-of-period inventories, 1/ 1980-82, January-August 1982, and January-August 1983

(In short tons)

Item	1979	1980	1981	1982	January-August--	
					1982	1983
Quantity-----:	116	102	143	132	128	118

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

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

Table D-6.--Average number of employees, total and production and related workers, in U.S. establishments producing coiled carbon steel plate, 1/ and hours paid 2/ for the latter, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Average employment:					
All persons:					
Number-----	174,730	173,999	132,656	134,805	114,424
Percentage change-----	<u>3/</u>	-0.4	-23.8	<u>3/</u>	-15.1
Production and related workers producing--					
All products:					
Number-----	139,012	139,196	104,119	104,122	90,904
Percentage change-----	<u>3/</u>	.1	-25.2	<u>3/</u>	-12.7
Coiled carbon steel plate:					
Number-----	2,405	3,161	2,027	2,125	2,071
Percentage change-----	<u>3/</u>	31.4	-35.9	<u>3/</u>	-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 change-----	<u>3/</u>	.8	-29.6	<u>3/</u>	-8.5
Coiled carbon steel plate:					
Number-----thousands---	6,981	8,720	4,790	3,614	3,262
Percentage change-----	<u>3/</u>	24.9	-45.1	<u>3/</u>	-9.7

1/ Aggregate data include operations of domestic producers in producing both hot-rolled carbon steel plate (i.e., cut-to-length plate) and coiled plate.

1/ Includes hours worked plus hours of paid leave time.

2/ Not available.

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

Table D-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing coiled carbon steel plate, 2/ 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					
million dollars---	4,023	4,428	3,388	2,315	1,920
Coiled carbon steel plate:					
Value-million dollars---	94	123	76	57	48
Percentage change-----	<u>3/</u>	30.8	-38.2	<u>3/</u>	-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-----	<u>3/</u>	10.5	-18.3	<u>3/</u>	-9.9
Coiled carbon steel plate:					
Value-million dollars---	124	162	107	78	69
Percentage change-----	<u>3/</u>	30.6	-34.0	<u>3/</u>	-11.5

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

2/ Aggregate data include operations of domestic producers in producing both hot-rolled carbon steel plate (i.e., cut-to-length plate) and coiled plate.

3/ Not available.

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

Table D-8.--Labor productivity, hourly compensation, and unit labor costs in the production of coiled carbon steel plate, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Labor productivity:					
Quantity-----tons per hour--	0.1879	0.2048	0.2050	0.2277	0.2630
Percentage change-----	<u>1/</u>	9.0	.1	<u>1/</u>	15.5
Hourly compensation: <u>2/</u>					
Value-----per hour--	\$13.46	\$14.10	\$15.87	\$15.77	\$14.72
Percentage change-----	<u>1/</u>	4.8	12.5	<u>1/</u>	6.7
Unit labor costs:					
Value-----per ton--	\$94.51	\$90.70	\$108.96	\$94.78	\$80.42
Percentage change-----	<u>1/</u>	-4.0	20.1	<u>1/</u>	-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.

Table D-9.--Income-and-loss experience of U.S. producers 1/ on their operations on coiled carbon steel plate, accounting years 1980-82 and interim periods ending Aug. 31, 1982, and Aug. 31, 1983

Item	1980	1981	1982	Interim period to Aug. 31--	
				1982	1983
Net sales-----million dollars--	397	591	322	238	265
Cost of goods sold-----do-----	405	589	360	260	293
Gross income or (loss)-----do-----	(8)	2	(38)	(22)	(28)
General, selling, and admin- istrative expenses-----do-----	9	13	12	8	12
Operating income or (loss)-----do-----	(17)	(11)	(50)	(30)	(40)
Depreciation and amortiza- tion expenses-----do-----	12	14	9	6	10
Cash flow or (deficit) from operations-----do-----	(5)	3	(41)	(24)	(30)
Ratio of operating loss to net sales-----percent--	(4.3)	(1.9)	(15.5)	(12.6)	(15.1)
Number of firms reporting operating losses-----	4	4	7	7	6

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

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

Table D-10.--Capital expenditures and research and development expenditures in the production of coiled carbon steel plate, 1980-82, January-August 1982, and January-August 1983

(In thousands of dollars)					
Item	1980	1981	1982	January-August--	
				1982	1983
Capital expenditures-----	24,430	24,042	18,178	12,843	11,877
Research and development expenditures-----	546	826	775	497	485

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

Table D-11.--Coiled carbon steel plate (TSUSA item 607.6610): 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)					
Korea-----	11	18	39	25	22
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
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)					
Korea-----	2,924	5,266	11,154	7,365	4,882
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	9985	1,271
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 D-11.--Coiled carbon steel plate (TSUSA item 607.6610): 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)				
Korea-----	\$277	\$300	\$284	\$294	\$218
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
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.

Table D-12.--Coiled carbon steel plate (TSUSA item 607.6610): Ratios of imports to apparent U.S. consumption and to U.S. producers' shipments, by principal sources, 1980-82, January-August 1982, and January-August 1983

(In percent)					
Source	1980	1981	1982	January-August---	
				1982	1983
Ratio of imports to consumption					
Korea-----	0.6	0.8	2.8	2.5	2.0
Belgium/Luxembourg-----	.2	1.8	1.8	2.3	.7
West Germany-----	7.7	4.5	9.5	8.8	2.1
Brazil-----	.1	<u>1/</u>	1.3	1.6	2.1
Canada-----	1.2	1.4	1.1	1.1	1.0
Republic of South Africa-----	.9	.5	.4	.3	.5
Japan-----	6.7	4.0	2.9	3.4	.6
Finland-----	<u>1/</u>	.7	.9	.9	1.2
Italy-----	1.0	1.2	1.5	2.1	.5
Spain-----	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	1.2
All other-----	7.3	8.1	6.0	6.7	4.5
Total, all sources-----	25.8	23.1	28.3	29.6	16.5
Ratio of imports to U.S. producers' shipments					
Korea-----	.8	1.0	4.0	3.5	2.4
Belgium/Luxembourg-----	.3	2.3	2.5	3.2	.9
West Germany-----	10.4	5.8	13.3	12.5	2.5
Brazil-----	.2	<u>1/</u>	1.8	2.2	2.5
Canada-----	1.6	1.8	1.5	1.5	1.2
Republic of South Africa-----	1.2	.6	.6	.4	.6
Japan-----	9.0	5.2	4.1	4.9	.8
Finland-----	<u>1/</u>	.9	1.2	1.3	1.4
Italy-----	1.3	1.6	2.1	2.9	.6
Spain-----	<u>1/</u>	.1	<u>1/</u>	<u>1/</u>	1.4
All other-----	9.8	10.5	8.3	9.6	5.4
Total, all sources-----	34.7	30.0	39.4	42.1	19.7
1/ Less than 0.05 percent.					

1/ Less than 0.05 percent.

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.

APPENDIX E
PRODUCT LIST AND INDEXED PRICE TABLE

PRODUCT LIST USED FOR PRODUCERS AND IMPORTERS

The products identified below are those used by the Commission to collect pricing information from producers and importers of the certain hot-rolled carbon steel plate products subject to this investigation.

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.

Table E-1. Indexes of weighted average net selling prices for sales of imports from Korea and for sales of domestic products to service center/distributor customers, by types of products and by quarters, January 1981-September 1983

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