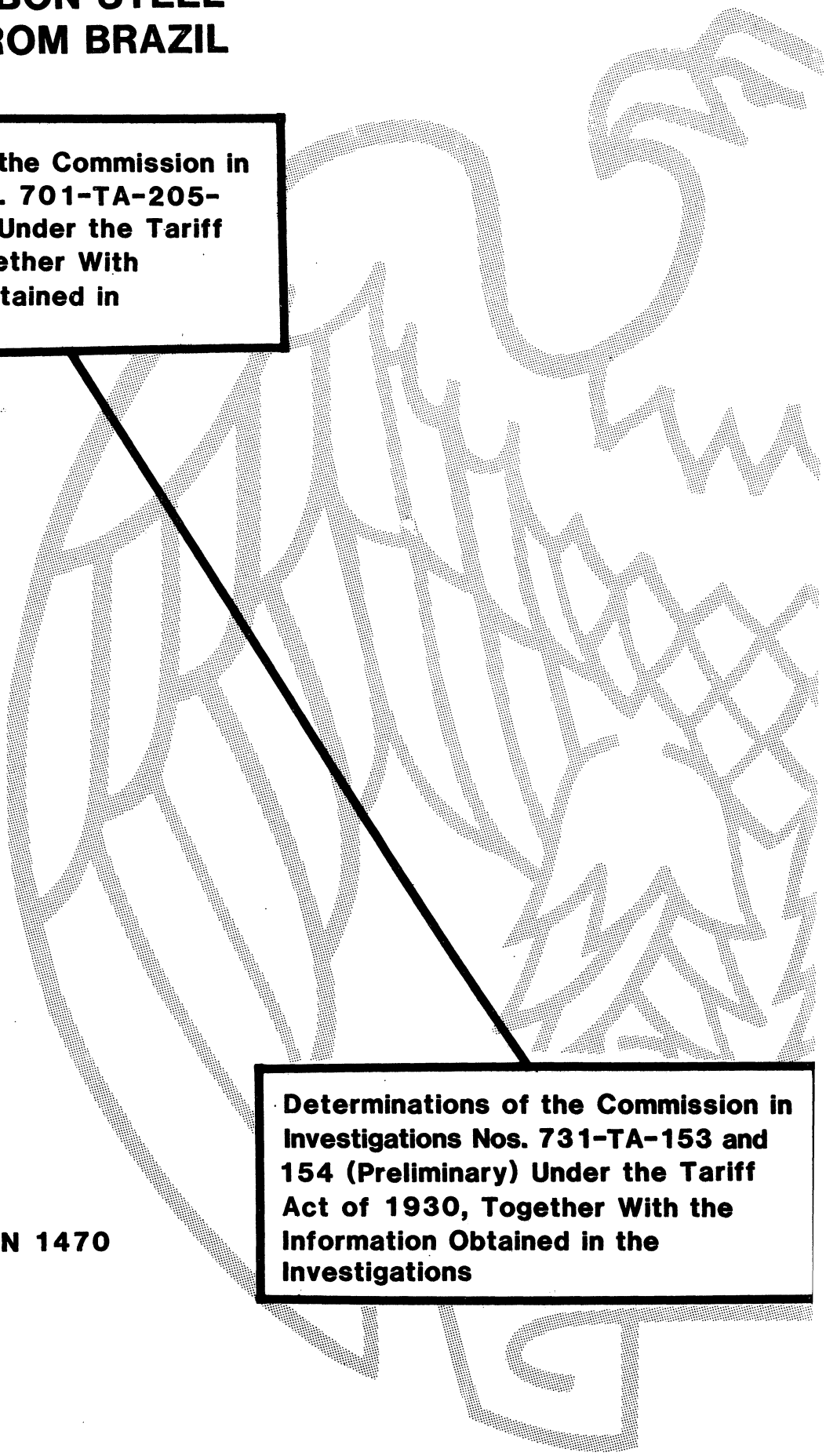
CERTAIN CARBON STEEL PRODUCTS FROM BRAZIL

Determinations of the Commission in Investigations Nos. 701-TA-205-207 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations



Determinations of the Commission in Investigations Nos. 731-TA-153 and 154 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 701-TA-205 through 207 (Preliminary)
and 731-TA-153 and 154 (Preliminary)

CERTAIN CARBON STEEL PRODUCTS FROM BRAZIL

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured 2/ by reason of imports from Brazil of the following products which are alleged to be subsidized by the Government of Brazil: certain carbon steel products in coils (investigation No. 701-TA-205 (Preliminary)), 3/ hot-rolled carbon steel sheet (investigation No. 701-TA-206 (Preliminary)), 4/ and cold-rolled carbon steel sheet (investigation No. 701-TA-207 (Preliminary)). 5/

The Commission also 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 2/ by reason of imports from Brazil of the following products which allegedly are being, or are likely to be, sold in the United States at less than fair value: hot-rolled carbon steel sheet (investigation No. 731-TA-153 (Preliminary)), 4/ and cold-rolled carbon steel sheet (investigation No. 731-TA-154 (Preliminary)). 5/

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

2/ Commissioner Stern determines that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of such merchandise from Brazil.

3/ For purposes of this investigation, carbon steel products in coils are those provided for in item 607.6610 of the Tariff Schedules of the United States Annotated (TSUSA).

4/ For purposes of this investigation, hot-rolled carbon steel sheet are those products provided for in items 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, or 607.8342 of the TSUSA.

5/ For purposes of this investigation, cold-rolled carbon steel sheet are those products provided for in items 607.8320, 607.8350, 607.8355, or 607.8360 of the TSUSA.

Background

On November 10, 1983, petitions were filed with the Commission and the Department of Commerce by the United States Steel Corp. alleging that imports of certain carbon steel products from Brazil are being subsidized by the Brazilian Government and/or sold in the United States at less than fair value. Accordingly, effective November 10, 1983, the Commission instituted preliminary countervailing duty and antidumping investigations under sections 701(a) and 733(a), respectively, 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.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of November 22, 1983 (48 F.R. 52782). The conference was held in Washington, D.C., on December 7, 1983, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF CHAIRMAN ECKES AND COMMISSIONERS HAGGART AND LODWICK

On the basis of the record in the subject investigations, 1/ the Commission has determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Brazil of coiled hot-rolled carbon steel products provided in TSUSA item 607.6610, which are allegedly subsidized by the Government of Brazil.

The Commission has also determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of hot-rolled carbon steel sheet under 0.1875 inch in thickness, which are allegedly sold at less than fair value and are allegedly subsidized by the Government of Brazil.

Finally, the Commission determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of cold-rolled carbon steel sheet products which are allegedly sold at less than fair value and are allegedly subsidized by the Government of Brazil.

The domestic industries

As a threshold matter, the Commission is required to identify the respective domestic industries to be examined for the purpose of making a material injury assessment. 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

1/ The determinations were made on a case-by-case basis. The Commission did not cumulate the imports from Brazil with other imports, as the domestic industry requested.

product." 2/ "Like product," in turn, is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article under investigation." 3/

The imports subject to these investigations include coiled hot-rolled carbon steel products provided in TSUSA item 607.6610, whether known as sheet or plate, having a thickness of 0.1875 inches or more and a width of more than 8 inches. 4/ U.S. producers manufacture fungible, competitive products. 5/ In several recent preliminary Commission investigations under title VII of the Tariff Act, the coiled carbon steel product has been treated as a like product separate from other imported products classified in the TSUSA as carbon steel plate. 6/ Most recently, in Certain Flat-Rolled Carbon Steel Products from Belgium and the Federal Republic of Germany, Inv. Nos. 731-TA-146 (Preliminary) and 731-TA-147 (Preliminary), 7/ the Commission treated the U.S. producers of the coiled product as the relevant domestic industry against which it assessed the impact of the imports of the coiled product. The Commission is following that precedent here.

The Commission adopted hot-rolled and cold-rolled carbon steel sheet product groupings as appropriate industry definitions for the scope of title

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2/ 19 U.S.C. § 1677(4)(A) (1980).
3/ 19 U.S.C. § 1677(10) (1980).
4/ The product is defined in the TSUSA as a hot-rolled plate article. The American Iron and Steel Institute, however, classifies the coiled product as hot-rolled carbon steel sheet because it is produced in the hot-strip mills with other sheet products. Report at I-1 and I-2.
5/ Id. at I-7.
6/ The first case which separately broke out the coiled product from larger product groupings was Certain Flat-Rolled Carbon Steel Products from Brazil, Inv. No. 731-TA-123 (Preliminary) (USITC Pub. 1361, March 1983).
7/ USITC Pub. 1451 (November 1983).

VII investigations in 1982. 8/ Although we have relied on data for hot-rolled sheet which has been adjusted to exclude the coiled product, we have otherwise adhered to this practice here.

The domestic producers of these three like products, therefore, constitute the three relevant domestic industries. 9/

Condition of the domestic industry

The U.S. industry producing coiled plate has been experiencing difficulties during the period covered in the investigation. Production fell from 1.5 million tons in 1980 to 1.2 million tons in 1982. 10/ Production then increased 32 percent from the January-September 1982 period to the corresponding period of 1983. 11/ Capacity utilization had increased to 53 percent in the January-September 1983 period as compared with 38 percent in the corresponding period in 1982, but it has not recovered to its 1981 level of 68 percent, the peak for the period under investigation. 12/ Although employment improved from 1982 to January-September 1983, it remained below 1980-1981 levels. 13/

Shipments of coiled plate increased in January-September 1983 to 1.2 million short tons, compared with 1.0 million short tons in the corresponding

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8/ Investigations Nos. 701-TA-86 to 144, 701-TA-146, and 701-TA-147 (Preliminary), and Investigations 731-TA-53 to 86 (Preliminary), USITC Pubs. 1221 and 1226 (1982). Specific descriptions of the products, their characteristics and uses, and methods of manufacture may be obtained by reference to the Commission's Views and the Report in those investigations.

9/ We will examine this issue again if this case is returned for a final investigation.

10/ Report at I-9.

11/ Id.

12/ Id.

13/ Id. at I-13.

period of 1982, an increase of 24 percent. On an annualized basis, however, they are still below the 1981 level of 2.1 million tons. 14/

Although demand for this product increased in January - September 1983 from the severely depressed level of 1982, there are indications that the prices received by domestic producers continued to decline in January - September 1983. 15/ Thus, data on the financial experience of U.S. producers' coiled plate operations indicate that profitability has declined and losses have been sustained during the period under investigation. Although net sales of coiled plate increased by 49 percent from $397 million in 1980 to $591 million in 1981, there was a 46 percent decrease to $322 million in 1982. During the period ending September 30, 1983, net sales increased to $302 million, compared with $252 million in the corresponding period of 1982. 16/

The reporting coiled plate producers incurred operating losses throughout the period under investigation. These losses amounted to 4.3 percent of net sales in 1980, 1.9 percent in 1981, 15.5 percent in 1982, and 13.6 percent in the interim period of 1983, compared with 12.3 percent in the corresponding period of 1982. The reporting firms also experienced substantial negative cash flows of $8 million in 1980, $41 million in 1982, and $31 million in the interim period in 1983, compared with a positive cash flow of $1 million in 1981. 17/

Reasonable indication of material injury

Imports from Brazil as a share of apparent consumption increased throughout most of the period under investigation. The market penetration

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14/ Id. at I-11.
15/ Id. at I-35.
16/ Id. at I-19.
17/ Id.

decreased from .1 percent in 1980 to less than 0.05 percent in 1981, then increased to 1.2 percent in 1982 and to 1.7 percent in the January-September period of 1983 compared with 1.3 percent in the same period of 1982. 18/

The information available on delivered purchase prices reported by steel service centers indicates that in 12 of the 14 instances in which comparisons were possible in four city areas, underselling by Brazilian products ranged from 1 to 18 percent. 19/

HOT-ROLLED CARBON STEEL SHEET

Condition of the domestic industry

The U.S. industry producing hot-rolled carbon steel sheet (excluding coiled plate products) has been experiencing difficulties throughout the period covered by the investigations. Production fell from 9.3 million tons in 1980 to 6.7 million tons in 1982. Production in January-September 1983 amounted to 6.8 million tons, an increase from 5.3 million tons in the corresponding period in 1982. 20/

Shipments of hot-rolled carbon steel sheet decreased from 7.7 million short tons in 1980 to about 6 million short tons in 1982. Shipments for the period January-September 1983 amounted to 5.5 million short tons, an increase from 4.7 million short tons in the corresponding period of 1982. 21/

Although demand for hot-rolled carbon steel sheet increased in January - September 1983 from the severely depressed level of 1982, there are indications that the prices received by domestic producers continued to decline in January - September 1983. 22/ Thus, data on the financial

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18/ Id. at I-32.
19/ Id. at I-38.
20/ Id. at I-9.
21/ Id. at I-11.
22/ Id. at I-35.

experience of U.S. producers' hot-rolled carbon steel sheet operations indicate that profitability has declined and losses have been sustained during the period under investigation. Net sales increased from $2.3 billion in 1980 to $2.8 billion in 1981, but then dropped to $1.9 billion in 1982. During the interim period ending September 30, 1983, net sales amounted to $1.8 billion, an increase from $1.5 billion in the corresponding period of 1982. 23/

The reporting hot-rolled carbon steel sheet producers incurred operating losses throughout the period under investigation. These losses amounted to 6.1 percent of net sales in 1980, 2.5 percent in 1981, 17.5 percent in 1982, and 10.9 percent in the interim period of 1983. 24/

Reasonable indication of material injury

Imports from Brazil as a share of apparent consumption increased from less than 0.05 percent in 1981 to 0.5 percent in 1982 and to 2.0 percent during the period January-September 1983 from 0.6 percent in the comparable period in 1982. 25/

The information available on f.o.b. selling prices reported by domestic producers and importers indicates that the Brazilian product undersold competing domestic products in each of the sixteen instances in which price comparisons were possible. The margins of underselling ranged from 2 to 29 percent. Thirteen of the instances involved sales to steel service centers; the remaining sales were to end users. 26/ A number of steel service centers contacted to confirm allegations of lost sales reported that the Brazilian hot-rolled sheet was priced below domestic sheet. 27/

23/ Id. at I-20.
24/ Id.
25/ Id. at I-32.
26/ Id. at I-38.
27/ Id. at I-40-I-42.

COLD-ROLLED CARBON STEEL SHEET

Condition of the domestic industry

The U.S. industry producing cold-rolled carbon steel sheet has been experiencing difficulties throughout the period covered by the investigations. Production fell from 9.3 million short tons in 1980 to 7.1 million short tons in 1982. Production in January-September 1983 was 7.2 million short tons, an increase of 32 percent from that reported in the corresponding period of 1982. 28/

Shipments of cold-rolled carbon steel sheet decreased from 12.7 million short tons in 1980 to less than 10.6 million short tons in 1982. Shipments for the period January-September 1983 amounted to 9.4 million short tons, an increase from 8 million short tons in the corresponding period of 1982. 29/

Although demand for cold-rolled carbon steel sheet increased in January - September 1983 from the severely depressed level of 1982, there are indications that prices received by domestic producers in January - September 1983 remain depressed. 30/ Thus, data on the financial experience of U.S. producers' cold-rolled carbon steel operations indicate that profitability has declined and losses have been sustained during the period under investigation. Net sales of cold-rolled carbon steel sheet increased from $3.2 billion in 1980 to $3.9 billion in 1981 but then fell to $2.8 billion in 1982. During the interim period ending September 30, 1983, net sales amounted to nearly $2.7 billion, an increase from $2.2 billion in the corresponding period of 1982. 31/

28/ Id. at II-6 and II-7.
29/ Id. at II-7.
30/ Id. at II-23.
31/ Id. at II-15.

The reporting cold-rolled carbon steel sheet producers incurred operating losses throughout the period under investigation. These losses amounted to 14.5 percent of net sales in 1980, 7.1 percent in 1981, 19.8 percent in 1982, and 10.2 percent in the interim period of 1983. 32/

Reasonable indication of material injury or threat of material injury

Imports from Brazil as a share of apparent U.S. consumption represented less than 0.05 percent in 1980, 0.1 percent in 1981, and 0.4 percent in 1982. Brazil's share of apparent U.S. consumption increased sharply to 2.0 percent during January-September 1983 compared with 0.4 percent in the same period in 1982. 33/

The information available on f.o.b. selling prices reported by domestic producers and importers indicates that the Brazilian product undersold the competing domestic product in three of the four quarters for which comparisons could be made for sales to service centers. 34/ Purchasers of Brazilian cold-rolled sheet contacted to confirm allegations of lost sales were unanimous in attributing their purchase decisions to source the Brazilian product principally to lower prices. 35/

32/ Id.
33/ Id. at II-18.
34/ Id. at II-23.
35/ Id. at II-25.

VIEWS OF COMMISSIONER PAULA STERN

Determinations

In the present investigations, I am making four determinations. All four are affirmative decisions based on a record which demonstrates a reasonable indication of threat of material injury by the subject imports from Brazil to the relevant U.S. industries. I have found that there are two industries producing two distinct like products: (1) hot-rolled carbon steel sheet and carbon steel product in coils; and (2) cold-rolled carbon steel sheet. The petitions, found legally sufficient by the Commerce Department (Commerce), allege material injury, or threat thereof, from subsidized imports from Brazil of (1) hot-rolled carbon steel sheet and carbon steel products in coils, and (2) cold-rolled carbon steel sheet. Furthermore, they allege similar injury from less-than-fair-value (LTFV) sales of imports from Brazil of (1) hot-rolled carbon steel sheet, and (2) cold-rolled carbon steel sheet. In a recent investigation, 1/ the Commission made an affirmative preliminary determination with respect to alleged LTFV imports of coiled product. Therefore, the petitioner did not include these imports of coiled product in the allegations of LTFV injury which prompted the present investigations. Thus, the four cases may be summarized as follows:

1/ Certain Flat-Rolled Carbon Steel Products from Brazil, Inv. No. 731-TA-123, (Preliminary) USITC Pub. 1361, March 1983.

Type of case	Imports in Petition	Domestic Industry
(1) countervailing duty (CVD)	hot-rolled carbon sheet (HRCSS) and carbon steel coiled product (CSCP)	HRCSS and CSCP
(2) CVD	cold-rolled carbon steel sheet (CRCSS)	CRCSS
(3) LTFV	HRCSS	HRCSS and CSCP
(4) LTFV	CRCSS	CRCSS

The taxonomy becomes further complicated by the earlier investigation which is continuing toward a final determination. The information obtained in it has been incorporated into the present record. The Commission therefore has knowledge of the alleged LTFV imports of CSCP from Brazil. Because of my finding in the present case that coiled product and hot-rolled sheet constitute one like product, I have assessed the aggregate impact of imports of these two items on the appropriate domestic industry. Therefore, identical import data have been used for the respective CVD and LTFV analyses, despite the fact that Brazilian CSCP plate allegedly sold at LTFV was treated in the earlier case. 2/

2/ I made a negative preliminary finding with respect to alleged LTFV imports of CSCP in the earlier case. The combined data on coiled product and CSCP--treated here as one like product--are now sufficient to generate an affirmative finding. The net result is that by different paths, the Commission has reached affirmative priliminary determinations with respect to all the products referred to above.

I have exerted every caution to maintain a consistent like product analysis through the hundreds of steel investigations conducted by the Commission in recent years. There are virtually unlimited possibilities for division and combination of the thousands of steel items which are produced and traded. To change the like product findings without persuasive reasons can sow the seeds of unending confusion among both the trade community and the Commission staff as to how best to conduct steel investigations. In general, resources would be far better expended if devoted to the tasks of analyzing the condition of U.S. steel producers problems rather than endlessly redefining its existence by artifically dividing, subdividing, and recombining the industry's elements.

Summary

A critical examination of injury of the domestic industries producing hot-rolled carbon steel sheet and carbon steel products in coils (for convenience referred to as hot-rolled sheet), and cold-rolled carbon steel sheet (cold-rolled sheet) demonstrates that while these industries are subject to economic disturbances, factors other than subsidization and LTFV sales of imports have led to the deterioration evident in the domestic industries' recent economic performance. The hot-rolled sheet and cold-rolled sheet industries are subject to the constraints imposed by the overall U.S. economy. The primary constraint throughout the

period of investigation has been the severe decline in demand for capital goods. Specifically, when demand for capital goods declines, the demand for the inputs to produce them--steel, energy, etc.--also declines.

However, the record provides reasonable indications that these same imports threaten the domestic industries with material injury in a real and imminent manner. The capacity utilization of the Brazilian producers of hot-rolled sheet has been increasing, but it remains at a very low level. Brazilian cold-rolled sheet capacity utilization has increased, but it currently also remains at a relatively low level. So these Brazilian industries have the potential to harm their U.S. competitors. Furthermore, Brazilian exports to the United States in 1983 increased sharply for both hot-rolled sheet and cold-rolled sheet. The United States is an important outlet for export-oriented Brazilian steel producers. There is every indication that as the U.S. economy recovers, the subject imports--allegedly aided by LTFV and subsidized sales--are poised to make significant advances.

Standards for determination

In preliminary antidumping and countervailing duty investigations, the Commission is directed by Title VII of the Tariff Act of 1930 (the Act) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or

the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise that is the subject of an investigation. 3/ "Material injury" is defined as "harm which is not inconsequential, immaterial, or unimportant." 4/ In making its determinations, the Commission is required to consider, among other factors, (1) the volume of imports of the merchandise which is the subject of the investigation, (2) the effect of the imports of that merchandise on prices in the United States for like products, and (3) the impact of imports of such merchandise on domestic producers of like products. 5/

In making a determination as to whether there is a threat of material injury, the Commission considers, among other factors, (1) the rate of increase of the allegedly dumped or subsidized imports into the United States market, (2) the capacity of the exporting country to generate exports, and (3) the availability of other export markets. 6/ Findings of a reasonable indication of threat of material injury must be based on a showing that the likelihood of harm is real and

3/ 19 U.S.C. §1671b(a) and 1673b(a).
4/ 19 U.S.C. §1677(7)(A).
5/ 19 U.S.C. §1677(7)(B).
6/ Section 207.26 of the Commission's Rules (19 CFR §207.26); H.R. Rep. 317, 96th Cong., 1st Sess., 46 (1979); Prestressed Concrete Steel Wire Strand from the United Kingdom, Inv. No. 731-TA-89 (Final), USITC Pub. 1343, (1983); Stainless Steel Sheet and Strip from West Germany, Inv. No. 731-TA-92 (Preliminary), USITC Pub. 1252, (1982).

imminent, and not based on mere supposition, speculation, or conjecture. 7/

Domestic Industry

The term "industry" is defined in section 771(4)(A) of the Act, 19 U.S.C. 1677(4)(A), as consisting of --

> (t)he domestic producers as a whole of a like product or those producers whose collective output of the like product constitute a major proportion of the total domestic production of that product.

The term "like product," in turn, is defined in section 771(10), 19 U.S.C. 1677(10), as being --

> a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.

In order to determine whether a domestic industry is materially injured, the statue directs the Commission to identify the imported products. Once they are identified, the investigation focuses on identifying the domestic producers of those products. This scheme for the identification of a domestic industry is modeled after similar provisions in the 1979

7/ S. Rep. 249, 96th Cong., 1st Sess., 88-89 (1979); S. Rep. 1298, 93rd Cong., 2d Sess., 180 (1974); Alberta Gas Chemicals, Inc. v. United States, 515 F. Supp. 780, 790 (USITC 1981).

version of the International antidumping Code 8/ and the 1979 version of the subsidies Code. 9/

Although the exact wording of Title VII differs from that of the international agreements it implements, its purpose was to narrow the discretion which had been exercised by the Commission under predecessor legislation, particularly the Antidumping Act of 1921 and the countervailing duty provisions of the Act. 10/ Therefore, the expansion beyond "identical" in section 771(10) 11/ contemplates only minor variations in characteristics and uses. 12/

The imports subject to these investigations are coiled hot-rolled carbon steel products, hot-rolled carbon steel sheet, and cold-rolled carbon steel sheet. 13/ U.S. producers

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8/ Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, reprinted in H.R. Doc. No. 153, 96th Cong., 1st Sess. (1979).

9/ Agreement on International and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade, reprinted in H.R. Doc. No. 153, 96th Cong., 1st Sess. (1979).

10/ 19 U.S.C. 1303(e). S.R. 96-149, 96th Cong., 1st Sess., 90-91 (1979).

11/ 19 U.S.C. 1677(10).

12/ For a more detailed exposition of my views on the question of our discretion to determine the like product and industry in Title VII investigations and how this discretion differs from prior statutes and the codes, see Certain Rail Passenger Cars and Parts Thereof from Canada, Inv. No. 701-TA-182 (Preliminary), USITC Pub. No. 1277 (1982).

13/ The report, at I-1, I-2 and II-1 provides the detailed specifications for these products.

manufacture fungible, competitive products. 14/

In several recent Commission investigations under title VII of the Act, the coiled carbon steel product has been treated separately from other imported products classified in the TSUSA as carbon steel plate. The practice began in the Certain Steel Products 15/ (February 1982) on the recommendation of the Commission staff in consultation with the industry. Although classified in the TSUSA as hot-rolled plate, the coiled product is treated by the American Iron and Steel Institute as hot-rolled sheet because both are produced in hot-strip mills most plate is not. The first case in which coiled product received its own determination was in Certain Flat-Rolled Carbon Steel Products from Brazil 16/ (March 1983). However, since that investigation did not include any hot-rolled sheet, separate treatment of coiled product was completely compatible with the methodology established in Certain Steel Products (February 1982). An identical situation prevailed in Certain Flat-Rolled Carbon Steel Products from Belgium and the Federal Republic of Germany 17/ (November

14/ Id. at I-6.
15/ Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, Inv. Nos. 701-TA-86 through 144, 146, 147 (Preliminary) and Inv. Nos. 731-TA-53-86 (Preliminary), USITC Pub. 1221, February 1982.
16/ Certain Flat-Rolled Carbon Steel Products from Brazil, Inv. No. 731-TA-123 (Preliminary), USITC Pub. 1361, March 1983.
17/ Inv. Nos. 731-TA-146, 147 (Preliminary), USITC Pub. 1451, November 1983.

1983). The present cases mark the first time since Certain Steel Products (February 1982) where the Commission majority has changed its classification of steel products. In Certain Steel Products there was a well-propounded set of reasons for doing so and apparently no disagreement. In the present investigations I was not able to discern any clear logic for changing the classification. As noted in the introduction, there are endless possibilities for grouping and regrouping the thousands of items in the steel trade. Departures from past practice that are not well-grounded open the possibility of squandering energy that could be better devoted to analyzing the industry itself.

HOT-ROLLED SHEET

Condition of the Domestic Industry

The U.S. industry producing hot-rolled sheet has been experiencing difficulties during the period covered in the investigation. Production fell from 10.8 million tons in 1980 to 8.0 million tons in 1982. 18/ Production then increased to 8.1 million tons in the January-September 1983 period compared to 6.3 million tons in the corresponding period of 1982. 19/ Capacity utilization had increased to 52 percent in the January-September 1983 period, compared with 41 percent in the corresponding period in 1982. 20/ In addition, employment

18/ Report at I-9.
19/ Id.
20/ Id.

increased from January-September 1982 to January-September 1983 by 4 percent. 21/

Shipments of hot-rolled sheet increased in January-September 1983 to 6.7 million short tons, compared with 5.6 million short tons in the corresponding period of 1982, an increase of over 20 percent. 22/

Data on the financial experience of U.S. producers' hot-rolled sheet operations indicate that profitability has declined during the period under investigation. Although net sales of hot-rolled sheet increased by 26 percent from $2.7 billion in 1980 to $3.4 billion in 1981, there was a 35 percent decrease to $2.2 billion in 1982. During the period ending September 30, 1983, net sales increased to $2.1 billion, compared with $1.8 billion in the corresponding period of 1982. 23/

The reporting hot-rolled sheet producers incurred operating losses throughout the period under investigation. These losses amounted to 5.9 percent of net sales in 1980, 2.4 percent in 1981, 17.2 percent in 1982, and 11.3 percent in the interim period of 1983, compared with 15.5 percent in the corresponding period of 1982. The reporting firms also experienced negative cash flows of $97 million in 1980, $317 million in 1982, and $176 million in the interim period in 1983,

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21/ Id. at I-14.
22/ Id. at I-10.
23/ Id. at I-17.

compared with a negative cash flow of $227 million in interim 1982. 24/

Reasonable Indication of Threat

The data in the present cases do not provide sufficient evidence to find a reasonable indication of material injury to the domestic hot-rolled sheet industry. The period from 1980 to 1982 has been unstable domestically, with varying degrees of net sales, domestic shipments, production, capacity utilization, and profitability. However, in the interim period of 1983, when compared to the interim period of 1982, profitability, net sales, domestic shipments, employment, and capacity utilization all increased for the hot-rolled sheet industry. Clearly, although the domestic industry was experiencing economic hardships from 1980 to 1982, the present economic health of the domestic industry is improving. In addition, the increasing efficiency of American producers, as measured by declining unit labor costs, should further enable the several U.S. firms to maintain their respective positions in an increasingly healthy marketplace.

As mentioned previously, the Commission considers the capacity in the exporting country to export, the rate of increase of exports to the U.S. market, and the availability of

24/ Id. at I-18.

other export markets in making a determination as to whether there is a threat of material injury. While the capacity utilization of the Brazilian producers of hot-rolled sheet decreased from 18.6 percent in 1980 to 14.4 percent in 1981, it has only increased to 20.6 percent in 1982. 25/ However, penetration of the U.S. market by exports to the United States has increased significantly from 0.05 percent in 1980 to 0.6 percent in 1982, and then 2.0 percent in January-September 1983. 26/ Importers' ending inventories of Brazilian hot-rolled sheet in January-September 1983 totaled 1,419 tons, or 1.8 percent of reported imports. 27/

25/ Capacity data were derived by the Commission's staff from data published by the Annuario Estatistico da Industria Siderurgica Brasileria (IBS); such data are substantially overstated in this context. This is because the hot-strip mills upon which these capacity data are based are used for producing all hot-rolled sheet, both that marketed as such and that consumed captively in the production of other products such as galvanized sheet, coated sheet, and tin plate. The effective capacity of any hot-strip mill to produce the hot-rolled sheet and coiled plate which are the subjects of these investigations is subject to the current product mix of the mill.

26/ Id. at I-32.

27/ Id. at I-22.

In viewing the rapid increase in market penetration during the period of investigation, the important issue one must consider is, to what extent will the U.S. market receive any additional shipments of hot-rolled sheet if production in Brazil is increased. According to the Commission report, Brazil's exports of hot-rolled sheet to the United States and other major markets increased substantially from 1980 to 1982. Brazilian exports of these products to the United States as a share of total exports also rose substantially, increasing from 1.1 percent in 1981 to 14.1 percent in 1982. 28/

Consequently, given the low capacity utilization levels and the rapid increase in market penetration of imports to the U.S. economy, the threat of another increase in subsidizided and LTFV imports from Brazil is real and imminent.

28/ Id. at I-24.

COLD-ROLLED CARBON SHEET

Condition of the Domestic Industry

The U.S. industry producing cold-rolled carbon steel sheet has been experiencing difficulties throughout the period covered by the investigation. Production increased from 9.3 million short tons in 1980 to 10.1 million short tons in 1981 but then fell to 7.1 million short tons in 1982. Production in January-September 1983 was 7.2 million short tons, an increase of 32 percent from that reported in the corresponding period of 1982. 29/

Shipments of cold-rolled carbon steel increased from 12.7 million short tons in 1980 to approximately 13.5 million short tons in 1981, but then dropped to less than 10.6 million short tons in 1982. Shipments for the period January-September 1983 amounted to 9.4 million short tons, an increase from 8 million short tons in the corresponding period of 1982. 30/

Data on the financial experience of U.S. producers on cold-rolled carbon steel operations indicate that profitability has declined during the period under investigation. Net sales of cold-rolled carbon steel sheet increased from $3.2 billion in 1980 to $3.9 billion in 1981 but then fell to $2.8 billion in 1982. During the interim period ending September 30, 1983,

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29/ Id. at II-7.
30/ Id. at II-8.

net sales amounted to nearly $2.7 billion, an increase from $2.2 billion in the corresponding period of 1982. 31/

The reporting cold rolled-carbon steel sheet producers incurred operating losses throughout the period under investigation. These losses amounted to 14.5 percent of net sales in 1980, 7.1 percent in 1981, 19.8 percent in 1982, and 10.2 percent in the interim period of 1983. 32/

Resonable Indication of Threat

The data on the cold-rolled sheet industry are essentially identical to those for the hot-rolled sheet industry. The period from 1980 to 1982 demonstrated varying degrees of net sales, domestic shipments, production, capacity utilization, employment and profitability. However, in the interim period of 1983, when compared to the interim period of 1982, profitability, net sales, domestic shipments, employment and capacity utilization all increased.

Although the domestic industry experienced economic hardships from 1980 to 1982, the current health of the domestic industry is improving. Furthermore, the increasing efficiency of American producers, as measured by declining labor costs, should further enable producers to maintain their respective positions in an increasingly healthy marketplace.

31/ Id. at II-18.
32/ Id. at II-18.

Statistics relating to capacity utilization indicate that Brazil was operating at 43.7 percent capacity in 1982, up from 39.8 percent in 1981. 33/ However, although there has been only a slight increase in capacity utilization, Brazil's share of the U.S. market for cold-rolled sheet rose from 0.1 percent in 1981 to 0.4 percent in 1982, and, again increased in the interim period of 1983 to 2 percent. 34/ Importers' ending inventories of Brazilian cold-rolled sheet in January-September 1983 totaled less than 1,000 tons. 35/

As previously mentioned, when viewing the rapid increase in market penetration during the period of investigation, the important issue one must consider is, to what extent will the U.S. market receive any additional shipments of cold-rolled sheet if production in Brazil is increased. According to the Commission report, Brazil's exports of cold-rolled sheet to the United States and other major markets incresed substantially from 1980 to 1982. Brazilian exports of these products to the United States as a share of total exports also rose substantially, increasing from 14.1 percent in 1981 to 21.5 percent in 1982. 36/

Consequently, given the low capacity utilization levels and the rapid increasein market penetration of imports to the U.S. economy, the threat of another increase in subsidized and LTFV imports from Brazil is real and imminent.

33/ See footnote 25 for a discussion on import capacity.
34/ Id. at II-18.
35/ Id. at II-16.
36/ Id. at II-17.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On November 10, 1983, petitions were filed with the Commission and the Department of Commerce by the United States Steel Corp. (U.S. Steel), Pittsburgh, Pa., alleging that imports of certain carbon steel products from Brazil are being subsidized by the Brazilian Government (countervailing duty petitions) and/or sold in the United States at less than fair value (LTFV) (antidumping petitions) and that industries in the United States are materially injured or threatened with material injury by reason of imports of such merchandise. Accordingly, effective November 10, 1983, the Commission instituted the following investigations: 1/

Countervailing duty investigations

Investigation No. 701-TA-204 (Preliminary), carbon steel plate, provided for in items 607.6615, 607.8320, 607.9400, 608.0710, or 608.1100 of the Tariff Schedules of the United States Annotated (TSUSA);

Investigation No. 701-TA-205 (Preliminary), carbon steel products in coils, provided for in TSUSA item 607.6610;

Investigation No. 701-TA-206 (Preliminary), hot-rolled carbon steel sheet, provided for in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342; and

Investigation No. 701-TA-207 (Preliminary), cold-rolled carbon steel sheet, provided for in TSUSA items 607.8350, 607.8355, or 607.8360.

Antidumping investigations

Investigation No. 731-TA-153 (Preliminary), hot-rolled carbon steel sheet, provided for in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342; and

Investigation No. 731-TA-154 (Preliminary), cold-rolled carbon steel sheet, provided for in TSUSA items 607.8350, 607.8355, or 607.8360.

In the countervailing duty investigations, the Commission must 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

1/ Detailed descriptions of the products covered by these investigations are presented in pts. I and II of this report.

establishment of an industry in the United States is materially retarded, by reason of the imports upon which bounties or grants are alleged to be paid.

In the antidumping investigations, the Commission must 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 the imports which are alleged to be sold in the United States at LTFV.

On November 21, 1983, the Commission received notification from U.S. Steel that it was withdrawing its countervailing duty petition concerning imports from Brazil of carbon steel plate in cut lengths (as provided for in items 607.6615, 607.8320, 607.9400, 608.0710, or 608.1100 of the TSUSA), and was amending its petitions concerning imports from Brazil of hot-rolled carbon steel sheet (investigations Nos. 701-TA-206 and 731-TA-153 (Preliminary)) and cold-rolled carbon steel sheet (investigations. Nos. 701-TA-207 and 731-TA-154 (Preliminary)) to include those carbon steel products provided for in item 607.8320 of the TSUSA.

Accordingly, the Commission terminated investigation No. 701-TA-204 (Preliminary) and, in conformity with the product descriptions utilized by the the Commission and by the Department of Commerce in their 1982 antidumping and countervailing duty investigations concerning certain steel products from Brazil and several other countries, 1/ amended the scope of investigations Nos. 701-TA-206, 701-TA-207, 731-TA-153, and 731-TA-154 (Preliminary) to include those carbon steel products provided for in item 607.8320 of the TSUSA.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of November 22, 1983 (48 F.R. 52782). 2/ The conference was held in Washington, D.C., on December 7, 1983. 3/ The Commission voted on these cases at its meeting on December 20, 1983. The statute directs that the Commission make its determinations in these investigations within 45 days of the receipt of the petitions, or in this case by December 27, 1983.

1/ See Certain Steel Products From Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany: Determinations of the Commission in Investigations Nos. 701-TA-86 through 144, 701-TA-146, and 701-TA-147 (Preliminary) Under Section 703(a) of the Tariff Act of 1930 and Investigations Nos. 731-TA-53 through 86 (Preliminary) Under Section 733(a) of the Tariff Act of 1930 . . ., USITC Publication 1221, February 1982.

2/ Copies of the Commission's notice of investigations and notice of termination of investigation No. 701-TA-204 (Preliminary) are presented in app. A. A copy of Commerce's notice of investigations is presented in app. B.

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

Related Commission Investigations Concerning Imports of the Subject Carbon Steel Products From Brazil

The Commission is currently conducting a final antidumping investigation (investigation No. 731-TA-123 (Final)) concerning imports from Brazil of certain flat-rolled carbon steel products which have preliminarily been found by the Department of Commerce to have been sold in the United States at LTFV. This investigation includes imports of coiled plate, as provided for in TSUSA item 607.6610. 1/ (It also includes cut-to-length plate, but, as indicated previously, the petitioner in the instant investigations withdrew its countervailing duty petition concerning imports of such plate from Brazil).

In February 1982, the Commission determined that there was no reasonable indication that an industry in the United States was materially injured or threatened with material injury, or that the establishment of an industry in the United States was materially retarded, by reason of allegedly subsidized imports from Brazil of hot-rolled carbon steel sheet (investigation No. 701-TA-95 (Preliminary)) and cold-rolled carbon steel sheet (investigation No. 701-TA-103 (Preliminary)). 2/

Nature and Extent of Alleged Subsidies and/or Sales at LTFV

Alleged sales at LTFV

U.S. Steel, the petitioner, alleges that imports of hot-rolled carbon steel sheet and cold-rolled carbon steel sheet from Brazil are being sold in the United States at LTFV. Margins were calculated by taking the difference between the constructed value of the subject products and the Brazilian export

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1/ In its preliminary determination, Commerce, which refers to such coiled plate (as defined by the Tariff Schedules of the United States (TSUS)) as hot-rolled carbon steel sheet, found LTFV margins ranging from 21.82 to 79.82 percent; the overall weighted-average margin was 39.38 percent (48 F.R. 40419).

2/ At the same time, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of allegedly subsidized imports from Brazil of hot-rolled carbon steel plate (investigation No. 701-TA-87 (Preliminary)). In March 1983, the Commission made a final determination (investigation No. 701-TA-87 (Final)) that an industry in the United States was materially injured by reason of imports of hot-rolled carbon steel plate which had been found by the Department of Commerce to be subsidized by the Government of 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 plate to the United States. The suspension agreement applies to imports of plate not in coils, as provided for in TSUSA items 607.6615, 607.9400, 608.0710, or 608.1100.

price, 1/ expressed as a percentage of the latter. According to the petitioner, the average LTFV margins ranged from 80.0 to 174.4 percent for hot-rolled sheet and from 67.4 to 152.8 percent for cold-rolled sheet during May 15, 1982, through July 15, 1983.

Alleged subsidies

The petitioner alleges that manufacturers, producers, or exporters in Brazil of carbon steel plate in coils, hot-rolled carbon steel sheet, and cold-rolled carbon steel sheet receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

Provision of equity capital;
Government funds to cover operating losses;
Funding for expansion through Industrialized Products Tax (IPI) rebates;
Fiscal incentives, donations, and grants;
Preferential financing from Banco Nacional de Desenvolvimento Economico (BNDE);
Government assumption of BNDE loans;
FINAME loans;
Government loan guarantees;
Assistance in repaying foreign loans;
IPI credit premium;
Export profit exemption from corporate income tax;
Local tax incentives;
Accelerated depreciation for equipment;
Preferential export financing;
Incentives for trading companies;
Imput subsidies on charcoal, iron ore, and slab;
Reduction of labor compensation paid by state firms;
Tariff reductions for imported steel making equipment;
Preferential supplier credits;
Rail rate subsidies based on payment in steel;
Construction of ports;
Special tax deductions for SIDERBRAS; and
Selective devaluation.

Discussion of Report Format

The following sections of this report are organized in two parts on the basis of product groups. Part I deals with hot-rolled carbon steel sheet,

1/ U.S. Steel alleged that there are insufficient home-market sales of the subject products at prices above the cost of production to determine fair value. The export price was determined from the 1983 average f.a.s. Brazil port value of carbon steel products imported into the United States, as provided by official statistics of the U.S. Department of Commerce.

including those carbon steel products in coils provided for in TSUSA item 607.6610, and part II deals with cold-rolled carbon steel sheet. The American Iron & Steel Institute (AISI) identifies the coiled products provided for in TSUSA item 607.6610 (inv. No. 701-TA-205 (Preliminary)) as hot-rolled carbon steel sheet, whereas the TSUS identifies such products as hot-rolled carbon steel plate in coils. In most other recent investigations involving carbon steel products, the Commission has followed AISI practice in identifying such coiled products as hot-rolled sheet. In the instant investigations, these coiled products are included in part I, but separate data are provided whenever possible.

PART I. CERTAIN HOT-ROLLED CARBON STEEL PRODUCTS IN COILS AND HOT-ROLLED CARBON STEEL SHEET

Introduction

This part of the report presents information relating specifically to certain hot-rolled carbon steel products in coils and hot-rolled carbon steel sheet. As indicated previously, following receipt on November 10, 1983, of petitions filed by U.S. Steel, the Commission instituted preliminary investigation No. 701-TA-205 (Preliminary) 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 allegedly subsidized imports of the carbon steel products in coils provided for in TSUSA item 607.6610. Similarly, the Commission instituted preliminary investigations Nos. 701-TA-206 and 731-TA-153 (Preliminary) 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 allegedly subsidized and/or LTFV imports of hot-rolled carbon steel sheet from Brazil.

The Products

Description and uses

The imported products from Brazil considered in this part of the report are flat-rolled carbon steel products produced by passing heated carbon steel slabs through a series of reducing rolls in a hot-strip mill. The Tariff Schedules of the United States (TSUS) identifies the imported products from Brazil which are the subject of investigation No. 701-TA-205 (Preliminary) (imports under TSUSA item 607.6610) as "plates" and defines them as flat-rolled carbon steel products, whether or not corrugated or crimped, in coils, 0.1875 inch (3/16 inch or 4.76 millimeters) or more in thickness and over 8 inches in width. The imported products from Brazil which are the subject of investigations Nos. 701-TA-206 and 731-TA-153 (Preliminary) (imports under TSUSA item 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, or 607.8342) are flat-rolled carbon steel products, whether or not corrugated or crimped and whether or not pickled; not cold-rolled; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal; over 8 inches in width and in coils or if not in coils, under 0.1875 inch in thickness and over 12 inches in width.

The AISI classifies the coiled products provided for in TSUSA item 607.6610 as hot-rolled carbon steel sheet, primarily because they are produced on the same hot-strip mills on which other sheet products are produced. In other recent investigations involving carbon steel products, the Commission has followed AISI practice in identifying such products as coiled sheet. From a usage standpoint, the coiled products provided for in TSUSA item 607.6610 are most clearly identified as plate (i.e., they are used in applications requiring products having plate thicknesses (0.1875 inch or more)). From a marketing standpoint, because coiled plate is produced on a hot-strip mill, it is much less expensive than reversing mill plate of the same thickness. For

purposes of this report, the term "coiled plate" will subsequently be used to refer to the products provided for in TSUSA item 607.6610. Information on this product will be presented separately from other hot-rolled sheet products.

Production process

Hot rolled carbon steel sheet and coiled plate are both produced on hot-strip mills. In the hot-strip mill, slabs are heated to a rolling temperature of about 2,000° F. The slabs are sent into a scale breaker to remove furnace scale, roughed down to a predetermined intermediate thickness in roughing stands, and then sent to a series of finishing stands where further reductions are made. A typical continuous mill for hot-rolling will have four or five roughing stands and five to seven finishing stands. As the product is reduced in thickness, it is increased in length, with each succeeding set of rolls being rotated at a higher rate of speed to compensate for the elongated sheet. Water sprays at various locations cool the metal and remove oxide from the hot sheet surface. Upon reaching final thickness, the hot-rolled material has cooled to about 1,200° F. The product is then coiled or cut into shorter lengths and stacked. If desired, the sheet may be cleaned, or pickled, in a bath of sulfuric or hydrochloric acid to remove surface oxides formed during hot-rolling.

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

Coiled plate sells for approximately $80 to $100 per ton less than cut-to-length plate, because production costs in hot-strip mills are lower than those in sheared-plate mills and because the costs of cutting are foregone. The leveling and cutting, when done by toll processors or service centers/distributors, adds a charge of approximately $20 per ton to the product, thus making the cost of the cut products approximately $60 to $80 per ton less than cut-to-length plate from sheared-plate mills. Because of, among other factors, higher labor costs in the hot-strip mills, it costs these domestic producers more than processors to supply this service. Thus, coiled plate which has been cut to length by the producer (called strip-mill plate) is priced between the processors' plate and the sheared-mill plate

Major markets for hot-rolled carbon steel sheet, as reported by the AISI, are shown in table I-1. In the U.S. market, sales of hot-rolled carbon steel sheet by domestic producers and importers are made to steel service centers and distributors, which in turn sell to end users. During 1980-82, an average of 36 percent of all domestically produced hot-rolled carbon steel sheet (including coiled plate) went to service centers and distributors. The remaining 64 percent was shipped to end users. The largest end-user market for such sheet was the automotive industry, which accounted for an average of 26 percent of total U.S. producers' shipments during 1980-82.

Table I-1.--Hot-rolled carbon steel sheet: 1/ U.S. producers' shipments, by major markets, 1980-82, January-September 1982, and January-September 1983.

Source	1980	1981	1982	Jan.-Sept. 1983	Jan.-Sept. 1983
	Quantity (1,000 tons)				
Steel service centers and distributors	3,233	3,638	3,327	2,556	3,347
Automotive	2,981	3,486	1,739	1,394	1,706
Construction and contractors products	1,114	1,047	727	562	630
Machinery, industrial equipment, and tools	359	336	207	172	145
Mining, quarrying, and lumbering	349	378	177	34	114
All other	2,834	3,166	1,951	1,633	1,734
Total	10,870	12,051	8,128	6,351	7,676
	Percent of total				
Steel service centers and distributors	29.7	30.2	40.9	40.2	43.6
Automotive	27.4	28.9	21.4	21.9	22.2
Construction and contractors products	10.4	8.8	8.9	8.8	8.2
Machinery, industrial equipment, and tools	3.3	2.8	2.5	2.7	1.9
Mining, quarrying, and lumbering	3.2	3.1	2.2	.5	1.5
All other	26.1	26.3	24.0	25.7	22.6
Total	100.0	100.0	100.0	100.0	100.0

1/ Includes coiled plate.

Source: American Iron & Steel Institute.

U.S. tariff treatment

As mentioned, the imported products subject to these investigations are classified for tariff purposes under items 607.6610 (coiled plate), 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342 of the TSUSA. The current column 1 most-favored-nation (MFN) rates of duty, 1/ final concession rates granted under the Tokyo round of the Multilateral Trade Negotiations (MTN), 2/ rates of duty for least developed developing countries (LDDC's), 3/ and column 2 duty rates 4/ are shown in table I-2. As indicated, such imports are currently dutiable at column 1 rates of 6.6 to 7.0 percent ad valorem. Imports of the subject hot-rolled carbon steel sheet and coiled plate are not eligible for duty-free treatment under the GSP. 5/

In addition to the import duties shown in table I-2, countervailing duties are currently in effect with respect to imports of hot-rolled carbon steel sheet from the Republic of Korea (Korea) and the Republic of South Africa.

Moreover, certain steel products, including hot-rolled carbon steel sheet and coiled 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. Hot-rolled carbon steel sheet (including coiled plate) is included in a category in which exports are limited to 6.81 percent of consumption.

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

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.

3/ 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.

4/ 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.

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

Table I-2.--Hot-rolled carbon steel sheet and coiled plate: 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 1/	Jan. 1, 1983	Jan. 1, 1987		
Carbon steel plate, in coils, not coated or plated with metal, not pickled and not cold rolled. 2/	7.5% ad val.	7.0% ad val.	6.0% ad val.	6.0% ad val.	20% ad val.
Carbon steel sheet, not cut, not pressed, and not stamped to non-rectangular shape, not coated or plated with metal and not clad:					
Not pickled and not cold rolled. 3/	7.5% ad val.	6.6% ad val.	4.9% ad val.	4.9% ad val	20% ad val.
Pickled but not cold rolled. 4/	8.0% ad val.	7.0% ad val.	5.1% ad val.	5.1% ad val	0.2¢/lb.+ 20%ad val

1/ The rate shown for Jan. 1, 1980, was also the applicable rate prior to the first staged reduction under the Tokyo round.
2/ Imports under TSUSA item 607.6610.
3/ Imports under TSUS item 607.66.
4/ Imports under TSUSA items 607.8320 and 607.8342.

U.S. imports of carbon steel mill products such as sheet and coiled plate are also subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. 1/

1/ 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.

U.S. Producers

About 20 firms in the United States produce hot-rolled carbon steel sheet and coiled plate in a total of approximately 40 mills. The majority of these mills are located in Pennsylvania (11), Ohio (6), and Indiana (5). In addition, mills are also located in Illinois, Alabama, Utah, California, West Virginia, Maryland, and Kentucky. 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 sheet (including coiled plate), as reported by AISI in 1982:

Firm	Market share (percent)
Armco, Inc. (Armco)	***
Bethlehem Steel Corp. (Bethlehem)	***
Inland Steel Co. (Inland)	***
Interlake, Inc. (Interlake)	***
Jones and Laughlin (J&L)	***
McLouth Steel Corp	***
National Steel Corp. (National)	***
Rouge Steel Corp	***
Republic Steel Corp. (Republic)	***
U.S. Steel	***

As indicated in the preceding tabulation, the above 10 producers of hot-rolled carbon steel sheet (including coiled plate) together accounted for 88 percent of domestic producers' shipments. Most of the producers are fully integrated firms that produce a wide range of steel mill products.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 19 firms that imported hot-rolled carbon steel sheet and coiled plate from Brazil during October 1982-September 1983. The six largest importers together accounted for approximately 90 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 sheet is shown in table I-3. The table shows separate statistical breakouts for coiled plate (which, as indicated previously, is a product over 0.1875 inch in thickness but which is classified by the AISI as hot-rolled sheet), sheet under 0.1875 inch in thickness (i.e., all other hot-rolled sheet), and total hot-rolled carbon steel sheet. Apparent consumption of hot-rolled carbon steel plate in coils increased from 1.9 million tons in 1980 to 2.6 million tons in 1981, or by 35 percent, but then declined sharply in 1982 to 1.6 million tons, or by 39

Table I-3.--Hot-rolled carbon steel sheet: U.S. producers' domestic shipments, imports for consumption, and apparent U.S. consumption, by types, 1980-82, January-September 1982, and January-September 1983

Item and period	Domestic shipments	Imports	Apparent consumption	Ratio of-- Domestic shipments to consumption	Ratio of-- Imports to consumption
	1,000 short tons			Percent	
Coiled plate:					
1980	1/ 1,504	445	1,949	77.1	22.8
1981	1/ 2,112	512	2,624	80.5	19.5
1982	1/ 1,213	389	1,602	75.7	24.3
January-September--					
1982	1/ 960	323	1,283	74.8	25.2
1983	1/ 1,188	204	1,392	85.4	14.6
Sheet under 0.1875 inch:					
1980	9,366	1,492	10,858	86.3	13.7
1981	9,939	1,649	11,588	85.7	14.2
1982	6,915	1,365	8,280	83.5	16.5
January-September--					
1982	5,391	976	6,367	84.7	15.3
1983	6,488	1,283	7,771	83.5	16.5
Total:					
1980	10,870	1,937	12,807	84.9	15.1
1981	12,051	2,161	14,212	84.8	15.2
1982	8,128	1,754	9,882	82.3	17.7
January-September--					
1982	6,351	1,299	7,650	83.0	17.0
1983	7,676	1,487	9,163	83.8	16.2

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

Source: Total shipments of hot-rolled carbon steel sheet compiled from the American Iron & Steel Institute; shipments of coiled plate, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

percent. 1/ U.S. consumption of coiled plate increased by 8 percent in January-September 1983 compared with that in the corresponding period of 1982. The consumption of other hot-rolled carbon steel sheet (i.e., that under 0.1875 inch in thickness) increased by 7 percent from 1980 to 1981, but then declined by 29 percent in 1982. Consumption increased in January-September 1983 by 1.4 million tons, or 22 percent, compared with consumption in the corresponding period of 1982.

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

Aggregate consumption of all hot-rolled carbon steel sheet (as classified by the AISI) increased from 12.8 million tons in 1980 to 14.2 million tons in 1981, or by 11 percent, and then fell to 9.9 million tons in 1982, or by 30 percent. Consumption of these products then increased by 20 percent in January-September 1983 compared with consumption in the corresponding period of 1982.

The share of the domestic market for coiled plate supplied by U.S. producers increased from 77.1 percent in 1980 to 80.5 percent in 1981, but then declined to 75.7 percent in 1982 (table I-3). It increased, however, to 85.4 percent in January-September 1983. The share of the market supplied by U.S. producers of hot-rolled sheet under 0.1875 inch in thickness declined steadily from 86.3 percent in 1980 to 83.5 percent in 1982 and registered a further slight decline in January-September 1983.

The share of the market supplied by U.S. producers of all hot-rolled carbon steel sheet declined from 84.9 percent in 1980 to 82.3 percent in 1982. During January-September 1983, the U.S. producers' share of the total market for such merchandise improved slightly to 83.8 percent compared with 83.0 percent in the corresponding period of 1982.

Consideration of Material Injury to an Industry in the United States

The information in this section of the report is compiled from questionnaire data. It is therefore understated to the extent that a few domestic firms that are believed to produce the subject products did not respond to the Commission's questionnaires. Nevertheless, all of the major producers of the products have responded, and they are believed to together account for more than 85 percent of total U.S. production of hot-rolled carbon steel sheet and hot-rolled carbon steel plate in coils. Tables in this section are arranged to show data separately on coiled plate, sheet under 0.1875 inch in thickness, and all hot-rolled carbon steel sheet.

U.S. production, capacity, and capacity utilization

As shown in table I-4, U.S. production of carbon steel plate in coils increased substantially from 1.5 million tons in 1980 to 2.3 million tons in 1981, or by 53 percent. Production then dropped dramatically to 1.2 million tons in 1982, or by 46 percent. Production of coiled plate then increased in January-September 1983 by 32 percent compared with production in the corresponding period of 1982. Productive capacity for coiled plate increased from 2.8 million tons in 1980 to 3.4 million tons in 1981, and then declined to 3.3 million tons in 1982. Productive capacity dropped to 2.3 million tons in January-September 1983 from 2.5 million tons in January-September 1982. Capacity utilization for coiled plate increased from 54 percent in 1980 to 68 percent in 1981, but then dropped sharply to 38 percent in 1982 as a result of the decline in production in that year. Capacity utilization improved in January-September 1983, increasing to 53 percent compared with 38 percent in the corresponding period of 1982.

Table I-4.--Hot-rolled carbon steel sheet: U.S. production, 1/ practical capacity, 2/ and capacity utilization, by types, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
Coiled plate:					
Production					
1,000 short tons	1,510	2,321	1,248	945	1,246
Capacity---do	2,787	3,397	3,309	2,507	2,338
Capacity utilization percent	54.2	68.3	37.7	37.7	53.3
Sheet under 0.1875 inch:					
Production					
1,000 short tons	9,286	10,165	6,742	5,345	6,819
Capacity---do	16,747	16,748	17,255	12,916	13,182
Capacity utilization percent	55.4	60.7	39.1	41.4	51.7
Total:					
Production					
1,000 short tons	10,796	12,486	7,990	6,290	8,065
Capacity---do	19,534	20,145	20,564	15,423	15,520
Capacity utilization percent	55.3	62.0	38.8	40.8	52.0

1/ Production and capacity figures are understated to the extent that all producers did not respond to the Commission's questionnaires.

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

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

Production of hot-rolled sheet under 0.1875 inch in thickness rose from 9.3 million tons in 1980 to 10.2 million tons in 1981, or by 879,000 tons or 9.5 percent. Production then dropped sharply, by 34 percent, to 6.7 million tons in 1982. Production increased in January-September 1983 to 6.8 million tons compared with 5.3 million tons in the corresponding period of 1982, representing an increase of 27.6 percent. The industry's capacity to produce sheet under 0.1875 inch in thickness increased throughout the period from 16.7 million tons in 1980 to 17.3 million tons in 1982, or by 3 percent, with a continued increase of 2 percent shown in January-September 1983 compared with capacity in the corresponding period of 1982. Partly as a result of the steadily increasing capacity, the utilization rate dropped from 55 percent in 1980 to 39 percent in 1982. An increase in the utilization rate was shown

in January-September 1983, to 52 percent, compared with 41 percent in January-September 1982.

As stated previously, coiled plate and hot-rolled sheet are produced on the same mills, and capacity figures for the two products are based on allocations of the overall capacity of the equipment. It is therefore relevant to examine the information on the production, capacity, and capacity utilization for both products combined for a perspective on the overall use of the machinery. The production of both products increased from 10.8 million tons in 1980 to 12.5 million tons in 1981, or by 16 percent, but then dropped by 36 percent to 8.0 million tons in 1981. Production increased by 28 percent to 8.1 million tons in January-September 1983 compared with 6.3 million tons in the corresponding period of 1982. The capacity of the machinery used to produce both coiled plate and hot-rolled sheet increased steadily throughout the period from 19.5 million tons in 1980 to 20.6 million tons in 1982, with a continued increase (on an annual basis) in January-September 1983. Capacity utilization declined from 55 percent in 1980 to 39 percent in 1982, and then increased to 52 percent in January-September 1983 compared with 41 percent in the corresponding period of 1982.

U.S. producers' domestic shipments

U.S. producers' domestic shipments of hot-rolled carbon steel sheet and coiled plate are presented in table I-5. Domestic shipments of coiled plate increased from 1.5 million tons in 1980 to 2.1 million tons in 1981, or by 40 percent, before declining by 43 percent to 1.2 million tons in 1982. Shipments of coiled plate increased in January-September 1983 to 1.2 million tons, compared with 1.0 million tons in the corresponding period of 1982, an increase of 24 percent. Shipments of hot-rolled sheet under 0.1875 inch in thickness followed the same trend, increasing from 7.7 million tons in 1980 to 8.8 million tons in 1981, or by 14 percent, before declining by 32 percent to 6.0 million tons in 1982. Shipments then increased in January-September 1983, by 19 percent compared with those in the corresponding period of 1982.

U.S. producers' total domestic shipments of all hot-rolled carbon steel sheet (including coiled plate) increased from 9.2 million tons in 1980 to 10.9 million tons in 1981, and then declined by 34 percent to 7.2 million tons in 1982. Shipments of such merchandise increased in January-September 1983, to 6.7 million tons, or by 20 percent over shipments in January-September 1982.

Table I-5.--Hot-rolled carbon steel sheet: U.S. producers' domestic shipments, 1/ by types, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
	Quantity (1,000 short tons)				
Coiled plate	1,504	2,112	1,213	960	1,188
Sheet under 0.1875 inch	7,703	8,781	5,953	4,673	5,544
Total	9,207	10,893	7,166	5,633	6,732
	Value (million dollars)				
Coiled plate	487	750	419	330	367
Sheet under 0.1875 inch	2,417	3,144	2,067	1,649	1,869
Total	2,904	3,894	2,486	1,979	2,236
	Unit value (per ton)				
Coiled plate	$324	$355	$345	$344	$309
Sheet under 0.1875 inch	314	358	347	353	337
Average	315	357	347	351	332

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.

The AISI compiles data on shipments of steel products, including those under investigation; however, as has been stated before, they do not break out data for coiled plate separately, but include it in their statistics on hot-rolled sheet. A comparison of information on shipments received in response to the Commission's questionnaires with information as reported by the AISI is presented in the following tabulation.

Period	AISI shipments (1,000 tons)	Questionnaire shipments (1,000 tons)	Coverage (percent)
1980	10,870	9,207	84.7
1981	12,051	10,893	90.4
1982	8,128	7,166	88.2
Jan.-Sept--			
1982	6,351	5,633	88.7
1983	7,676	6,732	87.7

U.S. producers' exports

U.S. producers' exports of hot-rolled carbon steel sheet (including coiled plate) decreased by 27 percent from 1980 to 1981 and then fell by 73 percent in 1982 (table I-6). Exports of these products continued to decline in January-September 1983 by an additional 42 percent compared with exports in the corresponding period of 1982.

Table I-6.--Hot-rolled carbon steel sheet: U.S. producers' export shipments 1/ by types, 1980-82, January-September 1982, and January-September, 1983

Item	1980	1981	1982	January-September--	
				1982	1983
	Quantity (1,000 short tons)				
Coiled plate	41	34	5	5	1
Sheet under 0.1875 inch	306	220	63	48	30
Total	347	254	68	53	31
	Value (1,000 dollars)				
Coiled plate	11,767	8,383	1,540	1,533	24
Sheet under 0.1875 inch	151,149	123,875	54,956	41,509	17,503
Total	162,916	132,258	56,496	43,042	17,527

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

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

U.S. producers' inventories

End-of-period inventories of hot-rolled carbon steel sheet and coiled plate, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1979-82 and January-September 1983. Such inventories were equal to about 5 to 10 percent of the responding producers' shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of short tons):

	Coiled plate	Sheet under 0.1875 inch	Total
As of Dec. 31--			
1979----------	131	484	615
1980----------	119	496	615
1981----------	161	526	687
1982----------	118	360	478
As of Sept. 30--			
1982----------	93	425	518
1983----------	106	510	616

U.S. employment, wages, and productivity

In domestic establishments producing hot-rolled carbon steel sheet and coiled plate, the average employment of all persons increased slightly from 1980 to 1981, and then declined by 30 percent in 1982, with a continued decline of 13 percent in January-September of 1983 compared with average employment during the corresponding period of 1982 (table I-7). The average number of production and related workers increased by 9 percent from 1980 to 1981 and then fell by 36 percent in 1982. Hours worked by production and related workers producing all products increased by 3 percent from 1980 to 1981 and then dropped by 36 percent in 1982. Hours worked by production and related workers producing all hot-rolled carbon steel sheet (including coiled plate) increased by 14 percent from 1980 to 1981 and then dropped by 30 percent in 1982.

Wages and total compensation paid to production and related workers producing all products and those paid to production and related workers producing hot-rolled carbon steel sheet and coiled plate are shown in table I-8. The difference between total compensation and wages is an estimate of workers' benefits.

Data on labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel sheet and coiled plate are presented in table I-9. Labor productivity in the production of all hot-rolled sheet (including coiled plate) increased by 1.7 percent in 1981 and then declined by 21 percent in 1982. Labor productivity increased by 20.9 percent in January-September 1983 compared with that in the corresponding period of 1982. Hourly compensation increased continuously, from $13.99 per hour in 1980 to $15.90 per hour in 1982, and unit labor costs increased from $74 per ton in 1980 to $112 per ton in 1982. Both hourly compensation and unit labor costs in producing all hot-rolled carbon steel sheet decreased in January-September 1983 compared with such indicators in January-September 1982.

Table I-7.--Average number of employees, total and production and related workers, in U.S. establishments producing hot-rolled carbon steel sheet, and hours paid 1/ for the latter, by types, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	Jan.-Sept.--	
				1982	1983
Average employment:					
All persons:					
Number	185,662	190,422	133,316	140,116	121,600
Percentage change	2/	2.6	-30.0	2/	-13.2
Production and related workers producing--					
All products:					
Number	154,834	168,695	108,334	113,998	100,448
Percentage change	2/	9.0	-35.8	2/	-11.9
Coiled plate:					
Number	4,729	6,111	3,642	3,646	3,911
Percentage change	2/	29.2	-40.4	2/	7.3
Sheet under 0.1875 inch:					
Number	16,951	18,475	13,935	14,807	15,286
Percentage change	2/	9.0	-24.6	2/	3.2
Total:					
Number	21,680	24,586	17,577	18,453	19,197
Percentage change	2/	13.4	-28.5	2/	4.0
Hours worked by production and related workers producing--					
All products:					
Number------thousands--	310,375	319,426	205,443	163,017	152,657
Percentage change	2/	2.9	-35.7	2/	-6.4
Coiled plate:					
Number------thousands--	5,912	8,192	4,989	3,700	4,065
Percentage change	2/	38.6	-39.1	2/	9.9
Sheet under 0.1875 inch:					
Number------thousands--	36,911	40,611	30,067	23,054	24,338
Percentage change	2/	10.0	-26.0	2/	5.6
Total:					
Number------thousands--	42,923	48,803	34,056	26,874	28,403
Percentage change	2/	13.7	-30.2	2/	5.7

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 I-8.--Wages and total compensation 1/ paid to production and related workers in establishments producing hot-rolled carbon steel sheet, by types, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	Jan.-Sept.--	
				1982	1983
Wages paid to production and related workers producing--					
All products:					
Value-million dollars--	4,148	4,669	3,421	2,811	2,321
Coiled plate:					
Value-million dollars--	79	123	88	61	60
Percentage change------	2/	55.7	-28.5	2/	-1.6
Sheet under 0.1875 inch:					
Value-million dollars--	522	621	469	377	371
Percentage change------	2/	19.0	-24.5	2/	-1.6
Total:					
Value-million dollars--	601	744	557	438	431
Percentage change------	2/	23.8	-25.0	2/	-1.6
Total compensation paid to production and related workers producing--					
All products:					
Value-million dollars--	5,445	6,129	4,831	3,783	3,451
Percentage change------	2/	12.6	-21.2	2/	-8.8
Coiled plate:					
Value-million dollars--	104	161	110	81	85
Percentage change------	2/	54.8	-31.7	2/	4.9
Sheet under 0.1875 inch:					
Value-million dollars--	687	815	673	523	547
Percentage change------	2/	18.6	-17.4	2/	4.6
Total:					
Value-million dollars--	791	977	783	604	632
Percentage change------	2/	23.4	-19.8	2/	4.6

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

2/ Not available.

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

Table I-9.--Labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel sheet, by types, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	Jan.-Sept.--	
				1982	1983
Labor productivity:					
Coiled plate:					
Quantity--tons per hour--	0.2554	0.2833	0.2502	0.2533	0.3065
Percentage change--------	1/	10.9	-11.7	1/	21.0
Sheet under 0.1875 inch:					
Quantity--tons per hour--	0.2516	0.2503	0.2346	0.2318	0.2802
Percentage change--------	1/	-.5	-8.3	1/	20.9
Total:					
Quantity--tons per hour--	0.2515	0.2558	0.2017	0.2348	0.2839
Percentage change--------	1/	1.7	-21.1	1/	21.3
Hourly compensation: 2/					
Coiled plate:					
Value----------per hour--	$13.35	$15.01	$17.70	$16.47	$14.75
Percentage change--------	1/	12.4	17.9	1/	-10.4
Sheet under 0.1875 inch:					
Value----------per hour--	$14.14	$15.29	$15.60	$16.35	$15.24
Percentage change--------	1/	8.1	2.0	1/	-6.8
Total:					
Value----------per hour--	$13.99	$15.23	$16.36	$16.32	$15.17
Percentage change--------	1/	8.9	7.3	1/	-7.0
Unit labor costs:					
Coiled plate:					
Value----------per ton--	$71.67	$71.46	$90.68	$88.43	$70.31
Percentage change--------	1/	-.3	26.9	1/	-20.5
Sheet under 0.1875 inch:					
Value----------per ton--	$74.52	$80.85	$116.48	$98.57	$80.81
Percentage change--------	1/	8.5	44.1	1/	-18.0
Total:					
Value----------per ton--	$74.14	$79.22	$112.01	$97.24	$79.21
Percentage change--------	1/	6.9	41.4	1/	-18.5

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.

Financial experience of U.S. producers

Operations on all hot-rolled carbon steel sheet.--Income-and-loss data were received from seven firms together accounting for 76 percent of total shipments (as reported by the AISI) of all hot-rolled carbon steel sheet in 1982. These data are presented in table I-10. The responding producers' net sales of all hot-rolled carbon steel sheet (including coiled plate) increased from $2.7 billion in 1980 to $3.4 billion in 1981, or by 26 percent. Such sales dropped sharply to $2.2 billion in 1982, or by 35 percent. During the interim period ended September 30, 1983, net sales increased by 18 percent to $2.1 billion, compared with sales of $1.8 billion in the corresponding period of 1982.

In 1982, the seven firms sustained an aggregate operating loss of $379 million, or 17.2 percent of net sales, compared with operating losses of $158 million, or 5.9 percent of net sales, in 1980 and $81 million, or 2.4 percent of net sales, in 1981. During the interim period ended September 30, 1983, U.S. producers reported an aggregate operating loss of $235 million, equivalent to 11.3 percent of net sales, compared with an operating loss of $272 million, or 15.5 percent of net sales, in the corresponding period of 1982.

All seven responding firms reported operating losses in 1982 and interim 1983, compared with six firms that reported such losses in 1980 and five firms that did so in 1981. In the aggregate, the seven firms experienced negative cash flows from their operations on all hot-rolled carbon steel sheet throughout the period covered. Such negative cash flows amounted to $97 million in 1980, $13 million in 1981, $317 million in 1982, and $176 million in the interim period of 1983.

Operations on coiled plate.--Seven producers, accounting for about 95 percent of total U.S. shipments (as reported in response to the Commission's questionnaires) of coiled carbon steel plate in 1982, provided income-and-loss data relative to their operations on such merchandise. As shown in table I-11, net sales of coiled plate increased by 49 percent, from $397 million in 1980 to $591 million in 1981, and then fell by 46 percent to $322 million in 1982. During the interim period ended September 30, 1983, net sales increased by 20 percent to $302 million, compared with $252 million in the corresponding period of 1982.

U.S. producers of coiled plate reported aggregate operating losses throughout the period under investigation. Operating losses were reduced in 1981 to $11 million, or 1.9 percent of net sales, compared with losses of $17 million, or 4.3 percent of net sales, in 1980. Such losses increased rapidly to $50 million, or 15.5 percent of net sales, in 1982. A further operating loss of $41 million, or 13.6 percent of net sales, was incurred in the interim period of 1983, compared with a loss of $31 million, or 12.3 percent of net sales, in the corresponding period of 1982. Four firms reported operating losses in 1980 and in 1981. All seven responding firms sustained operating losses in 1982, and six firms did so in the interim period of 1983.

Table I-10.--Income-and-loss experience of 7 U.S. producers on their operations producing all hot-rolled carbon steel sheet, 1/ accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales------million dollars--	2,690	3,384	2,205	1,752	2,076
Cost of goods sold--------do----	2,753	3,343	2,459	1,928	2,198
Gross income or (loss)----do----	(63)	41	(254)	(176)	(122)
General, selling, and administrative expenses----do----	95	122	125	96	113
Operating income or (loss)----------do----	(158)	(81)	(379)	(272)	(235)
Depreciation and amortization expenses 2/--------do----	61	68	62	45	59
Cash flow or (deficit) from operations 2/------do----	(97)	(13)	(317)	(227)	(176)
Ratio to net sales:					
Gross income---------percent--	(2.3)	1.2	(11.5)	(10.0)	(5.9)
Operating income--------do----	(5.9)	(2.4)	(17.2)	(15.5)	(11.3)
Cost of goods sold------do----	102.3	98.8	111.5	110.0	105.9
General, selling, and administrative expenses----------do----	3.5	3.6	5.7	5.5	5.4
Number of firms reporting operating losses----------	6	5	7	7	7

1/ Includes operations in producing coiled plate.

2/ Only 4 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated and deficits are somewhat overstated.

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

In the aggregate, the seven responding firms experienced a negative cash flow of $41 million in 1982 and $31 million in the interim period of 1983, compared with a negative cash flow of $8 million in 1980 and a small positive cash flow of $1 million in 1981.

Table I-11.--Income-and-loss experience of 7 U.S. producers on their operations producing coiled carbon steel plate, accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30-- 1982	1983
Net sales------million dollars--	397	591	322	252	302
Cost of goods sold--------do----	405	589	360	275	330
Gross income or (loss)----do----	(8)	2	(38)	(23)	(28)
General, selling, and administrative expenses----do----	9	13	12	8	13
Operating income or (loss)----------do----	(17)	(11)	(50)	(31)	(41)
Depreciation and amortization expenses 1/--------do----	9	12	9	7	10
Cash flow or (deficit) from operations 1/------do----	(8)	1	(41)	(24)	(31)
Ratio to net sales:					
Gross income---------percent--	(2.0)	0.3	(11.8)	(9.1)	(9.3)
Operating income--------do----	(4.3)	(1.9)	(15.5)	(12.3)	(13.6)
Cost of goods sold------do----	102.0	99.7	111.8	109.1	109.3
General, selling, and administrative expenses----------do----	2.3	2.2	3.7	3.2	4.3
Number of firms reporting operating losses----------	4	4	7	7	6

1/ Only 4 firms provided depreciation and amortization expenses. 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.

Operations on sheet under 0.1875 inch in thickness.--The income-and-loss experience of U.S. producers on their operations in producing hot-rolled carbon steel sheet under 0.1875 inch in thickness (i.e., excluding their operations on coiled plate) are shown in table I-12. The seven responding producers' net sales of such merchandise increased from $2.3 billion in 1980 to $2.8 billion in 1981, or by 22 percent. Their sales then dropped sharply to $1.9 billion in 1982, or by 33 percent. During the interim period ended September 30, 1983, net sales increased by 18 percent to $1.8 billion, compared with $1.5 billion in the corresponding period of 1982.

In 1982, the seven firms sustained an aggregate operating loss of $329 million, or 17.5 percent of net sales, compared with operating losses of $141 million, or 6.1 percent of net sales, in 1980 and $70 million, or 2.5 percent of net sales, in 1981. During interim 1983, U.S. producers reported an aggregate operating loss of $194 million, equivalent to 10.9 percent of net

Table I-12.--Income-and-loss experience of 7 U.S. producers on their operations producing hot-rolled carbon steel sheet under 0.1875 inch in thickness, 1/ accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales------million dollars--	2,293	2,793	1,883	1,500	1,774
Cost of goods sold--------do----	2,348	2,754	2,099	1,653	1,868
Gross income or (loss)----do----	(55)	39	(216)	(153)	(94)
General, selling, and administrative expenses----do----	86	109	113	88	100
Operating income or (loss)----------do----	(141)	(70)	(329)	(241)	(194)
Depreciation and amortization expenses 2/--------do----	52	56	53	38	49
Cash flow or (deficit) from operations 2/------do----	(89)	(14)	(276)	(203)	(145)
Ratio to net sales of:					
Gross income---------percent--	(2.4)	1.4	(11.5)	(10.2)	(5.3)
Operating income--------do----	(6.1)	(2.5)	(17.5)	(16.1)	(10.9)
Cost of goods sold------do----	102.4	98.6	111.5	110.2	105.3
General, selling, and administrative expenses----------do----	3.8	3.9	6.0	5.9	5.6
Number of firms reporting operating losses----------	5	4	7	7	6

1/ Such merchandise excludes coiled plate.

2/ Only 4 firms provided depreciation and amortization expenses. 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.

sales, compared with an operating loss of $241 million, or 16.1 percent of net sales, in interim 1982. All seven responding firms reported operating losses in 1982, compared with five firms that posted losses in 1980 and four that did so in 1981. Six firms sustained operating losses in the interim period of 1983.

In the aggregate, the seven responding firms experienced negative cash flows throughout the period covered. Such negative cash flows amounted to $89 million in 1980, $14 million in 1981, $276 million in 1982, and $145 million in the interim period ended September 30, 1983.

Capital expenditures.--Two firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of all hot-rolled carbon steel sheet. Such capital expenditures declined annually, from *** million in 1980 to *** million in 1982, and amounted to *** million in January-September 1983, as shown in the following tabulation (in thousands of dollars):

Period	Expenditures (1,000 dollars)
1980	***
1981	***
1982	***
January-September--	
1982	***
1983	***

Research and development expenditures.--Research and development expenses relative to operations on all hot-rolled carbon steel sheet, as reported by six producers that responded to this part of the Commission's questionnaires, increased from $4.7 million annually in 1980 and 1981 to $5.5 million in 1982, and then declined to $3.0 million in January-September 1983. Research and development expenditures are shown in the following tabulation (in thousands of dollars):

Period	Expenditures (1,000 dollars)
1980	4,732
1981	4,722
1982	5,518
January-September--	
1982	4,196
1983	2,950

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 subsidized or 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 sheet (including coiled plate) and of their U.S. market penetration is presented in the section in part I of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Allegedly Subsidized and/or LTFV Imports."

Discussions of the available information on end-of period inventories of hot-rolled carbon steel sheet and coiled plate from Brazil, as provided by importers in response to the Commission's questionnaires, and the capacity of producers in that country to generate exports of such merchandise follow.

U.S. importers' inventories

The Commission sent questionnaires to 19 firms which were believed to have imported plate in coils or hot-rolled sheet from Brazil. Four firms, accounting for approximately 45 percent of such imports in January-September 1983, reported that they had imported the subject products from Brazil. Of the 78,905 tons imported by the responding firms in January-September 1983, inventories held as of the end of that period totaled 1,419 tons, or 1.8 percent of their reported imports.

The Brazilian steel industry and its capacity to generate exports

The Brazilian steel industry produced 14.3 million tons of raw steel in 1982, ranking 13th among world steel-producing countries. This represented a 2-percent decrease from production in 1981. However, Brazil's raw steel production in 1982 still represented a substantial increase from production levels prior to 1979, as shown in the following tabulation:

	Quantity (million short tons)
1972	7.2
1973	7.9
1974	8.3
1975	9.2
1976	10.2
1977	12.4
1978	13.5
1979	15.3
1980	16.9
1981	14.6
1982	14.3

Brazil's estimated production of raw steel in 1983 will amount to 14.8 million tons, or 3 percent more than its production in 1982.

The Siderbras group of companies produced 8.5 million tons of raw steel in 1982, representing 59 percent of total Brazilian production. 1/ Its three largest producers--Usinas Siderurgicas de Minas Gerais (Usiminas), Companhia Siderurgica Paulista (Cosipa), and Companhia Siderurgica Nacional (CSN)--together accounted for 92 percent of Siderbras' raw steel production, and approximately 54 percent of Brazilian raw steel production in 1982. These three firms, all fully integrated steel producers, account for virtually all of Brazil's production of plate, hot-rolled sheet, and cold-rolled sheet.

Usiminas was Brazil's largest raw steel producer in 1982, accounting for 3.2 million tons, or 22 percent, of Brazil's total production of raw steel. Usiminas is primarily a producer of flat-rolled carbon steel products, including plate, hot-rolled sheet, and cold-rolled sheet. Its production of flat-rolled products declined from 3.3 million tons in 1980 to 2.6 million tons in 1982, or by 19 percent. Usiminas produces such products in a hot-strip mill with an annual capacity of 2.4 million tons.

CSN, the second largest Brazilian steel producer, makes a full line of carbon steel products, including hot-rolled sheet, cold-rolled sheet, plate, bars, and structural shapes. Its production of all flat-rolled steel products declined from 2.1 million tons in 1980 to 2.0 million tons in 1982, or by 8 percent. CSN's capacity for producing hot-rolled sheet is 5.2 million tons annually, and its capacity for producing cold-rolled sheet is 2.1 million tons annually.

Cosipa, the third largest Brazilian steel producer, makes flat-rolled carbon steel products exclusively. Its production of such products declined from 2.8 million tons in 1980 to 2.2 million tons in 1982, or by 20 percent. Cosipa has an annual productive capacity of 2.2 million tons for hot-rolled sheet and 1.1 million tons for cold-rolled sheet.

Brazil's aggregate production of hot-rolled sheet declined from 1.8 million tons in 1980 to 1.4 million tons in 1981, before rising to 2.0 million tons in 1982 (table I-13). 2/

1/ Siderbras, a Government-controlled corporation in charge of Federally owned steel corporations, was established in 1973 to promote and stimulate new steel projects involving State participation. It controls eight operating Brazilian steel companies; two additional facilities are planned. The most recent steel facility of the Siderbras group to start production was Companhia Siderurgica de Tubarao, which came on line Dec. 1, 1983. The facility is a joint venture of Siderbras and Japanese and Italian steel companies; it produces carbon steel slabs, primarily for the export market.

2/ Brazil's production of hot-rolled sheet in 1982 was the largest achieved during the past decade. Its average annual production of such sheet rose from 1.04 million tons during 1973-77 to 1.65 million tons during 1978-82.

Table I-13.--Hot-rolled steel sheet and coiled plate: Brazil's production, practical capacity, capacity utilization, imports, exports, and apparent consumption, 1980-82.

Item	1980	1981	1982
Production----------1,000 short tons--	1,826	1,410	2,020
Capacity 1/----------do----	9,800	9,800	9,800
Capacity utilization 1/--------percent--	18.6	14.4	20.6
Imports----------1,000 short tons--	3	104	2
Exports to--			
United States----------do----	2/	1	81
European Community----------do----	2/	45	121
Argentina----------do----	2/	17	64
Japan----------do----	2/	9	50
All other----------do----	2/	39	260
Total----------do----	56	111	576
Apparent consumption----------do----	1,777	1,403	1,446

1/ Capacity data were derived by the Commission's staff from data published by the Industria Siderurgica Brasileria; such data are substantially overstated in the context of this table. This is because the hot-strip mills upon which these capacity data are based are used for producing all hot-rolled sheet, both that marketed as such and that consumed captively in the production of other products such as galvanized sheet, coated sheet, and tin plate. The effective capacity of any hot-strip mill to produce the hot-rolled sheet and coiled plate which are the subjects of these investigations is subject to the current product mix of the mill.

2/ Not available.

Source: Annuario Estatistico da Industria Siderurgica Brasileria (IBS), 1982 and 1983.

As shown in table I-13, Brazils' exports of hot-rolled sheet to the United States and other major markets increased substantially from 1980 to 1982. Brazilian exports of these products to the United States as a share of total exports also rose substantially, from 1.1 percent in 1981 to 14.1 percent in 1982.

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

U.S. imports

Imports from all sources.--Aggregate U.S. imports of hot-rolled carbon steel sheet (including coiled plate) from all sources increased from 1.9 million tons in 1980 to 2.2 million tons in 1981, and then declined by 19 percent to 1.8 million tons in 1982. Imports increased by 14 percent in January-September 1983 compared with imports in the corresponding period of 1982 (table I-14).

Imports of coiled carbon steel plate from all sources rose from 445,000 tons in 1980 to 512,000 tons in 1981, and then declined to 389,000 tons in 1982 (table I-15). Imports of coiled plate decreased 37 percent in January-September 1983 compared with imports in January-September 1982.

Imports of sheet under 0.1875 inch in thickness from all sources rose from 1.5 million tons in 1980 to 1.6 million tons in 1981, and then dropped back to 1.4 million tons in 1982 (table I-16). These imports increased 32 percent in January-September 1983 compared with those during January-September 1982.

Imports from Brazil.--Imports of all hot-rolled carbon steel sheet (including coiled plate) from Brazil declined from 7,000 tons in 1980 to 3,000 tons in 1981, or by 57 percent. Imports then increased to 63,000 tons in 1982, with a continued increase to 179,000 tons, or by 120 percent in January-September 1983 compared with those in January-September 1982 (table I-14).

Imports of coiled carbon steel plate from Brazil amounted to only 2,000 tons in 1980 and less than 500 tons in 1981. Such imports then rose to 18,000 tons in 1982 and increased further to 24,000 tons in January-September 1983, or about 41 percent greater than imports in January-September 1982 (table I-15).

Imports of hot-rolled carbon steel sheet under 0.1875 inch in thickness from Brazil declined from 5,000 tons in 1980 to 3,000 tons in 1981, but then increased to 45,000 tons in 1982. Imports increased from 38,000 tons in January-September 1982 to 155,000 tons in the corresponding period of 1983 (table I-16).

Table I-14.--Hot-rolled carbon steel sheet and coiled plate: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	Jan.-Sept.---	
				1982	1983
	Quantity (1,000 short tons)				
Brazil	7	3	63	55	179
Belgium/Luxembourg	21	106	88	74	42
West Germany	338	325	403	260	157
Republic of Korea	34	72	151	106	151
Republic of South Africa	69	38	26	21	43
Japan	640	531	381	297	227
Finland	7	64	38	29	58
Italy	38	70	65	65	57
Spain	1	5	5	5	26
All other	782	947	534	387	547
Total,	1,937	2,161	1,754	1,299	1,487
	Value (1,000 dollars)				
Brazil	1,750	1,104	16,831	15,151	37,917
Belgium/Luxembourg	6,430	33,942	24,634	21,303	10,875
West Germany	90,420	100,523	118,250	79,605	42,556
Republic of Korea	9,428	21,788	43,673	31,885	35,993
Republic of South Africa	18,046	10,883	7,351	6,104	9,979
Japan	200,167	176,190	125,543	98,566	69,998
Finland	1,909	19,278	10,619	8,687	12,780
Italy	9,260	20,710	18,281	18,281	12,754
Spain	484	1,408	1,246	1,246	5,504
All other	219,293	293,164	166,000	119,115	147,704
Total,	557,187	678,990	526,428	399,943	386,060

See footnote at end of table.

Table I-14.--Hot-rolled carbon steel sheet and coiled plate: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983--Continued

Source	1980	1981	1982	Jan.-Sept.---	
				1982	1983
	Unit value (per ton)				
Brazil	$266	$371	$268	$274	$212
Belgium/Luxembourg	305	321	280	286	258
West Germany	267	309	294	306	271
Republic of Korea	276	305	290	300	239
Republic of South Africa	261	288	281	286	229
Japan	313	332	329	331	308
Finland	261	302	283	299	221
Italy	241	296	280	280	222
Spain	378	262	259	259	210
All other	280	310	311	308	270
Average	288	314	300	308	260

1/ Includes imports under TSUSA items 607.6610, 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

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 I-15.--Coiled carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	Jan.-Sept.-- 1982	Jan.-Sept.-- 1983
	Quantity (1,000 short tons)				
Brazil	2	2/	18	17	24
Belgium/Luxembourg	4	40	25	24	9
West Germany	133	100	131	98	27
Republic of Korea	11	18	39	29	23
Republic of South Africa	16	11	6	5	6
Japan	115	89	40	35	8
Finland	2/	15	12	10	13
Italy	17	27	21	21	7
Spain	2/	1	2/	2/	18
All other	148	212	96	84	69
Total	445	512	389	323	204
	Value (1,000 dollars)				
Brazil	436	22	4,913	4,758	5,028
Belgium/Luxembourg	1,237	12,879	6,979	6,753	2,034
West Germany	35,611	31,251	38,182	29,144	7,129
Republic of Korea	2,924	5,266	11,154	8,589	5,183
Republic of South Africa	4,075	3,039	1,715	1,372	1,313
Japan	34,951	28,573	12,577	11,256	2,194
Finland	41	4,375	3,479	3,041	2,735
Italy	4,112	7,909	5,828	5,828	1,331
Spain	195	199	35	35	3,715
All other	42,833	63,786	29,157	25,403	17,107
Total	126,415	157,299	114,019	96,179	47,769

See footnotes at end of table.

Table I-15.--Coiled carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983--Continued

Source	1980	1981	1982	Jan.-Sept.	
				1982	1983
	Unit value (per ton)				
Brazil	$275	$338	$273	$274	$207
Belgium/Luxembourg	313	324	278	278	225
West Germany	267	312	291	296	263
Republic of Korea	277	300	284	293	219
Republic of South Africa	254	284	285	297	214
Japan	304	319	317	318	289
Finland	254	299	294	309	217
Italy	240	293	274	274	179
Spain	527	258	236	236	206
All other	292	301	304	302	248
Average	284	307	293	299	235

1/ Includes imports under TSUSA item 607.6610.
2/ 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 I-16.--Hot-rolled carbon steel sheet under 0.1875 inch in thickness: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	Jan.-Sept.-- 1982	Jan.-Sept.-- 1983
	Quantity (1,000 short tons)				
Brazil	5	3	45	38	155
Belgium/Luxembourg	17	66	63	50	33
West Germany	205	225	271	161	130
Republic of Korea	24	54	111	77	127
Republic of South Africa	53	27	20	17	37
Japan	525	442	342	262	219
Finland	7	49	26	19	45
Italy	21	43	44	44	50
Spain	1	5	5	5	8
All other	634	735	438	303	479
Total	1,492	1,649	1,365	976	1,283
	Value (1,000 dollars)				
Brazil	1,314	1,081	11,919	10,392	32,889
Belgium/Luxembourg	5,193	21,062	17,655	14,550	8,841
West Germany	55,852	71,603	80,068	50,460	35,427
Republic of Korea	6,504	16,522	32,518	23,296	30,810
Republic of South Africa	13,988	7,844	5,636	4,732	8,666
Japan	165,216	147,616	112,967	87,310	67,804
Finland	1,867	14,903	7,140	5,645	10,044
Italy	5,149	12,801	12,453	12,453	11,422
Spain	290	1,208	1,211	1,211	1,789
All other	175,399	227,051	130,842	93,715	130,599
Total	430,772	521,691	412,409	303,764	338,291

See footnote at end of table.

Table I-16.--Hot-rolled carbon steel sheet under 0.1875 inch in thickness: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983--Continued

Source	1980	1981	1982	Jan.-Sept.---	
				1982	1983
	Unit value (per ton)				
Brazil	$263	$371	$265	$274	$212
Belgium/Luxembourg	306	319	280	291	268
West Germany	272	318	296	313	273
Republic of Korea	271	306	293	303	237
Republic of South Africa	264	291	282	278	234
Japan	315	334	330	333	310
Finland	267	304	275	297	223
Italy	245	298	283	283	228
Spain	290	242	242	242	224
All other	277	309	299	309	273
Average	289	316	302	311	264

1/ Includes imports under TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

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.

U.S. market penetration

Imports from all sources.--Market penetration of imports of all hot-rolled carbon steel sheet (including coiled plate) from all countries increased from 15.1 percent of U.S consumption in 1980 to 17.7 percent in 1982, and then dropped to 16.2 percent in January-September 1983 (table I-17). Imports of coiled plate declined from 22.8 percent of apparent U.S. consumption of that product in 1980 to 19.5 percent in 1981, before increasing to 24.3 percent in 1982. Market penetration of coiled plate imports dropped sharply to 14.6 percent of consumption in January-September 1983. Market penetration of hot-rolled sheet under 0.1875 inch in thickness from all countries increased steadily from 13.7 percent of consumption in 1980 to 16.5 percent in 1982, and then held at 16.5 percent in January-September 1983.

Table I-17.--Hot-rolled carbon steel sheet: 1/ Ratios of imports, from Brazil and all countries, to apparent U.S. consumption, by types, 1980-82, January-September 1982, and January-September 1983

(In percent)

Item	1980	1981	1982	January-September--	
				1982	1983
Ratio of imports from Brazil to apparent U.S. consumption: 2/					
Coiled plate 3/	0.1	4/	1.2	1.3	1.7
Sheet under 0.1875 inch in thickness	4/	4/	0.5	0.6	2.0
Total	0.05	4/	0.6	0.7	2.0
Ratio of imports from all countries to apparent U.S. consumption:					
Coiled plate 3/	22.8	19.5	24.3	25.2	14.6
Sheet under 0.1875 inch in thickness	13.7	14.2	16.5	15.3	16.5
Total	15.1	15.2	17.7	17.0	16.2

1/ Includes imports under TSUSA items 607.6610, 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

2/ Consumption calculated as the sum of U.S. producers' domestic shipments and imports for consumption.

3/ 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.

4/ Less than 0.05 percent.

Source: Shipments of all hot-rolled carbon steel sheet from the American Iron & Steel Institute; shipments of coiled plate compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

Imports from Brazil.--Market penetration of imports of all hot-rolled carbon steel sheet (including coiled plate) from Brazil increased slightly from 0.05 percent of consumption in 1980 to 0.6 percent in 1982, and then increased to 2.0 percent in January-September 1983. Imports of coiled plate from Brazil were at very low levels in 1980, accounting for only about 0.1 percent of consumption; they rose to 1.2 percent of consumption in 1982 and then increased to 1.7 percent of consumption in January-September 1983. Imports of hot-rolled sheet under 0.1875 inch in thickness from Brazil increased from less than 0.05 percent in 1980 to 0.5 percent in 1982, and then increased to to 2.0 percent in January-September 1983.

Prices

Market conditions in industries that require steel sheet as an input, such as automobiles, construction, energy, and utilities, have an effect on prices in the steel industry. For example, the auto industry has experienced declining demand for large cars and has begun to produce smaller, lighter cars. This has reduced the demand for steel sheet and in turn has had a dampening effect on sheet prices. Moreover, overall demand for hot- and cold-rolled steel sheet and its price depend to a large extent on the levels of activity in the automobile industry. Thirty-three percent of the cold-rolled sheet and 29 percent of the hot-rolled sheet produced domestically were used by the auto industry in 1981. The industrial production index for automobiles showed a strengthening market in the beginning of 1981 followed by a 22 percent decline in the fourth quarter of 1981 and low production levels persisting throughout 1982. Recently in 1983, production of autos has risen to a level 30 percent greater than that in the first quarter of 1981.

Another large use of hot- and cold-rolled steel sheet is with the household appliance industry. Industrial production in this market followed a trend similar to that of the auto industry--a stable market during January-September 1981, then a decreasing market in 1982, and a strengthening market through 1983 (table I-18).

Prices of steel sheet are usually quoted f.o.b. mill in terms of dollars per ton. 1/ Prices consist of a base price for each product plus additional charges for extras such as variations in length, width, thickness, chemistry, and so forth. Price changes are accomplished by changing the base price, the charges for extras, or both. According to data on list prices collected by the Bureau of Labor Statistics, domestic producers of steel sheet announced five base price increases and one decrease during January 1979-July 1982. Since then, there have been two more announced price increases, both in 1983. The latest base price increase, which averaged approximately 7 percentage points, was announced in September of this year. The single base price decrease, which averaged approximately 4 percentage points, was announced in July 1980. According to industry sources, discounting of prices for some products increased during 1982 compared with that in 1981. Published prices during 1982 and 1983 did not reflect market price reality. According to conference testimony "transaction prices have been severely depressed." 2/

The Commission asked domestic producers and importers for their average net selling prices to steel service centers/distributors (SSC's) and end users for two specified hot-rolled carbon steel coiled plate products and five specified hot-rolled carbon steel sheet products, by quarters, during January

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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/ Transcript of the conference, p. 48.

Table I-18.--Industrial production index for household appliances and automobiles, seasonally adjusted, by quarters, January 1981-September 1983

(1967=100)

Period	Household appliances	Automobiles
1981:		
January-March	100.0	100.0
April-June	95.2	116.8
July-September	100.0	106.9
October-December	78.1	83.2
1982:		
January-March	76.7	70.3
April-June	80.1	94.1
July-September	84.2	100.0
October-December	84.9	83.2
1983:		
January-March	88.4	100.0
April-June	89.7	107.9
July-September	97.3	130.7

Source: Data Resources, Inc., Central Data Bank.

1981-September 1983. 1/ 2/ Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide the best method for comparing levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect general patterns of underselling and any discounting that may have occurred.

The ranges and weighted-average net selling prices received by U.S. producers and importers of coiled plate and hot-rolled sheet from Brazil and

1/ For these preliminary investigations, questionnaires were not sent to purchasers. If the investigations return for final determinations by the Commission, purchasers will be asked to provide delivered prices paid in specific transactions. To ensure that these delivered prices will be comparable, purchasers will be polled in the following seven metropolitan market areas: Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle. Data from respondents will be grouped by these market areas.

2/ These products and their specifications are listed in app. D. The two representative coiled plate products are numbered 1 and 2 and the five representative hot-rolled sheet products are numbered 3-7.

the margins of underselling or overselling by such imports are presented in tables I-19 and I-20. 1/ Because of incomplete data, price trends for importers' sales of Brazilian coiled plate and hot-rolled sheet, to SSC's or end users could not be adequately established.

In addition to f.o.b. selling prices, this section of the report discusses delivered price data for the two coiled plate products; these data were reported by SSC's in questionnaires returned to the Commission in its final dumping investigation concerning certain flat-rolled carbon steel products from Brazil, Investigation No. 731-TA-123 (Final). 2/ These delivered prices, which are presented in table D-3 in app. D, constitute a better basis for comparing price levels of domestic and imported steel products than do the reported f.o.b. selling prices. As yet, no end users have reported delivered purchase prices for the two coiled plate products.

Trends in prices of hot-rolled carbon steel plate in coils.--Quarterly selling prices of the two domestic hot-rolled carbon steel coiled plate products sold to SSC's and to end-users generally increased during 1981, decreased in 1982 from 1981 levels, and decreased still further in 1983 (table I-19). From January-March 1981 to July-September 1983, price declines ranged from 8 to 17 percent for the two coiled plate products. One major exception to these general trends was in the prices of product 2 sold to end users; such prices in July-September 1983 were 2 percent higher than those in January-March 1981.

As indicated previously, because of incomplete data, price trends for imported Brazilian hot-rolled carbon steel plate in coils sold to SSC's or end users could not be adequately established.

Margins of underselling for hot-rolled carbon steel plate in coils.--3/ Based on delivered purchase prices reported by SSC's in the seven specified city areas, price comparisons between domestic and imported Brazilian hot-

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1/ Indexes of the f.o.b. net selling prices of coiled plate and hot-rolled sheet reported by domestic producers and importers are shown in tables D-1 and D-2, app. D.

2/ Purchasers were requested to provide, on a quarterly basis from January 1982 to September 1983, their delivered prices for eight specified steel plate products in each of the following seven market areas: Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle. Only two of the eight products, carbon steel plate in coils, are included in this preliminary investigation.

3/ Based on f.o.b. selling prices reported by domestic producers and importers, Brazilian coiled plate undersold the competing domestic products in three of the four instances in which comparisons were possible, by average margins ranging from 11 to 21 percent (table I-19). All four instances involved sales to SSC's; no comparisons were possible on sales to end users. Because f.o.b. selling prices do not include the significant delivery costs to purchasers, these margins of underselling may not be the best for analysis. Delivered prices that were reported for specified city areas are a better basis for comparing price levels between domestic and imported Brazilian hot-rolled carbon steel plate in coils.

Table I-19.--Plate in coils: Ranges and weighted average net selling prices for the largest sales of imports from Brazil and of domestic products and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983

Product and Period 1/	Prices to service centers/distributors								Prices to end users							
	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent
Product 1																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1983																
January-March							58	21				-	-	-	-	-
April-June							-3	-1				-	-	-	-	-
July-September	***	***	***	***	***	***	-	-	***	***	***	-	-	-	-	-
Product 2																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1983																
January-March						231		18				-	-	-	-	-
April-June						265		11				-	-	-	-	-
July-September	-			-	-	-	-	-				-	-	-	-	-

1/ See product list for specifications.
SOURCE: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table I-20.--Hot rolled carbon steel sheet: Ranges and weighted average net selling prices for the largest sales of imports from Brazil and of domestic products and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983

Product and Period 1/	Prices to service centers/distributors								Prices to end users							
	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Underselling	Per cent	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Underselling	Per cent
Product 3																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1983																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				***	***	***	33	12				-	-	-	-	-
July-September	***	***	***	***	***	***	8	3	***	***	***	-	-	-	-	-
Product 4																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December																
1983																
January-March				-	-	-	-	-				-	-	-	-	-
April-June							49	17				-	-	-	-	-
July-September							9	3				-	-	-	-	-
Product 5																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December							45	16				-	-	-	-	-
1983																
January-March				***	***	***	8	3				***	***	***	79	24
April-June							21	8							-	-
July-September							32	11							70	20
Product 6																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September	***	***	***	-	-	-	-	-	***	***	***	-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December							-	-				-	-	-	-	-
1983																
January-March							5	2				-	-	-	-	-
April-June							66	23				-	-	-	-	-
July-September							32	11				-	-	-	-	-
Product 7																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December	***	***	***	-	-	-	-	-	***	***	***	-	-	-	-	-
1983																
January-March				-	-	-	-	-				-	-	-	-	-
April-June							28	10				-	-	-	-	-
July-September				***	***	***	95	29				***	***	***	64	17

1/ See product list for specifications.
SOURCE: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

rolled carbon steel plate in coils were possible in the Houston, Los Angeles/ San Francisco, Philadelphia/New York, and Portland/Seattle areas (table D-3). 1/ Twelve of the 14 instances in which comparisons were possible in these four areas showed average margins of underselling ranging from 1 to 18 percent. Because of relatively few comparisons of domestic and imported prices for the two coiled plate products, no clear trends in underselling could be established.

Trends in prices of hot-rolled carbon steel sheet.--Similar to the trends in prices received by U.S. producers for coiled plate, the quarterly net selling prices for the five hot-rolled carbon steel sheet products sold to SSC's generally increased during 1981, decreased in 1982 from 1981 levels, and decreased still further in 1983 (table I-20). For the period January-March 1981 through July-September 1983, price declines ranged from 5 to 10 percent for the five sheet products. The major exception to these trends was in the price of product 7, which jumped in January-September 1983 to its highest level of the 11-quarter period, or 11 percent above its level in January-March 1981.

Quarterly selling prices of domestic hot-rolled carbon steel sheet sold to end users followed the same general trends as those for sales to SSC's. In 1981, however, the domestic producers' average selling prices to end users increased by greater percentages than their selling prices to SSC's, but from then through January-September 1983, prices to end users fell in similar proportions as prices to SSC's. As a result, and in contrast with selling prices to SSC's, domestic producers' selling prices to end users ended the period somewhat better, ranging from 2 to 23 percent higher in January-September 1983 than in January-March 1981.

Because of incomplete data, price trends for imported Brazilian hot-rolled carbon steel sheet sold to SSC's or end-users could not be adequately established.

Margins of underselling for hot-rolled carbon steel sheet.--Based on f.o.b. selling prices reported by domestic producers and importers, Brazilian hot-rolled carbon steel sheet undersold the competing domestic products in all 16 instances in which comparisons were possible, by average margins ranging from 2 to 29 percent (table I-20). 2/ Thirteen of the 16 instances involved sales to SSC's; the remaining 3 instances involved sales to end users. Because of the relatively few comparisons possible of domestic producers' and

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1/ No end users reported usable delivered purchase price data.

2/ F.o.b. selling prices were the only data available for comparing prices of the five hot-rolled carbon steel sheet products produced domestically with those imported from Brazil. Because f.o.b. prices do not include the significant delivery costs to purchasers, these margins of underselling may not be the best for analysis. Delivered prices to specified city areas are a better basis for comparing price levels between domestic and imported Brazilian hot-rolled steel sheet. As indicated previously, if these investigations return for final determinations by the Commission, purchasers will be asked to provide delivered prices paid in specific transactions.

importers' prices for the five steel sheet products, no clear trends in underselling could be established.

Appreciation of the U.S. dollar.--Table I-21 presents indexes of producer prices in the United States and Brazil and indexes of the nominal and real exchange rates between the U.S. dollar and the Brazilian cruzeiro, by quarters, from January 1981 (the base period) through September 1983. As shown in the table, the cruzeiro devalued in nominal terms by approximately 900 percent against the dollar since the base period, but, because of Brazil's rapid rate of inflation (more than 648 percent) during that period, the cruzeiro devalued in real terms by much less, approximately 48 percent.

Table I-21.--Indexes of producer prices in the United States and Brazil and indexes of the nominal and real exchange rates between the U.S. dollar and the Brazilian cruzeiro, by quarters, January 1981-September 1983

(January-March 1981=100)

Period	United States Producer Price Index	Brazilian Producer Price Index	Nominal exchange-rate Index 1/	Real exchange-rate Index 1/
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	102.4	119.7	118.5	101.4
July-September	103.3	138.2	140.8	105.2
October-December	103.2	160.5	166.8	107.3
1982:				
January-March	104.0	188.4	194.7	107.5
April-June	104.2	227.4	226.2	103.7
July-September	104.8	269.0	267.9	104.4
October-December	104.8	310.8	325.4	109.7
1983:				
January-March	104.9	387.9	461.1	124.7
April-June	105.2	512.8	672.2	137.9
July-September	106.3	2/ 648.7	900.5	147.6

1/ Based on nominal exchange rates expressed in units of cruzeiros per U.S. dollar.

2/ Based on data for July only.

Source: International Monetary Fund, International Financial Statistics, November 1983.

Lost sales

Hot-rolled carbon steel plate in coils.--***, which was the only U.S. producer providing lost sales information on hot-rolled carbon steel plate in coils, did not provide specific examples that could be investigated.

Hot-rolled carbon steel sheet.--*** provided the Commission with 12 specific allegations of lost sales of hot-rolled carbon steel sheet to imports from Brazil. 1/ These allegations involved nine purchasers--eight steel service centers and one end user. These alleged lost sales, which covered the period from January 1982 through September 1983, amounted to approximately 11,125 tons. Purchasers were generally concentrated in the west coast and gulf coast areas. In five instances, amounting to 6,000 tons of alleged lost sales, purchasers reported buying approximately 5,400 tons of the imported Brazilian sheet instead of the competing domestic sheet, primarily because of lower prices. In three other instances, amounting to 3,000 tons of alleged lost sales, purchasers reported buying approximately 4,000 tons of the sheet products from other foreign or from domestic sources. In the remaining four instances, amounting to approximately 2,125 tons, purchasers were not able to provide specific information, but made some general comments regarding the imported Brazilian sheet.

***, a steel service center located in ***, reported buying *** tons of the alleged imported Brazilian sheet at a price of *** per ton, or approximately *** per ton less than that of the competing domestic product. ***, buyer for the firm, stated that price was the major reason he purchased the imported steel, but that more favorable terms and better quality were secondary reasons. Terms on the Brazilian steel were ***, whereas terms on the domestic steel were ***. *** further stated that Brazilian hot-rolled sheet is generally the lowest priced in his market area, but since September 1983, suppliers have not offered any Brazilian sheet in this area.

***, a steel service center located in ***, reported buying *** tons of the alleged imported Brazilian sheet at a price of *** per ton, or approximately *** per ton less than the price of the competing domestic product. ***, buyer for the firm, stated that price was the major reason he purchased the imported steel, but better quality was a secondary reason. *** further stated that the Brazilian sheet is not necessarily the lowest priced in his market area; other foreign and domestic suppliers at times offer lower prices. *** finally stated that, as a small steel service center, he cannot get the low prices on domestic steel that his larger competitors, which often buy in large volumes, frequently obtain from the domestic mills. As a result, he is forced to buy low-priced imported steel to compete with the larger steel service centers.

***, a steel service center located in ***, reported buying *** tons of the alleged imported Brazilian sheet at a price of *** per ton, or approximately *** per ton less than that of the competing domestic product. ***, buyer for the firm, stated that price was the major reason he purchased the imported steel, but more favorable terms was a secondary reason. Terms on the Brazilian steel were ***, whereas terms on the domestic steel were ***. *** stated that suppliers have marketed imported Brazilian sheet unfairly in the U.S. market by offering very low prices which have disrupted the market in the *** area. *** further stated that ***, the major supplier of Brazilian

1/ ***, which was the only other U.S. producer providing lost sales information on hot-rolled sheet, did not provide specific examples that could be investigated.

sheet in the *** area, has recently stopped quoting prices of the imported steel in that area.

***, a steel service center located in ***, reported buying *** tons of the alleged imported Brazilian sheet at a price of *** per ton, or approximately *** per ton less than the price of the competing domestic product. ***, buyer for the firm, stated that price was the major reason he purchased the imported steel, but dual source considerations were a secondary reason for buying the imported product. *** further stated that imported Brazilian sheet is generally priced below domestic sheet.

***, a steel service center located in ***, reported buying *** tons of the alleged imported Brazilian sheet at a price of *** per ton, or approximately *** per ton less than that of the competing domestic product. ***, buyer for the firm, stated that price was the major reason he purchased the imported steel. *** further stated that at the same time he purchased the Brazilian steel, he also bought Italian and West German hot-rolled sheet, which were priced competitively with the Brazilian steel.

*** also reported that, in two other allegations amounting to *** tons, it purchased approximately *** tons of the alleged hot-rolled sheet from competing domestic mills. *** stated that the Brazilian sheet is generally priced below domestic sheet, but not necessarily below other imported foreign sheet. *** explained that the heavy influence of foreign steel in the *** areas has caused world market prices to prevail in these areas; as a result, domestic mills have conceded these market areas to the foreign steel. *** further stated that the imported Brazilian sheet is generally better in quality than competing domestic steel.

***, an end user located in ***, reported that it bought the *** tons of alleged imported sheet from a supplier of imported *** steel.

In the remaining four instances of alleged lost sales, purchasers could not recall the specific information, but stated that quoted prices of the imported Brazilian sheet are generally lower than those of competing domestic sheet. In two of these instances, purchasers also remarked that suppliers of the Brazilian sheet are currently not quoting prices on first quarter 1984 inquiries.

Lost revenue

Hot-rolled carbon steel plate in coils.--Domestic producers did not report any specific examples in which they reduced their prices on sales of hot-rolled carbon steel plate in coils as a result of competition with imports from Brazil.

Hot-rolled carbon steel sheet.--*** and ***, the two U.S. producers which responded to this section of the questionnaire, reported five specific instances in which they allegedly reduced their prices on sales of hot-rolled carbon steel sheet in competition with imports from Brazil. Four of these sales occurred in ***, and one was for *** delivery.

***, a steel service center located in ***, reported purchasing the alleged *** tons of hot-rolled sheet from *** after the domestic mill reduced its initial quote, but ***, buyer for the firm, could not recall this supplier's initial price quote. *** stated, however, that other domestic mills and several offshore sources, including Brazilian suppliers, were quoting comparable prices against which *** competed.

In three other instances, amounting to *** tons, purchasers stated that they did not recall receiving quotes on Brazilian sheet, that the alleged initial quotes of the domestic producer were unrealistically high, and that the alleged quantities were much too high. In one of these instances, involving *** tons, the purchaser--***, a steel service center located in ***--reported buying approximately *** tons of imported *** sheet. ***, buyer for the firm, stated that the ***-ton figure probably represented an unsold shipment of Brazilian hot-rolled sheet that was shipped to his area in ***. Purchasers in the other two instances, totaling *** tons, could not recall the specific tonnage purchased or the specific price quotes of the domestic producer. These purchasers stated, however, that they probably purchased some domestic hot-rolled sheet during the periods cited, but the quantities could not have been as much as those alleged. In the fifth allegation, the purchaser could not recall the specific instance.

Part II. COLD-ROLLED CARBON STEEL SHEET

Introduction

This part of the report presents information relating specifically to cold-rolled carbon steel sheet. As indicated previously, following receipt on November 10, 1983, of petitions filed on behalf of U.S. Steel Corp., the Commission instituted preliminary investigations Nos. 701-TA-207 and 731-TA-154 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 allegedly subsidized and/or LTFV imports of cold-rolled carbon steel sheet from Brazil.

The Product

Description and uses

Cold-rolled carbon steel sheet is a flat-rolled product that is produced by processing hot-rolled pickled (cleaned) carbon steel sheet in cold-reduction mills. Sheet is considered to be a finished product and is distinguished from other flat-rolled products by its dimensional characteristics. For purposes of these investigations, cold-rolled carbon steel sheet is defined as a flat-rolled product other than alloy iron or steel; whether or not corrugated or crimped; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal; over 12 inches in width; in coils, or, if not in coils, under 0.1875 inch in thickness; as provided for in items 607.8320 607.8350, 607.8355, and 607.8360 of the TSUSA. 1/

The production of cold-rolled sheet begins with a coil of hot-rolled sheet, which is decoiled, pickled, dried, oiled, and recoiled. It is then sent to a cold-reduction mill (so called because the steel is passed through a series of reducing rolls without being reheated) to emerge as a thinner product, with a smoother finish and a higher strength-to-weight ratio than can be achieved by hot-rolling alone. The sheet is then coiled and is usually annealed (heat treated) to restore the ductility lost during cold-rolling. A portion, however, is sold in an unannealed, "full hard" condition. 2/ After

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1/ Coiled products 0.1875 inch or more in thickness are defined in the TSUSA as plate. U.S. industry practice, however, is to classify such products as sheet when shipped in coils. For the purposes of these investigations, imports of cold-rolled coiled plate (item 607.8320) are incorporated in data presented in pt. I of this report; such imports are believed to be minimal.

2/ At the conference in the present investigations, representatives of Pinole Point Steel Co., Richmond, Calif., stated that this unannealed, "full-hard" cold-rolled sheet, which is used by Pinole Point as a feedstock for its production of galvanized sheet, was unavailable from domestic suppliers on the west coast and that foreign supplies other than from Brazil

Footnote continued on next page.

the steel has been softened in the annealing furnace, it is passed through a temper mill, which finishes the cold-rolled sheet by imparting additional hardness, flatness, and surface quality. The product is then shipped to consumers in coils or cut lengths.

Cold-rolled carbon steel sheet is the largest volume single steel mill product, having accounted for 17 percent of total U.S. producers' shipments of all steel mill products in 1982. Major consumer markets for cold-rolled sheet are shown in table II-1. The automotive industry, the largest single consumer of cold-rolled sheet accounted for, on average, 34 percent of cold-rolled sheet shipments during 1980-82; shipments to steel service centers and distributors averaged 24 percent over the same period. Other end markets for cold-rolled sheet include the electrical equipment and construction industries.

U.S. tariff treatment

For purposes of these investigations, cold-rolled carbon steel sheet is classified under items 607.8320, 607.8350, 607.8355, and 607.8360 of the TSUSA. Concessions granted by the United States at the Tokyo round of the MTN resulted in reductions in column 1 rates which began on January 1, 1982. The final concession rates will become effective on January 1, 1987. Imports of cold-rolled sheet are dutiable at the column 1 (MFN) rate of 7.0 percent ad valorem as of January 1, 1983. The sheet products are not eligible for duty-free treatment under the GSP, but imports from the LDDC's are granted preferential rates.

Footnote continued from previous page.

were also unavailable. (Transcript of the conference pp. 117-137; see also letter of Michael J. Calhoun, Nov. 29, 1983). Representatives of Pinole Point state that the imposition of additional duties on this cold-rolled sheet material would make their galvanized sheet product uncompetitive with other domestic and foreign suppliers and perhaps force Pinole Point Steel Co. out of business. Therefore, representatives of the firm seek an exemption for this product from any additional duties which may be imposed on Brazilian cold-rolled sheet as a result of the present investigations.

Representatives of U.S. Steel Corp., which produces unannealed, "full-hard" cold-rolled sheet and galvanized sheet in the Western United States, stated that they can and do produce this product on a regular basis and are ready to offer the product for sale to Pinole Point. They therefore oppose the exemption request (transcript of the conference, pp. 37-42 and 139-140).

Table II-1.--Cold-rolled carbon steel sheet: U.S. producers' shipments, by major markets, 1980-82, January-September 1982, and January-September 1983

Market	1980	1981	1982	January-September-- 1982	1983
	1,000 short tons				
Automotive	4,564	4,547	3,469	2,678	2,890
Steel service centers and distributors	2,726	3,328	2,798	2,072	2,783
Appliances,utensils, and cutlery	1,184	1,203	899	676	850
All other	4,271	4,671	3,400	2,597	2,890
Total	12,745	13,748	10,565	8,023	9,413
	Percent				
Automotive	36	33	33	33	31
Steel service centers and distributors	21	24	26	26	30
Appliances,utensils, and cutlery	9	9	9	8	9
Other	34	34	32	32	31
Total	100	100	100	100	100

Source: American Iron and Steel Institute.

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

The current U.S. rates of duty, as well as rates which represent the final stage of duty reductions granted at the MTN, are summarized in table II-2. Preferential rates for LDDC's are those shown in the column entitled "Jan. 1, 1987." An explanation of the applicability of column 1, column 2, GSP, and LDDC rates of duty is presented in part I of this report.

In addition to the import duties shown in table II-2, countervailing duties are currently in effect with respect to imports from Spain. 1/ In other actions in recent years, the Commission determined that there was no reasonable indication that an industry in the United States was being materially injured, or threatened with material injury, by reason of imports (alleged to be subsidized) from Brazil, Korea, Belgium, Luxembourg, and the United Kingdom. Similar determinations were made in cases on imports alleged to be sold in the United States at less than fair value from Belgium, Luxembourg, and the United Kingdom.

1/ Imports from South Africa are also subject to countervailing duties; the current level, however, is 0.00 percent.

Table II-2.--Cold-rolled carbon steel sheet: U.S. rates of duty as of Jan. 1, 1983, Jan. 1, 1984, and Jan. 1, 1987, by TSUS items

(Cents per pound; percent ad valorem)

TSUSA item No.	Article	Rate of duty			
		Col. 1			Col. 2
		Jan. 1, 1983	Jan. 1, 1984	Jan. 1, 1987	
607.8320	Carbon steel plate, not coated or plated with metal, not clad, and not pickled.	7.0%	6.6%	5.1%	0.2¢ + 20%.
607.8350	Carbon steel sheet, not coated or plated with metal not clad, and not pickled, painted, or varnished.	7.0%	6.6%	5.1%	0.2¢ + 20%.
607.8355	Carbon steel sheet, not coated or plated with metal and not clad, not pickled, having a miminum yield point of 40,000 lb. PSI	7.0%	6.6%	5.1%	0.2¢ + 20%.
607.8360	Carbon steel sheet, not coated or plated with metal not clad, and not pickled, other.	7.0%	6.6%	5.1%	0.2¢ + 20%.

Petitioners withdrew unfair trade complaints involving cold-rolled sheet from France, Italy, the Netherlands, and West Germany to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the arrangement, exports from the EC to the United States of 10 categories of steel products are to be limited to specified shares of apparent U.S. consumption from November 1, 1982, through December 31, 1985. Cold-rolled carbon steel sheet is included in a category in which exports are limited to 5.11 percent of consumption.

U.S. Producers

There were 14 known firms in the United States producing cold-rolled carbon steel sheet during 1982 and 1983. Most of these firms are located in the Great Lakes region and Pennsylvania. The following tabulation, which was compiled from data obtained in response to Commission questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of cold-rolled sheet, as reported by the AISI, in 1982 (in percent):

Firm	Market share	Location
Armco	***	Middletown, Ohio
Bethlehem	***	Burns Harbor, Ind. Sparrows Point, Md. Mansfield, Ohio
Inland	***	East Chicago, Ind.
J & L	***	East Chicago, Ind. Cleveland, Ohio Aliquippa, Pa. Hennepin, Ill. Pittsburgh, Pa.
National	***	Granite City, Ill. Detroit, Mich. Portage, Ind. Weirton, W. Va.
Republic	***	Gadsden, Ala. Cleveland, Ohio Niles, Ohio Warren, Ohio
Rouge	***	Detroit, Mich.
U.S. Steel	***	Pittsburgh, Pa. Gary, Ind. Cleveland, Ohio Dravosburg, Pa. Fairless Hills, Pa.

The production of cold-rolled carbon steel sheet is concentrated in the United States, with the four largest producers accounting for about 50 percent of total U.S. producers' shipments in 1982.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 19 firms that imported cold-rolled carbon steel sheet from Brazil during

October 1982-September 1983. The two largest importers together accounted for approximately * * * 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 cold-rolled sheet increased from 14.1 million tons in 1980 to 15.0 million tons in 1981. In 1982, apparent U.S. consumption decreased to 12.1 million tons, or by 19 percent (table II-3). Consumption in January-September 1983 was 20 percent greater than that reported in the corresponding period of 1982. According to industry sources, the increase in apparent consumption during January-September 1983 was due primarily to increasing demand in the automotive industry.

Table II-3.--Cold-rolled carbon steel sheet: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1980-82, January-September 1982, and January-September 1983

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1980	12,745	1,415	100	14,060	11.1	10.1
1981	13,478	1,546	46	14,978	11.5	10.3
1982	10,565	1,599	21	12,143	15.1	13.2
January-September--						
1982	8,023	1,132	17	9,138	14.1	12.4
1983	9,413	1,541	18	10,936	16.4	14.1

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

As shown, the U.S. producers' market share declined from 90 percent in 1980 to 87 percent in 1982. The U.S. producers' share of the market in January-September 1983 was 86 percent.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of cold-rolled carbon steel sheet increased to 10.1 million tons in 1981 and then decreased to 7.1 million tons in 1982, or

by 30 percent (table II-4). Production in January-September 1983 was 7.2 million tons, representing an increase of 32 percent from that reported in the corresponding period of 1982. Total productive capacity for cold-rolled sheet declined slightly during 1980-82, from 14.6 million tons in 1980 to 14.5 million tons in 1982. Capacity utilization increased from 63.8 percent in 1980 to 69.5 percent in 1981, but then fell to 48.7 percent in 1982. In January-September 1983, capacity utilization increased sharply to 66.3 percent compared with the 49.7-percent utilization level evident in the corresponding period of 1982.

Table II-4.--Cold-rolled carbon steel sheet: U.S. production, practical capacity, 1/ and capacity utilization, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
Production 2/--1,000 short tons--	9,312	10,126	7,074	5,411	7,166
Capacity----------do----	14,598	14,574	14,526	10,894	10,804
Capacity utilization----percent--	63.8	69.5	48.7	49.7	66.3

1/ 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 reasonably be attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data together accounted for 69 percent of total shipments of cold-rolled carbon steel sheet in 1982, as reported by the American Iron & Steel Institute.

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

U.S. producers' shipments

During 1980-82, U.S. producers' shipments of cold-rolled carbon steel sheet accounted for about 20 percent of aggregate shipments of all carbon steel mill products by U.S. producers. Such shipments inreased from 12.7 million tons in 1980 to 13.5 million tons in 1981. These shipments then declined by 22 percent to 10.6 million tons in 1982, before increasing by 17 percent in January-September 1983 compared with shipments in January-September 1982. U.S. producers' net shipments of cold-rolled carbon steel sheet, as reported by the AISI (such shipments include intracompany transfers and exports but exclude sales made to other firms that report data to the AISI), are shown in the following tabulation:

Period	Shipments (1,000 short tons)
1980	12,745
1981	13,478
1982	10,565
January-September--	
1982	8,023
1983	9,413

U.S. producers' intercompany and intracompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table II-5.

Table II-5.--Cold-rolled carbon steel sheet: U.S. producers' shipments, 1/ 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
	Quantity (1,000 short tons)				
Intracompany	721	756	485	391	490
Domestic market	8,519	9,255	6,797	5,208	6,410
Export	52	29	6	5	5
Total	9,292	10,040	7,288	5,604	6,905
	Value (million dollars)				
Domestic market	3,391	4,131	3,044	2,345	2,814
Export	20	14	3	3	2
Total	3,411	4,145	3,047	2,348	2,816
	Unit value (per ton)				
Domestic market	$398	$446	$448	$450	$439
Export	385	483	500	600	400
Average	398	446	448	450	439

1/ U.S. producers submitting usable data together accounted for 69 percent of total shipments of cold-rolled carbon steel sheet in 1982, as reported by the American Iron & Steel Institute.

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

U.S. exports

During 1980-82, exports of cold-rolled carbon steel sheet ranged from 3 to 5 percent of annual U.S. exports of all carbon steel mill products. Exports of cold-rolled sheet declined from 100,000 tons in 1980 to 46,000 tons in 1981, and to 21,000 tons in 1982 (table II-6). Exports in January-September 1983 were marginally higher than the level reported in the corresponding period of 1982. Canada was the principal export market for cold-rolled sheet during this period.

Table II-6. Cold-rolled carbon steel sheet: U.S. exports of domestically produced merchandise, by principal markets, 1980-82, January-September 1982, and January-September 1983

Market	1980	1981	1982	January-September--	
				1982	1983
	Quantity (short tons)				
Canada	13,900	20,335	9.589	8,433	7,736
Pakistan	7,093	4,043	4,395	3,866	4,706
Taiwan	2,819	1,706	1,287	997	2,052
Mexico	5,723	2,236	1,214	1,149	1,237
Bangladash	532	2,238	888	212	674
All other	70,386	15,406	3,390	2,832	1,141
Total	100,453	45,964	20,763	17,489	17,546
	Value (1,000 dollars)				
Canada	6,474	11,111	5,367	4,719	4,632
Pakistan	1,385	809	872	777	949
Taiwan	682	426	375	320	378
Mexico	2,741	1,506	1,091	989	682
Bangladash	102	444	148	35	115
All other	25,627	6,561	2,320	1,860	890
Total	37,011	20,857	10,173	8,700	7,646

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

U.S. producers' inventories

U.S. producers' end-of-period inventories of cold-rolled carbon steel sheet remained in the range of 750,000 to 800,000 tons throughout 1979-81, 1/ but did decrease by 33 percent from December 31, 1981, to December 31, 1982. End-of-period inventories as of September 30, 1983, increased to 768,000 tons, or by 34 percent, compared with those on the corresponding date of 1982. U.S. producers' inventories remained small during 1979-82, equal to about 7 to 8 percent of shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation:

	Inventories (1,000 tons)
As of Dec. 31--	
1979	770
1980	754
1981	799
1982	539
As of Sept. 30--	
1982	575
1983	768

U.S. employment, wages, and productivity

The average number of production and related workers producing cold-rolled carbon steel sheet increased from 26,561 in 1980 to 28,192 in 1981, but then fell by 25 percent to 21,108 in 1982. Employment increased by 13 percent in January-September 1983 compared with that in the corresponding period of 1982 (table II-7). Hours paid for production and related workers producing cold-rolled sheet followed the same trend as did employment, increasing by 9 percent from 1980 to 1981, and then falling by 28 percent, to 40.4 million hours, in 1982. In January-September 1983, hours worked increased by 19 percent compared with those in the corresponding period of 1982.

Total wages paid to production and related workers producing cold-rolled carbon steel sheet increased by 18 percent during 1980 and 1981, and then declined 24 percent in 1982. In January-September 1983, total wages paid increased 11 percent compared with those in the corresponding period of 1982 (table II-8). Total compensation paid to such workers followed a similar pattern. The difference between total compensation and wages is an estimate of workers' benefits.

1/ U.S. producers submitting usable data together accounted for 69 percent of total shipments of cold-rolled carbon steel sheet in 1982.

Table II-7.--Average number of employees, total and production and related workers in U.S. establishments producing cold-rolled carbon steel sheet, and hours paid 1/ for the latter, 2/ 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
Average employment:					
All persons:					
Number	149,825	149,154	116,808	123,080	106,333
Percentage decrease	3/	0.4	21.7	3/	13.6
Production and related workers producing--					
All products:					
Number	120,570	120,869	91,635	96,836	84,889
Percentage change	3/	0.2	-24.2	3/	-12.3
Cold-rolled sheet:					
Number	26,561	28,192	21,108	20,811	23,602
Percentage change	3/	6.1	-25.1	3/	13.4
Hours paid for production and related workers producing--					
All products:					
Number------thousands--	234,815	239,464	175,817	137,937	128,805
Percentage change	3/	2.0	-26.6	3/	-6.6
Cold-rolled sheet:					
Number------thousands--	51,723	56,340	40,431	31,008	37,044
Percentage change	3/	8.9	-28.2	3/	19.5

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

2/ U.S. producers submitting usable data together accounted for 69 percent of total shipments of cold-rolled carbon steel sheet in 1982, as reported by the American Iron & Steel Institute.

3/ Not available.

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

Table II-8.--Wages and total compensation 1/ paid to production and related workers in establishments producing cold-rolled carbon steel sheet, 2/ 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
Wages paid to production and related workers producing--					
All products:					
Value----------million dollars--	3,417	3,788	3,047	2,457	2,018
Percentage change----------	3/	10.9	-19.6	3/	-17.9
Cold-rolled sheet:					
Value----------million dollars--	742	874	662	504	561
Percentage change----------	3/	17.8	-24.3	3/	11.3
Total compensation paid to production and related workers producing--					
All products:					
Value----------million dollars--	4,513	5,012	4,314	3,315	3,026
Percentage change----------	3/	11.1	-13.9	3/	-8.7
Cold-rolled sheet:					
Value----------million dollars--	979	1,147	917	698	827
Percentage change----------	3/	17.2	-20.1	3/	18.5

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

2/ U.S. producers submitting usable data together accounted for 69 percent of total shipments of cold-rolled carbon steel sheet in 1982, as reported by the American Iron & Steel Institute.

3/ Not available.

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

Productivity for production and related workers of cold-rolled sheet declined each year during 1980-82, but then increased in January-September 1983. In contrast, the hourly compensation paid to production and related workers increased each year during 1980-82, from $14.35 in 1980 to $16.37 in 1982. Hourly compensation declined to $15.14 in January-September 1983, which is below that reported in 1981. As could be expected, the labor cost per ton of cold-rolled sheet increased from $105.13 in 1980 to $129.63 in 1982, and then fell to $115.41 in January-September 1983 (table II-9).

Table II-9.--Labor productivity, hourly compensation, 1/ and unit labor costs in the production of cold-rolled carbon steel sheet, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
Labor productivity:					
Quantity--tons per hour--	0.1800	0.1797	0.1750	0.1745	0.1934
Percentage change--------	2/	-0.2	-2.6	2/	10.8
Hourly compensation: 3/					
Value----------per hour--	$14.35	$15.51	$16.37	$16.25	$15.14
Percentage change--------	2/	8.1	5.5	2/	-6.8
Unit labor costs:					
Value----------per ton--	$105.13	$113.27	$129.63	$129.00	$115.41
Percentage change--------	2/	7.7	14.4	2/	-10.5

1/ U.S. producers submitting usable data together accounted for 69 percent of total shipments of cold-rolled carbon steel sheet in 1982, as reported by the American Iron & Steel Institute.

2/ Not available.

3/ Based on wages paid excluding fringe benefits.

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

Financial experience of U.S. producers

The seven firms which furnished income-and-loss data together accounted for 59 percent of total U.S. shipments of cold-rolled carbon steel sheet in 1982.

Overall establishment operations.--Overall establishment net sales totaled $13.6 billion in 1982, down 30 percent from the $19.5 billion level achieved in 1981, and down 19 percent from the $16.8 billion level achieved in 1980 (table II-10). Net sales totaled $10.4 billion during the 1983 interim period ended September 30, 1983, compared with $10.7 billion in net sales for the corresponding period of 1982.

All seven firms sustained operating losses in each of the reporting periods. During 1980-82, aggregate operating losses ranged from $98 million, or 0.5 percent of net sales, in 1981 to $2.1 billion, or 15.7 percent of net sales, in 1982. The interim 1983 operating loss was $1.1 billion, or 10.5 percent of net sales, compared with an operating loss of $1.4 billion, or 13.4 percent of net sales, for the corresponding period of 1982.

The seven firms reported an aggregate positive cash flow of $284 million in 1981 and negative cash flows in the other reporting periods, ranging from $589 million in 1980 to $1.7 billion in 1982.

Table II-10.--Income-and-loss experience of 7 U.S. producers on the overall operation of their establishments within which cold-rolled carbon steel sheet is produced, 1/ accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales---million dollars--	16,758	19,506	13,615	10,747	10,407
Cost of goods sold-----do----	17,193	19,031	15,154	11,746	11,067
Gross income----------do----	(435)	475	(1,539)	(999)	(661)
General, selling, and administrative expenses million dollars--	513	572	593	445	427
Operating loss---------do----	948	98	2,132	1,444	1,088
Depreciation and amortization expenses 2/-million dollars--	359	382	468	285	276
Cash deficit from operations 2/--million dollars--	589	284	1,664	1,159	812
Ratio to net sales:					
Gross income------percent--	(2.6)	2.4	(11.3)	(9.3)	(6.4)
Operating loss-------do----	5.7	0.5	15.7	13.4	10.5
Cost of goods sold---do----	102.6	97.6	111.3	109.3	106.4
General, selling, and administrative expenses percent--	3.1	2.9	4.4	4.1	4.1
Number of firms reporting operating losses---------	7	7	7	7	7

1/ U.S. producers submitting usable data together accounted for 59 percent of total shipments of cold-rolled carbon steel sheet in 1982, as reported by the American Iron & Steel Institute.

2/ Depreciation and amortization data are for 6 U.S. producers. Hence, cash flow from operations is somewhat understated and deficits are somewhat overstated.

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

Operations on cold-rolled carbon steel sheet.--Net sales of cold-rolled carbon steel sheet totaled $2.8 billion in 1982, down $1.1 billion, or 28 percent, from the 1981 level, and down $419 million, or 13 percent, from the 1980 level (table II-11). Net sales totaled $2.7 billion during the 1983 interim period, up 20 percent from the $2.2 billion in net sales reported for the corresponding period of 1982.

Table II-11.--Income-and-loss experience of 7 U.S. producers on their operations producing cold-rolled carbon steel sheet, 1/ accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30-- 1982	1983
Net sales---million dollars--	3,233	3,897	2,814	2,221	2,657
Cost of goods sold-----do----	3,574	4,016	3,207	2,488	2,786
Gross loss----------do----	341	119	393	267	129
General, selling, and administrative expenses million dollars--	129	157	165	124	141
Operating loss---------do----	470	276	558	391	270
Depreciation and amortization expenses 1/ million dollars--	115	125	95	69	14
Cash deficit from operations 1/--million dollars--	355	151	463	322	256
Ratio to net sales of--					
Gross loss--------percent--	10.5	3.1	14.0	12.0	4.9
Operating loss-------do----	14.5	7.1	19.8	17.6	10.2
Cost of goods sold---do----	110.5	103.1	114.0	112.0	104.9
General, selling, and administrative expenses percent--	4.0	4.0	5.9	5.6	5.3
Number of firms reporting operating losses---------	7	7	7	7	7

1/ Only 6 firms provided depreciation and amortization data. Hence, cash flow from operations is somewhat understated and deficits are somewhat overstated.

Source: Compiled from data submitted in responses to questionnaires of the International Trade Commission.

In the aggregate and individually, the seven reporting firms' cold-rolled carbon steel sheet operations were unprofitable in each of the reporting periods. During 1980-82, aggregate operating losses ranged from $276 million, or 7.1 percent of net sales, in 1981 to $558 million, or 19.8 percent of net sales, in 1982. The operating loss totaled $270 million, or 10.2 percent of net sales, during interim 1983, compared with $391 million, or 17.6 percent of net sales, for the corresponding period of 1982.

In the aggregate, the seven reporting firms experienced negative cash flows in each of the reporting periods, ranging from $151 million in 1981 to $463 million in 1982.

Capital expenditures and research and development expenses.--Three U.S. producers supplied data relative to their capital expenditures for buildings,

machinery, and equipment used in the production of cold-rolled carbon steel sheet, and five U.S. producers supplied data relative to their research and development expenditures, as shown following tabulation (in thousands of dollars):

Period	Capital expenditures	Research and development expenses
1980	54,885	9,242
1981	66,453	8,991
1982	64,777	6,932
January-September--		
1982	50,929	5,190
1983	31,801	5,277

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

In its examination of the question of threat of material injury to a U.S. industry, the Commission may take into consideration such factors as the rate of increase of subsidized or LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of such imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase of imports and of their U.S. market penetration is presented in part II of this report in the section entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Allegedly Subsidized and/or LTFV Imports." Discussions of importers' inventories and Brazilian producers' capacity to generate exports follow.

U.S. importers' inventories

Response to the Commission's questionnaire sent to importers of cold-rolled carbon steel sheet was poor. Of the * * * firms sent such questionnaires, * * * admitted to having imported these Brazilian sheet products, but only during January-September 1983. Of the * * * tons imported by the responding firms, inventories held as of September 30, 1983, totaled * * * tons.

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

Brazil's maximum annual capacity to produce cold-rolled carbon steel sheet remained steady at 4.4 million tons during 1980-82 (table II-12). Brazilian production of cold-rolled sheet declined from 2.1 million tons in 1980 to 1.8 million tons in 1981, before increasing to 1.9 million tons in 1982. Consequently, capacity utilization fell from 48.3 percent in 1980 to 39.8 percent in 1981, and then increased to 43.7 percent in 1982.

Table II-12.--Cold-rolled carbon steel sheet: Brazil's production, capacity, and capacity utilization, 1980-82

Item	1980	1981	1982
Production 1/----1,000 short tons---	2,126	1,750	1,922
Capacity----------do----	4,400	4,400	4,400
Capacity utilization 2/----percent--	48.3	39.8	43.7

1/ Includes both cut-to-length sheet and sheet in coils.

2/ Capacity data are based upon the capacity of Brazil's cold reduction mills. These mills produce cold-rolled sheet used as a feedstock for other flat-rolled carbon steel products, such as galvanized sheet, coated sheet, and tin plate, as well as cold-rolled sheet as an end product. Therefore, capacity utilization rates presented here are understated due to the inclusion in overall capacity of that portion of the cold reduction mill capacity devoted to production of feedstock.

Source: Production and capacity data compiled from Instituto Brasileira de Siderurgica.

Brazil's exports of cold-rolled carbon steel sheet to the United States and to other major markets are presented in table II-13. Brazil's exports to the United States as a share of total Brazilian exports increased from 14.1 percent in 1981 to 21.5 percent in 1982.

Table II-13.--Cold-rolled carbon steel sheet: Brazil's exports, by major markets, 1980-82

(In thousands of short tons)

Item	1980	1981	1982
United States	1/	22	65
European Community	1/	46	65
Argentina	1/	1	-
All other	1/	88	172
Total	67	158	302

1/ Not available.

Source: IBS: Annuario Estatistico da Industria Siderurgica Brasileira, 1982 and 1983.

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

U.S. imports

Imports from all sources.--Imports of cold-rolled sheet from all sources increased consistently throughout the period examined (table II-14). Total cold-rolled sheet imports increased from 1.4 million tons in 1980 to 1.6 million tons in 1982, or by 13 percent. About 1.5 million tons was imported during January-September 1983, compared with 1.1 million tons imported in the corresponding period of 1982.

Imports from Brazil.--Imports of cold-rolled sheet from Brazil increased sharply during the period under investigation (table II-14). In 1980, Brazil was one of the smallest foreign suppliers of cold-rolled sheet to the U.S. market; by January-September 1983, Brazil was the second largest foreign source. During January-September 1983, these imports increased 442 percent, compared with those in the corresponding period of 1982.

U.S. market penetration

Imports from all sources.--Market penetration of cold-rolled carbon steel sheet from all countries increased from 10.1 percent of U.S. consumption in 1980 to 13.2 percent in 1982, and then increased to 14.1 percent in January-September 1983 (table II-15).

Imports from Brazil.--Market penetration of cold-rolled sheet from Brazil, although small, increased during the period examined. These imports from Brazil represented less than 0.05 percent of apparent U.S. consumption in 1980, 0.1 percent in 1981, and 0.4 percent in 1982. During January-September 1983, Brazil's share of this market increased to 2.0 percent.

Table II-14.--Cold-rolled carbon steel sheet: U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	January-September--	
				1982	1983
	Quantity (1,000 short tons)				
Brazil	1	19	45	40	217
West Germany	254	380	396	244	197
Japan	589	383	296	233	347
Netherlands	118	146	163	101	75
France	118	154	140	109	107
Belgium/Luxembourg	98	46	134	74	38
Argentina	0	1	104	88	82
Republic of Korea	104	101	66	40	124
Spain	8	62	48	48	51
Canada	63	94	46	35	52
All other	62	160	161	120	251
Total	1,415	1,546	1,599	1,132	1,541
	Value (1,000 dollars)				
Brazil	496	7,733	15,218	12,833	63,252
West Germany	89,324	149,547	145,716	93,863	70,554
Japan	220,325	154,971	123,915	97,948	129,003
Netherlands	39,734	54,365	57,965	36,308	25,627
France	39,155	54,785	51,162	39,839	35,043
Belgium/Luxembourg	32,401	18,928	48,606	28,747	12,628
Argentina	0	1/	33,214	28,471	25,756
Republic of Korea	34,210	38,461	24,219	15,522	39,121
Spain	2,616	25,578	18,624	18,612	13,506
Canada	23,870	38,716	19,632	15,181	20,314
All other	20,308	59,586	59,517	44,334	73,550
Total	502,439	602,670	597,788	431,658	508,354

See footnote at end of table.

Table II-14.--Cold-rolled carbon steel sheet: U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983--Continued

Source	1980	1981	1982	January-September--	
				1982	1983
	Unit value (per ton)				
Brazil	$333	$410	$338	$322	$292
West Germany	351	393	368	385	357
Japan	374	404	418	421	372
Netherlands	338	371	356	360	343
France	333	357	365	364	328
Belgium/Luxembourg	331	416	362	390	332
Argentina	-	417	321	324	314
Republic of Korea	330	382	369	383	314
Spain	319	411	388	388	266
Canada	377	413	430	433	390
All other	328	372	370	369	293
Average	355	390	374	381	330

1/ Less than $500.

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

Table II-15.--Cold-rolled carbon steel sheet: Ratios of imports from Brazil and all countries to apparent U.S. consumption, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
Ratio of imports from Brazil to apparent U.S. consumption	1/	0.1	0.4	0.4	2.0
Ratio of imports from all countries to apparent U.S. consumption	10.1	10.3	13.2	12.4	14.1

1/ Less than 0.05 percent.

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

Prices

To a large extent, the same factors that were previously discussed in part I dealing with hot-rolled carbon steel sheet are also relevant with respect to cold-rolled carbon steel sheet. As noted in part I, market conditions in industries that require steel sheet as an input, such as automobiles and household appliances, have an effect on prices in the steel industry. For example, 34 percent of the cold-rolled sheet produced domestically in 1980-82 was used by the auto industry. The industrial production index for automobiles declined by 22 percent in October-December 1981 from its level earlier that year (table I-18). Low production levels persisted throughout 1982. By July-September 1983, however, production of autos had risen to a level 30 percent greater than that in January-March 1981.

Similar to the practice in marketing hot-rolled sheet, cold-rolled carbon steel sheet prices are usually quoted f.o.b. mill in terms of dollars per ton. Prices consist of a base price plus additional charges for extras such as variations in length, width, thickness, chemistry, and so forth. Price changes are accomplished by changing the base, the extras, or a combination of both. 1/ Domestic producers also usually freight equalize in marketing cold-rolled carbon steel sheet.

Trends in prices.--To determine trends in cold-rolled carbon steel sheet prices, domestic producers and importers were asked to supply average net selling prices to service centers/distributors and end users for three specific products. 2/ The price data so obtained are presented in table II-16. 3/

Domestic selling prices of the representative cold-rolled carbon steel sheet products sold to service centers/distributors reflect a common trend. Prices increased 5 to 6 percent from January-March 1981 through July-September of that year, and then declined steadily through January-March 1983, to levels

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1/ As indicated in pt. I, according to data on list prices collected by the Bureau of Labor Statistics, domestic producers announced five base price increases and one decrease during January 1979-July 1982. Since then, there have been two more announced price increases, both in 1983. The latest base price increase, which averaged approximately 7 percentage points, was announced in September of this year. The single base price decrease, which averaged approximately 4 percentage points, was announced in July 1980. According to industry sources, discounting of prices for some products increased during 1982 compared with that in 1981. Published prices during 1982 and 1983 did not reflect market price reality. Also see pt. I for a discussion of the role of the appreciation of the U.S. dollar compared with the Brazilian cruzeiro.

2/ The Commission selected 10 representative steel mill products covering the carbon steel products subject to these investigations. These products and their specifications are listed in app. D. The three representative cold-rolled carbon steel sheet products are Nos. 8, 9, and 10. As indicated in pt. I, questionnaires were not sent to purchasers in these preliminary investigations.

3/ Indexes of these prices are shown in table D-4.

Table II-16.--Cold-rolled carbon steel sheet: Ranges and weighted average net selling prices for the largest sales of imports from Brazil and of domestic products and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983

Product and Period 1/	Prices paid by service centers/distributors								Prices paid by end users							
	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent
Product 8																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-		-	-				-	-	-	-	-
October-December							15	4				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1983																
January-March							-13	-4				-	-	-	-	-
April-June	***	***	***	***	***	***	42	12	***	***	***	-	-	-	-	-
July-September							26	7				-	-	-	-	-
Product 9																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1983																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
Product 10																
1981																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1982																
January-March				-	-	-	-	-				-	-	-	-	-
April-June				-	-	-	-	-				-	-	-	-	-
July-September				-	-	-	-	-				-	-	-	-	-
October-December				-	-	-	-	-				-	-	-	-	-
1983																
January-March				-	-	-	-52	-15				-	-	-	-	-
April-June																
July-September				-	-	-	-	-								

1/ See product list for specifications

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

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13 to 14 percentage points below the 1981 highs. During April-September 1983, the prices trended upward, with those for products 9 and 10 climbing to levels slightly above those at the beginning of the subject period, January-March 1981; product 8 prices, however, recovered to a price level that remained 5 percent below the initial price level.

Prices of domestic cold-rolled carbon steel sheet sold to end users showed a similar pattern, but they reflect sharper increases in July-September 1981 and less decline in 1982 to their lows in January-March 1983. The lowest prices of products 8 and 10 during the period remained slightly above the price level of January-March 1981; the low for product 9, however, fell to a level in January-March 1983 that was 2 percent below the initial price level in 1981.

Importers' responses to the Commission questionnaire were minimal, especially in providing data on prices. ***, the largest importer of Brazilian cold-rolled carbon steel sheet, did not return its questionnaire in time for the data contained therein to be used in these investigations. 1/ Consequently, there were only five scattered benchmark examples of importers' prices. No trend analyis of such prices is possible.

Margins of underselling.--Weighted-average net selling prices for imported cold-rolled sheet from Brazil and comparable domestic product prices are presented in table II-16. The margins of underselling or overselling by imports from Brazil are shown, in dollars and as a percentage, for the five instances in which prices for the Brazilian sheet were provided. Each of these instances involved sales to service centers/distributors. No prices of Brazilian cold-rolled sheet sold to end users were submitted. Four comparisons are possible for representative product 8,--one in October-December 1981 and the remaining three in successive quarters in 1983. Cold-rolled sheet product 8 from Brazil undersold the domestic product in three of the four quarters for which comparisons could be made. Margins of underselling ranged from $15 to $42, or from 4 to 12 percent. The single example of overselling occurred in January-March 1983; it reflects a margin of $13, or 4 percent. A single example for product 10 imported from Brazil showed a 15-percent margin of overselling by the Brazilian cold-rolled sheet when compared with the weighted-average price of domestic sales of that product.

Lost sales

*** provided nine instances of alleged lost sales of cold-rolled carbon steel sheet to competing imports from Brazil. These allegations involved seven different purchasers, four of which were steel service centers/ distributors and three of which were end users. The total quantity of these alleged lost sales amounted to 7,250 tons of cold-rolled carbon steel sheet. ***. Five purchasers provided the Commission's staff with information concerning the allegations.

1/ ***.

The first instance of an alleged lost sale to imported cold-rolled sheet from Brazil cited *** as the purchaser of *** tons of Brazilian sheet in ***. *** confirmed the transaction. *** added that the firm *** and is quite dependent on offshore sources for cold-rolled sheet. He estimated that *** could, at best, fill only *** percent of ***'s needs. Consequently, the company follows a policy of assuring alternate sources, buying from ***. At the time of the referenced purchase, ***. *** at that time was not quoting at list price.

*** noted that the quality of the Brazilian cold-rolled sheet was satisfactory, but that there have been problems of availability of such merchandise. First, *** has not been able to get "***" sheet shipped from Brazil that was to have arrived in October. There are no indications of when this order for roughtly *** tons will be shipped. *** has another order scheduled to be shipped from Brazil *** but no shipping date is set as yet. Second, Brazil is not quoting for first quarter 1984 delivery.

*** bought heavily in the fourth quarter anticipating possible shortages and some upturn in prices. The quantity offered by Japan is limited. Korean sources haven't been quoting in the recent past, stating that they were waiting for the Japanese to set the prices for the first quarter. Moreover, *** has been told of a ***-percent cutback in quantity from Korean sources, but ***. However, the firm has increased its purchasing from ***, whose prices currently are more competitive. *** has commitments from *** through *** for *** tons of cold-rolled sheet at *** per ton laid in. ***'s price for the same product from Brazil is *** per ton. *** noted that there already is a price upturn, but that the difference between domestic and offshore prices has narrowed.

A second allegation identified *** as the *** purchaser of *** tons of Brazilian cold-rolled sheet in ***. Although ***, *** stated that all offshore cold-rolled sheet in coils purchased by the firm came from ***, mostly from ***. *** does receive competing quotes from domestic mills, primarily *** and ***. *** did not have access to data on competing quotes and did not know whether *** had received offer prices on Brazilian cold-rolled sheet.

*** was named in another allegation as the purchaser of *** tons of Brazilian cold-rolled sheet in ***. 1/ *** stated that "***." ***, however, did not buy that large a quantity, but purchased only *** tons of Brazilian cold-rolled sheet from ***. The price was about *** percent lower than competing domestic prices. As for quality, *** did not inspect the sheet, but *** has not had any complaints. ***, has stated ***, that it must buy wherever it can to be competitive and that this means purchasing from offshore when necessary.

*** was cited by *** in a lost sale allegation as the purchaser of competing Brazilian cold-rolled sheet ***. *** confirmed the allegation, stating that these would have been spot purchases. According to ***, the

1/ ***.

price levels at that time were about as alleged, *** to *** per ton, with the domestic prices, already discounted, at least 10 percent higher. ***, *** stated, is the largest single account for *** in that *** market. *** follows an alternate-source policy and buys from several offshore sources. Recently, the Japanese have been the price setters and "***" on sheet. ***'s prices are higher than the Japanese prices but are competitive, says ***. As for Brazilian cold-rolled sheet, *** has talked to the export manager of *** recently. They are not offering any commitments for first quarter shipment but will withhold shipments until March 1984 after the Commerce Department's ruling. In contrast, *** stated, *** is continuing to ship.

Purchasers of Brazilian cold-rolled sheet in these instances of alleged lost sales were unanimous in stating that their decisions to purchase the imported Brazilian cold-rolled sheet were based principally on price.

Lost revenue

*** provided 10 instances of alleged lost revenues as a result of price reductions on sales of cold-rolled carbon steel sheet in competition with comparable sheet imported from Brazil. These examples involved seven different purchasers. In the aggregate, these allegations totaled 26,120 tons of cold-rolled sheet sold in 1983.

The first instance cited *** as purchaser of *** tons of cold-rolled sheet in *** at reduced prices because of competing Brazilian sheet. *** confirmed these spot purchases of ***. The domestic sheet was purchased at *** per ton, plus freight. Competing Brazilian sheet was selling at that time for *** per ton, ex-dock, duty paid. *** added that some Brazilian sheet of commercial quality came in at prices ranging from *** to *** per ton. In the instances cited, the domestic product was not initially quoted at published price but was already discounted. The price was negotiated downward to a level acceptable to ***. As for quality, *** stated that the imported Brazilian cold-rolled sheet is good quality, but that Brazilian hot-rolled sheet, at times, is off-gage. It is not possible to calculate lost revenue in these instances absent the discounted initial offer price. 1/

A second allegation named *** as the purchaser of an unspecified amount of cold-rolled sheet after ***'s price was reduced to meet competition from imported sheet from Brazil. ***. *** stated that *** does not get quotes on Brazilian sheet in that area and that ***'s purchasing in that market is almost entirely domestic.

*** was identified in another allegation as having purchased *** of cold-rolled sheet in *** after *** reduced its prices in the face of competition from Brazilian sheet. *** confirmed the alleged purchases of ***

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 offer price.

tons of cold-rolled sheet. The price of the domestic sheet ranged from *** to *** per ton. *** freight amounted to *** of this price per ton. *** stated that the domestic producers generally "***." In this case the reduced offer price was within *** per ton of the competing price for Brazilian sheet. Lost revenue in these instances cannot be calculated from published prices but is understated if based on the initial already-discounted offer price.

*** was named in another allegation involving a purchase of about *** tons of cold-rolled sheet after the price was reduced to meet a competing offer price on Brazilian sheet. *** confirmed the purchase but stated that even at the reduced prices, *** below published price, this is not competitive with offshore cold-rolled sheet priced at *** to *** per ton. *** complained that *** was losing business to competitors using foreign cold-rolled sheet from Brazil, Japan, and Argentina. On a ***, a difference of *** per ton in the cost of sheet translates into a *** cost disadvantage on material alone. This use of domestic material currently is hurting the firm's sales.

, a *** located in ***, was identified as having purchased *** tons of cold-rolled sheet in *** from *** after that domestic producer reduced its price in competition with competing imported Brazilian sheet. *** acknowledged the purchase, made for *** delivery at *** per ton. *** approached *** stating what their firm needed in terms of price in order to be competitive. Import price levels were emphasized but without specific reference to Brazilian imports. *** noted, however, that Brazil was in the market during that time and that offer prices on Brazilian cold-rolled sheet were commonly known. In fact, said ***, Brazil recently was trying to push its prices up to *** per ton, but at that price the Brazilian sheet wouldn't sell in the *** area, so the price "", about *** per ton.

*** stated that *** has bought only one lot of Brazilian sheet during 1983. This purchase was ***. The net effective delivered price was *** per ton. Delivery was late, (***), and only *** percent of the order was filled. *** added that two preconditions determine the acceptability of competing sources. These are quality and availability. At that point, the key factor becomes "***." ***, *** emphasized, must buy at a price that enables it to make competitive commitments in the markets the firm serves. "***," said ***.

APPENDIX A

NOTICES OF THE COMMISSION

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-204 through 207 (Preliminary) and 731-TA-153 and 154 (Preliminary)]

Certain Carbon Steel Products From Brazil

AGENCY: International Trade Commission.

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

EFFECTIVE DATE: November 10, 1983.

SUMMARY: The United States International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-204 through 207 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(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 Brazil of the following flat-rolled carbon steel products upon which bounties or grants are alleged to be paid:

Carbon steel plate, provided for in items 607.6615, 607.8320, 607.9400, 608.0710, or 608.1100 of the Tariff Schedules of the United States Annotated (TSUSA) (investigation No. 701-TA-204 (Preliminary));

Carbon steel products in coils, provided for in TSUSA item 607.6610 (investigation No. 701-TA-205 (Preliminary));

Hot-rolled carbon steel sheet, provided for in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 (investigation No. 701-TA-206 (Preliminary)); and

Cold-rolled carbon steel sheet, provided for in TSUSA items 607.8350, 607.8355, or 607.8360 (investigation No. 701-TA-207 (Preliminary)).

The Commission also gives notice of the institution of investigations Nos. 731-TA-153 and 154 (Preliminary) under section 733(a) of the Tariff Act (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 Brazil of the following flat-rolled carbon steel products, which are alleged to be sold in the United States at less than fair value:

Hot-rolled carbon steel sheet, provided for in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, and 607.8342 (investigation No. 731-TA-153 (Preliminary)); and

Cold-rolled carbon steel sheet, provided for in TSUSA items 607.8350, 607.8355, and 607.8360 (investigation No. 731-TA-154 (Preliminary)).

FOR FURTHER INFORMATION CONTACT: Mr. Lawrence Rausch (telephone 202-523-0286) or Ms. Judith Zeck (telephone 202-523-0339), Office of Investigations, U.S. International Trade Commission, 701 E St. NW., Washington, D.C. 20436.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed on November 10, 1983, by the United States Steel Corp., Pittsburgh, Pa. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions, or by December 27, 1983 (19 CFR 207.17).

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

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

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

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

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

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on December 7, 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 Mr. Rausch (202-523-0286), not later than December 5, 1983, to arrange for their appearance. Parties in support of the imposition of countervailing duty and/or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

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

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

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

Issued: November 16, 1983.

Kenneth R. Mason,

Secretary.

[FR Doc. 83-31328 Filed 11-21-83; 8:45 am]

BILLING CODE 7020-02-M

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-204 through 207 (Preliminary) and 731-TA-153 and 154 (Preliminary)]

Certain Carbon Steel Products From Brazil

AGENCY: United States International Trade Commission.

ACTION: Termination of investigation No. 701-TA-204 (Preliminary) and addition of those pickled or cold-rolled carbon steel products provided for in item 607.8320 of the Tariff Schedules of the United States Annotated (TSUSA) to the list of products included in investigations Nos. 701-TA-206, 701-TA-207, 731-TA-153, and 731-TA-154 (Preliminary).

EFFECTIVE DATE: November 28, 1983.

FOR FURTHER INFORMATION CONTACT: Mr. Lawrence Rausch (telephone 202-523-0286) or Ms. Judith Zeck (telephone 202-523-0339), Office of Investigations, U.S. International Trade Commission, 701 E St. NW., Washington, D.C. 20436.

SUMMARY: Effective, November 10, 1983, the United States International Trade Commission instituted the following preliminary countervailing duty and antidumping investigations under sections 703(a) or 733(a) 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 from Brazil of the specified flat-rolled carbon steel products upon which bounties or grants are alleged to be paid or which are alleged to be sold in the United States at less than fair value:

Carbon steel plate, provided for in TSUSA items 607.6615, 607.8320, 607.9400, 608.0710, or 608.1100 (investigation No. 701-TA-204 (Preliminary));

Carbon steel products in coils, provided for in TSUSA item 607.6610 (investigation No. 701-TA-205 (Preliminary));

Hot-rolled carbon steel sheet, provided for in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 (investigations Nos. 701-TA-206 and 731-TA-153 (Preliminary)); and

Cold-rolled carbon steel sheet, provided for in TSUSA items 607.8350, 607.8355, or 607.8360 (investigations Nos. 701-TA-207 and 731-TA-154 (Preliminary)).

On November 21, 1983, the Commission received notification from the petitioner, the United States Steel Corp., that it was withdrawing its countervailing duty petitions concerning

imports from Brazil of carbon steel plate in cut lengths (as provided for in items 607.6615, 607.8320, 607.9400, 608.0710, or 608.1100 of the TSUSA), and was amending its petition concerning imports from Brazil of hot-rolled carbon steel sheet (invs. Nos. 701-TA-206 and 731-TA-153 (Preliminary)) and cold-rolled carbon steel sheet (invs. Nos. 701-TA-207 and 731-TA-154 (Preliminary)) to include those carbon steel products provided for in item 607.8320 of the TSUSA.

Accordingly, the Commission hereby terminates investigation No. 701-TA-204 (Preliminary) and, in conformity with Commerce Department practice as reflected in the product descriptions utilized by Commerce in its 1982 antidumping and countervailing duty investigations, amends the scope of investigations Nos. 701-TA-206, 701-TA-207, 731-TA-153, and 731-TA-154 (Preliminary) to include those carbon steel products provided for in item 607.8320 of the TSUSA.

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

Issued: November 29, 1983.

Kenneth R. Mason,

Secretary.

[FR Doc. 83-32241 Filed 12-1-83; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

NOTICE OF INVESTIGATIONS BY THE DEPARTMENT OF COMMERCE

Federal Register / Vol. 48, No. 237 / Thursday, December 8, 1983 / Notices 55011

International Trade Administration

[A-351-025]

Certain Carbon Steel Products From Brazil; Initiation of Antidumping Duty Investigations

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of petitions filed in proper form with the United States Department of Commerce, we are initiating antidumping duty investigations to determine whether certain carbon steel products from Brazil are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these actions so that it may determine whether imports of these products are materially injuring, or are threatening to materially injure, a United States industry. If these investigations proceed normally, the ITC will make its preliminary determinations on or before December 27, 1983, and we will make ours on or before April 18, 1984.

EFFECTIVE DATE: December 8, 1983.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp or 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) 377-2438 or 1785.

SUPPLEMENTARY INFORMATION:

The Petitions

On November 10, 1983, we received petitions from United States Steel Corporation, Pittsburgh, Pennsylvania, filed on behalf of the domestic certain carbon steel products industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that

imports of the subject merchandise from Brazil 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 allegations of sales at less than fair value are supported by comparisons of the constructed values of the subject merchandise with the 1983 average f.a.s. Brazil port prices of certain carbon steel products imported into the United States (as provided by U.S. Department of Commerce statistics). The petitions allege that there are insufficient home market sales of the subject products at prices above the cost of production to determine fair value.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 30 days after a 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 petitions on certain carbon steel products and we have found that they meet the requirements of section 732(b) of the Act. Therefore, we are initiating antidumping investigations to determine whether certain carbon steel products from Brazil are being, or are likely to be, sold at less than fair value in the United States. If our investigations proceed normally, we will make our preliminary determinations by April 18, 1984.

Scope of Investigations

The merchandise covered by these investigations is hot-rolled carbon steel sheet and cold-rolled carbon steel sheet. This merchandise is described in detail in Appendix A to the notice of "Certain Carbon Steel Products from Mexico; Initiation of Countervailing Duty Investigations" which appears in this issue of the **Federal Register.**

The hot-rolled carbon steel sheet covered by these investigations is a different product from that covered by the ongoing investigations on "hot-rolled carbon steel plate and sheet from Brazil." The sheet in those investigations is the product described as "plate in coil" in Appendix A referred to above.

Notification to ITC

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

Preliminary Determinations by ITC

The ITC will determine by December 27, 1983, whether there is a reasonable indication that imports of certain carbon steel products from Brazil are materially injuring, or are likely to materially injure, a United States industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed according to the statutory procedures.

Dated: November 22, 1983.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 83-32883 Filed 12-7-83; 8:45 am]

BILLING CODE 3510-DS-M

[Docket No. C351-021]

Certain Carbon Steel Products From Brazil; Initiation of Countervailing Duty Investigations

AGENCY: International Trade Adminstration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of petitions filed with the U.S. Department of Commerce, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Brazil of certain carbon steel products as described in the "Scope of Investigations" section below, receive benefits which constitute subsidies within the meaning of the countervailing duty law. The petition on cut-on-length carbon steel plate from Brazil has been withdrawn. We are notifying the U.S. International Trade Commission (ITC) of these actions so that it may determine whether imports of the merchandise are materially injuring, or threatening to materially injure, a U.S. industry. If our investigations proceed normally, the ITC will make its preliminary determinations on or before December 27, 1983, and we will make ours on or before February 3, 1984.

EFFECTIVE DATE: December 8, 1983.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp or Kenneth Haldenstein, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202) 377-3428 or 4136.

SUPPLEMENTARY INFORMATION:

Petitions

On November 10, 1983, we received petitions from the United States Steel Corporation (U.S. Steel), Pittsburgh, Pennsylvania, on behalf of the certain carbon steel products industry. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that manufacturers, producers, or exporters in Brazil of certain carbon steel products receive, directly or indirectly, benefits which constitute subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act) and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. Brazil is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, Title VII of the Act applies to these investigations and injury determinations are required.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain carbon steel products, and we have found that the petitions meet those requirements. Therefore, we are initiating countervailing duty investigations to determine whether the manufacturers, producers, or exporters in Brazil of certain carbon steel products, as described in the "Scope of Investigations" section of this notice, receive benefits which constitute subsidies. If our investigations proceed normally; we will make our preliminary determinations by February 3, 1984.

Withdrawal

On November 18, 1983, U.S. Steel withdrew its petition on cut to length carbon steel plate.

Scope of the Investigations

The products covered by these investigations are carbon steel plate in coil, hot-rolled carbon steel sheet, and cold-rolled carbon steel sheet. These products are fully described in Appendix A to the notice of "Certain Carbon Steel Products from Mexico; Initiation of Countervailing Duty

Investigations" which appears in the issue of the Federal Register.

Allegations of Subsidies

The petitions alleges that manufacturers, producers, or exporters in Brazil of certain carbon steel products received the following benefits which constitute subsidies:

- Provision of "equity" capital
- Government funds to cover operating losses
- Funding for expansion through Industrialized Products Tax (IPI) rebates
- Fiscal incentives, donations and grants
- Preferential financing from Banco Nacional de Desenvolvimento Economico (BNDE)
- Government assumption of BNDE loans
- FINAME loans
- Government loan guarantees
- Assistance in repaying foreign loans
- IPI credit premium
- Export profit exemption from corporate income tax
- Local tax incentives
- Accelerated depreciation for equipment
- Preferential export financing
  - —Resolution 674
  - —BNDES export financing
  - —Resolution 330
  - —Resolution 68
  - —CIC–CREGE 14–11
  - —Apoio a Exportacao (Proex)
- Incentives for trading companies
- Imput subsidies for charcoal
- Imput subsidies on iron ore
- Imput subsidies on slab
- Reduction of labor compensation paid by state firms
- Tariff reductions for imported steel making equipment
- Preferential supplier credits
- Rail rate subsidies based on payment in steel
- Construction of ports
- Special tax deductions for SIDERBRAS
- Selective devaluation

In the final determination on certain steel products from Brazil (48 FR 2568), we determined that certain of these programs did not confer subsidies on the companies investigated during the 1981 period of review. With one exception, set forth below, we will exmine the programs to determine whether they conferred countervailable benefits during the period of review in the new investigations. We determined that fully indexed FINAME Loans are generally available and consequently not countervailable. Therefore, we will only examine partially-indexed FINAME loans in these investigations.

We also determined that provisions for indexing accounts payable did not confer a subsidy on state-owned companies. We, however, will investigate this allegation because the petition presented new evidence.

Notification to ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission of these actions and to provide it with the information we used to arrive at these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determinations by ITC

The ITC will determine by December 27, 1983, whether there is a reasonable indication that imports of certain carbon steel products from Brazil are materially injuring, or threatening to materially injure, a U.S. industry. If any of its determinations is negative, that investigation will terminate; otherwise, the investigations will proceed to conclusion.

Dated: November 30, 1983.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 83-32662 Filed 12-7-83; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX C

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-205 through 207 (Preliminary)
and 731-TA-153 and 154 (Preliminary)

CERTAIN CARBON STEEL PRODUCTS FROM BRAZIL

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on December 7, 1983, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, D.C.

In support of the imposition of antidumping and/or countervailing duties

United States Steel Corp.
Pittsburgh, Pa.

John Satterfield, General Manager, Sheet Products
John J. Mangan, General Attorney, International Trade
Craig D. Mallick, Attorney
Paul Fidel, Manager, International Trade and Litigation Services

Stewart and Stewart--Counsel
Washington, D.C.
on behalf of

Bethlehem Steel Corp.

Laird D. Patterson, General Attorney
Robert Tyler, Assistant General Manager, Sheet Sales

Eugene L. Stewart--OF COUNSEL

Cravath, Swaine & Moore--Counsel
New York, N.Y.
on behalf of--

Republic Steel Corp.
Inland Steel Co.
Jones & Laughlin Steel, Inc.
Cyclops Corp.

Alan J. Hruska--OF COUNSEL

In support of the imposition of antidumping and/or countervailing duties--Continued

Thorp, Reed & Armstrong
Washington, D.C.
on behalf of

National Steel Corp.

Roger M. Golden--OF COUNSEL

In opposition to the imposition of antidumping and/or countervailing duties

Wald, Harkrader & Ross--Counsel
Washington, D.C.
on behalf of

Companhia Siderurgica Paulista (COSIPA)
Companhia Siderurgica Nacional (CSN)
Usinas Siderurgicas de Minas Gerais, S.A. (USIMINAS)

William H. Barringer)
Lewis M. Popper)--OF COUNSEL
Pamela S. Krop)

Pinole Point Steel Co.
Richmond, Calif.

Robert E. Williams, Chairman, Board of Directors
Alfred A. Perry, Vice President, Public Affairs

APPENDIX D

DESCRIPTIONS OF PRODUCTS COVERED IN THE PRICE SECTIONS AND CERTAIN PRICE TABLES

The products identified below are those used by the Commission to collect pricing information in its questionnaires:

Hot-Rolled Carbon Steel Plate in Coils 1/

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

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

Hot-Rolled Carbon Steel Sheet 2/

Product 3: Hot-rolled carbon steel sheets, in coils, commercial quality, 0.025 percent carbon maximum, not pickled, 0.1210 inch through 0.1874 inch in thickness, over 36 inches through 72 inches in width.

Product 4: Hot-rolled carbon steel sheets, in coils, commercial quality, 0.25 percent carbon maximum, not pickled, 0.0810 inch through 0.1209 inch in thickness, over 48 inches through 72 inches in width.

Product 5: Hot-rolled carbon steel sheets, in coils, mill edge, commercial quality, 0.025 percent carbon maximum, not pickled, 0.1210 inch through 0.1874 inch in thickness, over 36 inches through 72 inches in width.

Product 6: Hot-rolled carbon steel sheets, in coils, mill edge, commercial quality, 0.25 percent carbon maximum, not pickled, 0.0810 inch through 0.1209 inch in thickness, over 48 inches through 72 inches in width.

Product 7: Hot-rolled carbon steel sheets, in coils, mill edge, commercial quality, 0.25 percent carbon maximum, not pickled, 0.0540 inch through 0.0610 inch in thickness, over 36 inches through 48 inches in width.

Cold-Rolled Carbon Steel Sheet 2/

Product 8: Cold-rolled carbon steel sheets, in coils, commercial quality, class 1, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

1/ Prices for the two coiled plate products were requested in questionnaires sent during investigation No. 731-TA-123 (Final), Certain Flat-Rolled Carbon Steel Products from Brazil. These products were numbered 7 and 8, respectively, in those questionnaires.

2/ Prices for the five hot-rolled sheet products and the three cold-rolled sheet products were requested in questionnaires sent during the instant investigations. These products were numbered 1 through 8, respectively, in the questionnaires.

Product 9: Cold-rolled carbon steel sheets, in coils, commercial quality, class 2, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Product 10: Cold-rolled carbon steel sheets, in coils, AKDQ A-620, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Table D-1.--Coiled plate: Indexes of weighted average net selling prices for sales of imports from Brazil and for sales of domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983

Product and Period	Prices to service centers/distributors		Prices to end users	
	Domestic	Brazil	Domestic	Brazil
Product 1				
1981				
January-March	100	-	100	-
April-June	102	-	101	-
July-September	105	-	107	-
October-December	103	-	102	-
1982				
January-March	101	-	103	-
April-June	98	-	97	-
July-September	91	-	98	-
October-December	87	-	92	-
1983				
January-March	89	(1)	90	-
April-June	89	(1)	90	-
July-September	92	-	89	-
Product 2				
1981				
January-March	100	-	100	-
April-June	103	-	102	-
July-September	102	-	110	-
October-December	96	-	104	-
1982				
January-March	101	-	104	-
April-June	97	-	104	-
July-September	88	-	102	-
October-December	84	-	99	-
1983				
January-March	84	(1)	99	-
April-June	88	(1)	97	-
July-September	83	-	102	-

1/ Comparable data base for indexing not available.

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

Table D-2.--Hot-rolled carbon steel sheet: Indexes of weighted average net selling prices for sales of imports from Brazil and for sales of domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983

Product and Period	Prices to service centers/distributors		Prices to end users	
	Domestic	Brazil	Domestic	Brazil
Product 3				
1981				
January-March	100	-	100	-
April-June	106	-	104	-
July-September	106	-	112	-
October-December	105	-	111	-
1982				
January-March	102	-	111	-
April-June	102	-	108	-
July-September	91	-	107	-
October-December	87	-	104	-
1983				
January-March	86	-	100	-
April-June	89	(1)	102	-
July-September	90	(1)	104	-
Product 4				
1981				
January-March	100	-	100	-
April-June	105	-	105	-
July-September	105	-	112	-
October-December	102	-	112	-
1982				
January-March	99	-	110	-
April-June	105	-	109	-
July-September	90	-	107	-
October-December	92	-	104	-
1983				
January-March	88	-	98	-
April-June	95	(1)	99	-
July-September	93	(1)	103	-
Product 5				
1981				
January-March	100	-	100	-
April-June	104	-	130	-
July-September	105	-	138	-
October-December	101	-	134	-
1982				
January-March	97	-	136	-
April-June	99	-	133	-
July-September	103	-	131	-
October-December	107	(1)	125	-
1983				
January-March	92	(1)	118	(1)
April-June	88	(1)	121	-
July-September	94	(1)	123	(1)
Product 6				
1981				
January-March	100	-	100	-
April-June	101	-	103	-
July-September	107	-	110	-
October-December	100	-	109	-
1982				
January-March	97	-	108	-
April-June	97	-	107	-
July-September	96	-	106	-
October-December	88	-	101	-
1983				
January-March	91	(1)	99	-
April-June	95	(1)	101	-
July-September	95	(1)	102	-
Product 7				
1981				
January-March	100	-	100	-
April-June	106	-	106	-
July-September	107	-	115	-
October-December	106	-	110	-
1982				
January-March	104	-	110	-
April-June	103	-	106	-
July-September	93	-	102	-
October-December	97	-	104	-
1983				
January-March	94	-	97	-
April-June	99	(1)	103	-
July-September	111	(1)	103	(1)

1/ Comparable data base for indexing not available.

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

Table D-3.--Coiled plate: Ranges and weighted average net delivered purchase prices for the largest purchases of imports from Brazil and of domestic products and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, by areas of purchase, and by quarters, January 1981-September 1983

Purchased in the Houston area

Product and Period 1/	Prices paid by service centers/distributors								Prices paid by end users							
	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent
Product 1																
1982																
January-March									-	-	-	-	-	-	-	-
April-June									-	-	-	-	-	-	-	-
July-September	-	-	-				-	-	-	-	-	-	-	-	-	-
October-December	-	-	-				-	-	-	-	-	-	-	-	-	-
1983																
January-March	-	-	-				-	-	-	-	-	-	-	-	-	-
April-June	-	-	-				-	-	-	-	-	-	-	-	-	-
July-September									-	-	-	-	-	-	-	-
Product 2				***	***	***										
1982																
January-March							-	-	-	-	-	-	-	-	-	-
July-September	-	-	-				-	-	-	-	-	-	-	-	-	-
October-December	-	-	-				-	-	-	-	-	-	-	-	-	-
1983																
January-March	-	-	-				-	-	-	-	-	-	-	-	-	-
April-June	-	-	-				-	-	-	-	-	-	-	-	-	-
July-September									-	-	-	-	-	-	-	-

See footnote at end of table.

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Table D-3.--Coiled plate: Ranges and weighted average net delivered purchase prices for the largest purchases of imports from Brazil and of domestic products and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, by areas of purchase, and by quarters, January 1981-September 1983--Continued

Purchased in the Los Angeles area

Product and Period 1/	Prices paid by service centers/distributors								Prices paid by end users							
	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Underselling	Per cent	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Underselling	Per cent
Product 1																
1982																
January-March							-	-	-	-	-	-	-	-	-	-
April-June							-	-	-	-	-	-	-	-	-	-
July-September							-1	0	-	-	-	-	-	-	-	-
October-December							-	-	-	-	-	-	-	-	-	-
1983																
January-March							16	4	-	-	-	-	-	-	-	-
April-June							10	3	-	-	-	-	-	-	-	-
July-September	***	***	***	***	***	***	5	1	-	-	-	-	-	-	-	-
Product 2																
1982																
January-March							-	-	-	-	-	-	-	-	-	-
April-June							-	-	-	-	-	-	-	-	-	-
July-September							-	-	-	-	-	-	-	-	-	-
October-December							-	-	-	-	-	-	-	-	-	-
1983																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
April-June				-	-	-	-	-	-	-	-	-	-	-	-	-
July-September				-	-	-	-	-	-	-	-	-	-	-	-	-

See footnote at end of table.

B-21

Table D-3.--Coiled plate: Ranges and weighted average net delivered purchase prices for the largest purchases of imports from Brazil and of domestic products and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, by areas of purchase, and by quarters, January 1981-September 1983--Continued

Purchased in the Philadelphia area

Product and Period 1/	Prices paid by service centers/distributors								Prices paid by end users							
	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Under selling	Per cent
Product 1																
1982																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
April-June				-	-	-	-	-	-	-	-	-	-	-	-	-
July-September				-	-	-	-	-	-	-	-	-	-	-	-	-
October-December				-	-	-	-	-	-	-	-	-	-	-	-	-
1983																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
April-June							56	18	-	-	-	-	-	-	-	-
July-September				-	-	-	-	-	-	-	-	-	-	-	-	-
Product 2	***	***	***													
1982																
April-June				-	-	-	-	-	-	-	-	-	-	-	-	-
July-September				-	-	-	-	-	-	-	-	-	-	-	-	-
October-December				-	-	-	-	-	-	-	-	-	-	-	-	-
1983																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
April-June				-	-	-	-	-	-	-	-	-	-	-	-	-
July-September				-	-	-	-	-	-	-	-	-	-	-	-	-

See footnote at end of table.

B-22

Table D-3.--Coiled plate: Ranges and weighted average net delivered purchase prices for the largest purchases of imports from Brazil and of domestic products and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, by areas of purchase, and by quarters, January 1981-September 1983--Continued

Purchased in the Portland/Seattle area

Product and Period 1/	Prices paid by service centers/distributors								Prices paid by end users							
	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Underselling	Percent	Domes low	Domes hi	Domes avg	Brazil low	Brazil hi	Brazil avg	Underselling	Percent
Product 1																
1982																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
April-June							22	6	-	-	-	-	-	-	-	-
July-September							25	7	-	-	-	-	-	-	-	-
October-December				-	-	-	-	-	-	-	-	-	-	-	-	-
1983																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
April-June				-	-	-	-	-	-	-	-	-	-	-	-	-
July-September							27	9	-	-	-	-	-	-	-	-
Product 2	***	***	***													
1982																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
April-June							-16	-5	-	-	-	-	-	-	-	-
July-September							29	8	-	-	-	-	-	-	-	-
October-December				-	-	-	-	-	-	-	-	-	-	-	-	-
1983																
January-March				-	-	-	-	-	-	-	-	-	-	-	-	-
July-September				-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications.
SOURCE: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table D-4.--Cold-rolled carbon steel sheet: Indexes of weighted average net selling prices for sales of imports from Brazil and for sales of domestic products, by types of customers, by types of products, and by quarters, January 1981-September 1983

Product and Period	Prices to service centers/distributors		Prices to end users	
	Domestic	Brazil	Domestic	Brazil
Product 8				
1981				
January-March	100	-	100	-
April-June	102	-	104	-
July-September	105	-	111	-
October-December	101	(1)	110	-
1982				
January-March	98	-	109	-
April-June	98	-	105	-
July-September	96	-	108	-
October-December	91	-	103	-
1983				
January-March	90	(1)	102	-
April-June	94	(1)	103	-
July-September	95	(1)	100	-
Product 9				
1981				
January-March	100	-	100	-
April-June	103	-	102	-
July-September	106	-	109	-
October-December	103	-	107	-
1982				
January-March	99	-	107	-
April-June	100	-	107	-
July-September	99	-	106	-
October-December	98	-	103	-
1983				
January-March	92	-	98	-
April-June	99	-	99	-
July-September	101	-	101	-
Product 10				
1981				
January-March	100	-	100	-
April-June	102	-	104	-
July-September	105	-	114	-
October-December	99	-	113	-
1982				
January-March	92	-	111	-
April-June	97	-	111	-
July-September	93	-	110	-
October-December	92	-	110	-
1983				
January-March	99	-	106	-
April-June	102	(1)	107	-
July-September	101	-	109	-

1/ Comparable data base for indexing not available.

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