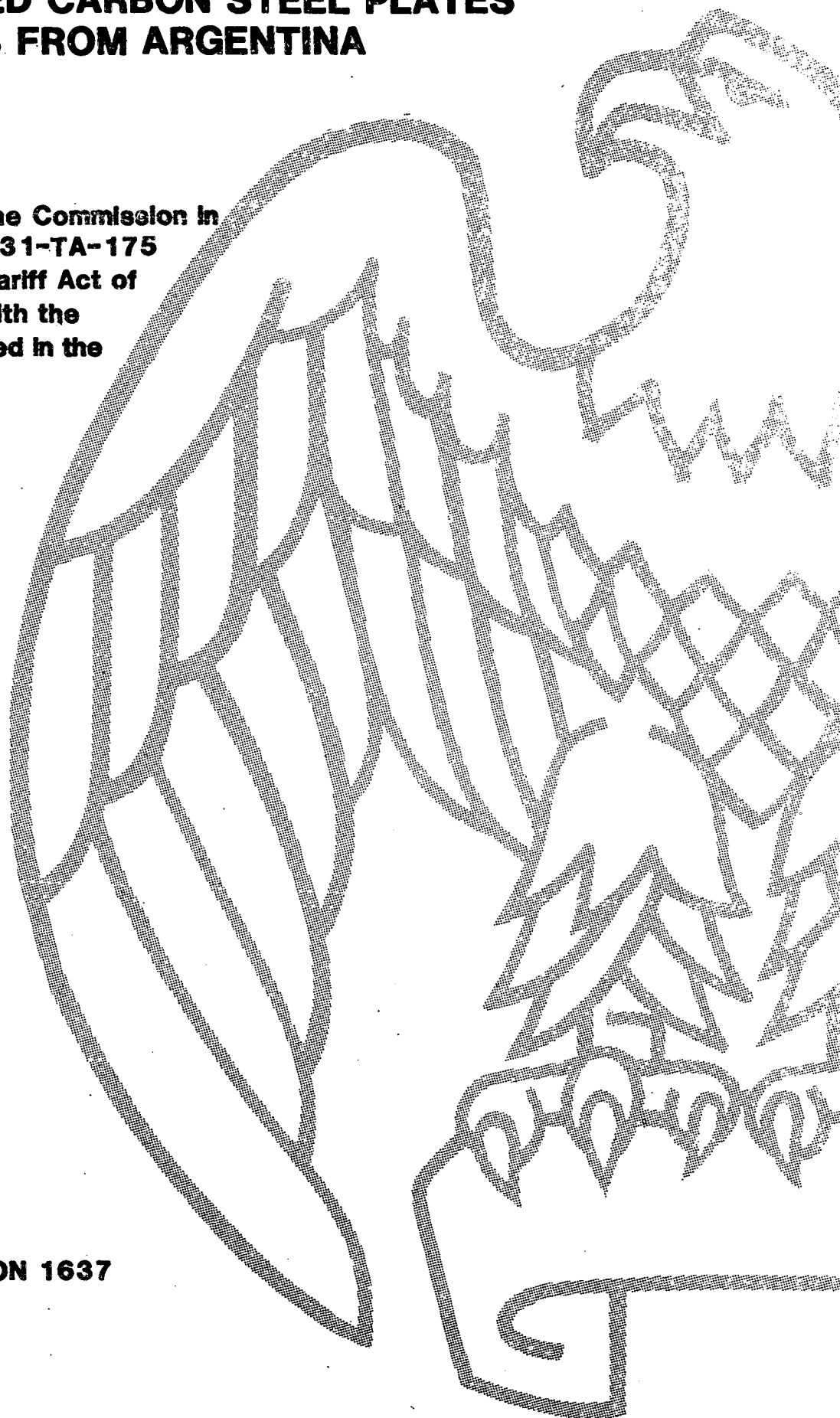


COLD-ROLLED CARBON STEEL PLATES AND SHEETS FROM ARGENTINA

**Determination of the Commission in
Investigation No. 731-TA-175
(Final) Under the Tariff Act of
1930, Together With the
Information Obtained in the
Investigation**



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JANUARY 1985

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.—Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 731-TA-175 (Final)

COLD-ROLLED CARBON STEEL PLATES AND SHEETS FROM ARGENTINA

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission determines, 2/ pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Argentina of cold-rolled carbon steel plates and sheets, provided for in item 607.83 of the Tariff Schedules of the United States, which have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this investigation effective July 25, 1984, following a preliminary determination by the Department of Commerce that imports of cold-rolled carbon steel plates and sheets from Argentina were being sold at LTFV within the meaning of section 731 of the Act (19 U.S.C. § 1673). Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of August 22, 1984 (49 FR 33348). Subsequently, the Commerce Department extended its investigation and, likewise, so did the Commission,

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 Eckes dissenting.

publishing notice of such in the Federal Register of October 9, 1984 (49 FR 39622). The hearing was held in Washington, DC, on December 13, 1984, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF CHAIRWOMAN STERN, VICE CHAIRMAN LIEBELER,
COMMISSIONER LODWICK, AND COMMISSIONER ROHR

We determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of cold-rolled carbon steel plates and sheets from Argentina 1/ which were found by the Department of Commerce (Commerce) to be sold at less than fair value (LTFV)..

Definition of the domestic industry

The domestic industry against which the impact of the imports under investigation is to be assessed is defined in section 771(4)(A) of the Tariff Act of 1930 as "[t]he domestic producers as a whole of a like product or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 2/ "Like product," in turn, is defined in section 771(10) as "[a] product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation" 3/

The imported products which are the subject of this investigation are cold-rolled carbon steel plates and sheets. 4/ These products have been the subject of numerous other previous antidumping investigations. 5/ There is no information on the record nor did the parties offer any arguments to cause us to change our definition of the like products in this investigation. Based on our findings in this investigation that the like products are cold-rolled

1/ Material retardation is not an issue in this investigation and, therefore, will not be discussed.

2/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10).

4/ Report of the Commission (Report) at a-5-a-6. Although cold-rolled plates are included within the scope of the investigation, imports of such products are believed to be negligible, and are, therefore, not included in the statistical data presented in this report. Id.

5/ Id. at Appendix G.

carbon steel plates and sheets, we determine that the domestic industry against which the impact of the imports should be assessed is the domestic producers of the like products.

Condition of the domestic industry

Under section 735 of the Tariff Act of 1930, the Commission is required to determine whether a domestic industry producing the like product is materially injured or threatened with material injury. 6/ In making a material injury determination, the Commission considers, among other factors, whether there are declines in production, capacity utilization, sales, market share, employment, wages, and profitability. 7/

The domestic industry producing cold-rolled carbon steel plates and sheets experienced problems during the investigative period. Production dropped from 12.8 million tons in 1981, to 9.2 million tons in 1982, and then increased to 12.1 million tons in 1983. Production during January-September 1984 was 8 percent greater than the corresponding period of 1983. 8/ Capacity decreased from 18.1 million tons in 1981 to 17.3 million tons in 1983. Capacity utilization, which had decreased from 70.6 percent in 1981 to 51.5 percent in 1982, rose to 77.7 percent during January-September 1984. 9/ Shipments decreased from 10.9 million tons in 1981 to 8.1 million tons in 1982, and then rose to 10.2 million tons in 1983. Shipments increased 9.8 percent during January-September 1984 compared with the same period of 1983. 10/

6/ 19 U.S.C. § 1673(d). The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant." 19 U.S.C. § 1677(7).

7/ 19 U.S.C. § 1677(7)(C)(iii).

8/ Report at a-11-a-12, Table 6.

9/ Id.

10/ Id. at a-12-a-13, Table 7.

Apparent U.S. consumption of cold-rolled carbon steel sheets was 15.2 million tons in 1981 but dropped to 12.1 million tons in 1982. Consumption increased to 15.3 million tons in 1983. During January-September 1984, consumption rose 15 percent to 12.6 million tons compared with 7.1 million tons in January-September 1983. 11/

Employment also declined significantly between 1981 and 1982 and then improved in 1983. There was some improvement in January-September 1984, but employment remained below 1981 levels. 12/ Hourly compensation decreased from 1981 to 1983, although there was some improvement in 1984. 13/

Despite improvement in some of the key financial indicators, operating losses continued in 1983 and 1984. 14/ Operating losses did significantly decrease in January-September 1984 when compared to the corresponding period in 1983. 15/

Despite the indications of recovery discussed above, especially in 1984, we find in this investigation as we did in the recent investigation on cold-rolled carbon steel plates and sheets from Korea, 16/ that the industry continues to be materially injured.

No material injury by reason of LTFV imports

In making its determination whether material injury to the domestic industry is by reason of the LTFV imports, 17/ the Commission must consider,

11/ Id. at a-10-a-11, Table 5.

12/ Id. at a-14-a-15, Table 9.

13/ Id. at a-14-a-16, Table 10.

14/ Id. at a-15-a-17, Table 11.

15/ Id.

16/ Certain Cold-Rolled Carbon Steel Products From the Republic of Korea, Inv. No. 701-TA-218 (Final), USITC Pub. 1634 (1985).

17/ 19 U.S.C. § 1673(b).

among other factors, the volume of imports, the effect of imports on prices in the United States for the like product, and the impact of such imports on the relevant domestic industry. 18/

Imports of cold-rolled plates and sheets from Argentina, which were negligible in 1981, rose to 104,000 tons in 1982 and to 130,000 tons in 1983. Such imports were 116,000 tons during the first 9 months of 1984 compared with 92,000 tons in the same period of 1983. 19/ These volumes, however, only resulted in minimal market penetration throughout the period of investigation. Market penetration of imports from Argentina was 0.9 percent of apparent U.S. consumption of carbon steel sheets in 1982, 0.8 percent in 1983 and 0.9 percent during the first 9 months of 1984. 20/

Information on transaction prices paid by steel service centers for carbon steel sheets from Argentina permitted 13 instances of comparison of Argentine prices and domestic prices. 21/ Imports from Argentina undersold the domestic cold-rolled sheets in each instance with margins of underselling ranging from 5 percent to 14 percent. The Commission investigated three allegations of lost sales but was unable to confirm that any of these sales were lost because of lower prices offered for Argentine cold-rolled sheets. 22/ Further, no allegations were made that revenues were lost on sales attributable to imports from Argentina.

No threat of material injury by reason of LTFV imports

The Senate Finance Committee report on the Trade Agreements Act of 1979 makes clear that an affirmative finding on threat of material injury "must be

18/ 19 U.S.C. § 1677(7).

19/ Report at a-20-a-22, Table 13.

20/ Id. at a-22, Table 14.

21/ Id. at a-24-a-25, Table 17.

22/ Id. at a-26.

based upon information showing that the threat is real and injury is imminent, not a mere supposition or conjecture." 23/ The report of the Committee on Ways and Means of the House of Representatives states that, with respect to threat, the Commission should focus on:

demonstrable trends--for example, the rate of increase of the . . . dumped exports to the U.S. market, capacity in the exporting country to generate exports, the likelihood that such exports will be directed to the U.S. market taking into account the availability of other export markets, 24/

Rate of increase of exports to the U.S. market--Data indicate that the United States is the major export market for Argentine cold-rolled sheets. Although these imports into the United States were negligible in 1981 (1 ton), they increased to 104,000 tons in 1982 and to 130,000 tons in 1983. By comparing Argentine exports of the subject merchandise to the United States with Argentine exports to other countries, it can be seen that the United States, as stated above, has increasingly become the major export country: in 1981, United States' share was very small; in 1982, United States' share increased very significantly and it continued to increase in 1983. 25/

Argentine domestic shipments, production capacity, and capacity utilization 26/--Argentine domestic shipments of the subject imports have increased significantly from 1981 through 1983. Capacity utilization has also increased in Argentina during 1981-83. 27/ The best information available

23/ S. Rep. No. 249, 96th Cong., 1st Sess. 88-89 (1979).

24/ H.R. Rep. No. 317, 96th Cong., 1st Sess. 47 (1979).

25/ Report at a-5.

26/ Data concerning domestic shipments, production capacity, and capacity utilization are available for the two Argentine companies that export to the United States. This information is confidential.

27/ Report at a-4-a-5.

indicates that Argentine producers are operating at maximum capacity in producing cold-rolled sheets.

We conclude that there is no threat of material injury from imports of cold-rolled carbon steel plates and sheets sold at LTFV. Despite the share of Argentine exports going to the United States, the tonnage currently shipped is small. The capacity utilization data indicate that the threat of future increases in imports from Argentina is not real and imminent.

We have determined that cumulation of imports is not appropriate in this investigation. 28/ 29/ 30/ Therefore, based on the information discussed above, we find that although the domestic industry continues to suffer injury, no material injury has been caused or is threatened by the the LTFV imports from Argentina whose import penetration is relatively small and stable.

28/ See Chairwoman Stern's Additional Views.

29/ Vice Chairman Liebler notes that the Trade and Tariff Act of 1984 is not applicable to this case because petitioners filed before enactment of the law. Thus, the Vice Chairman has evaluated cumulation using her traditional analysis. Insofar as no evidence of coordinated activity between Argentina and any other country has been presented, the Vice Chairman declines to cumulate in this case. See Potassium Chloride from Israel and Spain, Inv. No. 701-TA-213 (Final), USITC Pub. No. 1596 at 7, n.29 (1984).

30/ Commissioners Lodwick and Rohr have determined that cumulation is inappropriate on the facts presented in this investigation. Imports from Argentina remained at a relatively constant or declining share of the market while imports from other sources were increasing. The data on lost sales and lost revenue indicate that imports from Argentina did not contribute to the material injury suffered by the domestic industry.

Additional Views of Chairwoman Stern--cumulation or aggregation not appropriate

I do not find that cumulation is appropriate in this investigation. There are no pending or outstanding final LTFV determinations with which to cumulate. There are recent final countervailing duty (CVD) orders outstanding against subsidized imports of the like product from Brazil and Korea. 1/ However, I do not believe it is appropriate to aggregate imports across statutes.

Subsidizing and dumping are different activities which are carried out by different parties. Subsidies are provided by governments and are relatively stable, while dumping is done by individual firms and may vary with each sale and each purchaser.

Further, section 735(b) states that final antidumping determinations are to be made "by reason of imports of the merchandise with respect to which the administering authority has made an affirmative determination under section 735(a)(1)," i.e., those investigations for which Commerce has made a final dumping finding. I, therefore, believe that it is inappropriate to look at the CVD investigations in reaching my determination in this investigation.

Cumulation has been a part of Commission practice since at least 1961. 2/ During that period there have been hundreds of antidumping and CVD investigations, and numerous instances of cumulation. Yet in no investigation has the Commission ever chosen to aggregate imports across statutes. The only

1/ Certain Steel Products from Brazil, Invs. Nos. 701-TA-205-207 (Final), USITC Pub. 1538 (1984); Certain Cold-Rolled Carbon Steel Products From the Republic of Korea, Inv. No. 701-TA-218 (Final), USITC Pub. 1634 (1985).

2/ Portland Cement from Portugal, Inv. AA1921-22, TC Pub. 37 (Oct. 20, 1961). See *City Lumber Co. v. United States*, 290 F. Supp. 385 (Cust. Ct. 1968), aff'd, 311 F. Supp. 340 (Cust. Ct. 1970), aff'd, 457 F.2d 911 (C.C.P.A. 1972).

Commissioners who have discussed the possibility, in fact, have seriously questioned 3/ or rejected such aggregation. 4/ Congress, in enacting the Trade and Tariff Act of 1984, expressly changed some Commission practices. It did not, however, comment on or mandate any change in the Commission's practice of only cumulating within statutes. I conclude that past Commission practice, the relevant legislative history, and the logic of the statutory framework indicate that aggregation of imports across statutes is inappropriate.

3/ In his additional views in Certain Steel Wire Rod from Brazil, Belgium, France, and Venezuela, Invs. Nos. 701-TA-148-150 (P), 731-TA-88 (P), USITC Pub. 1230 (1982), former Commissioner Calhoun stated:

. . . I wish to make clear that nothing in this analysis nor in my analysis in the prior steel cases should be construed as an endorsement of the view that our assessment of the impact of imports on the domestic industry can be undertaken by cumulating the impact of subsidized imports with that of imports sold at less than fair value. . . . The question of cumulating the impact of what might well be completely separate causes of action is a very troublesome question of law

Id. at 20.

4/ Chairwoman Stern has previously noted her view that aggregation of subsidized imports with LTFV imports is never appropriate. See Cold-Rolled Carbon Steel Sheet from Brazil, Inv. No. 731-TA-154 (Final), USITC Pub. 1579, n.23 at 8 (1984), and Chairwoman Stern's views on Certain Carbon Steel Products from Belgium, France, Italy, Luxembourg, the United Kingdom, and the Federal Republic of Germany published in Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, Invs. Nos. 731-TA-113-114, USITC Pub. 1316 at 28 (1982).

Additional Views of Commissioner Eckes

On the basis of the record in investigation no. 731-TA-175 (Final), I have determined that an industry in the United States is materially injured by reason of imports of cold-rolled carbon steel plates and sheets from Argentina which were found by the Department of Commerce (Commerce) to be sold at less than fair value (LTFV).

I have joined my colleagues in their discussion of the "like product", definition of the domestic industry, and the condition of the domestic industry. My affirmative determination is based on a case-by-case analysis of the impact of LTFV imports from Argentina.

The volume of imports from Argentina has increased through-out the period covered by this investigation. There were virtually no imports from Argentina in 1981. In 1982, as Argentine producers entered the U.S. market, 104,000 tons were imported. Imports again increased to 130,000 tons in 1983. For the period January--September, 1984, 116,000 tons were imported compared with 92,000 tons for the same period in 1983. For the one-year period of October, 1983, through September, 1984, Argentine imports totalled 154,000 tons, establishing the presence of this new entrant in the U. S. marketplace. Market penetration for these imports was 0.9 percent in 1982, which declined slightly to 0.8 percent in 1983. For the period January--September, 1984, import penetration was 0.9 percent, compared with 0.8 percent for the

same period in 1983. For the period October, 1983, through September, 1984, the import penetration was 0.9 percent.

Information developed in this investigation allowed 13 comparisons of prices paid by steel service centers for Argentine imports with domestic products. These comparisons reveal significant underselling. In fact, imports from Argentina undersold the domestic product in each instance by margins ranging from 5 percent to 14 percent.

In reaching my affirmative determination in this investigation, I have considered my previous determinations regarding imports of this product from a variety of sources. In particular, I have reviewed my negative determination in the Brazilian investigation.^{1/} There is an important distinction between the import trends from these two countries: Namely, LTFV imports from Brazil declined during the January--June, 1984 period, whereas LTFV imports from Argentina increased during the January--September, 1984 period.

Also, important procedural aspects to these respective investigations affect the interpretation of these trends. In the Brazilian investigation, Commerce made a negative preliminary LTFV determination. Thus, import levels during the pendency of the Commerce LTFV proceedings were not constrained by any suspension of liquidation. Those trends, therefore, are

^{1/} Cold-Rolled Carbon Steel Sheet From Brazil, Inv. No. 731-TA-154 (Final) USITC Pub. 1579 (September 1984), "Views of the Commission," in particular footnote 14 at 6.

more reliable indicators of the nature of Brazilian imports and the extent of their presence in the U.S. market, particularly during those months immediately prior to the Commission's injury determination. In contrast, the preliminary determination in this investigation filed against Argentina on February 10, 1984, was affirmative with an overall weighted average margin on all sales of 42.09 percent. It is likely that imports during the period of the investigation (particularly January--September, 1984), are understated in view of the pendency of this investigation, the suspension of liquidation in July, 1984, and the likelihood of a possible affirmative final determination. In my judgment, the fact that this new entrant into the U.S. market achieved volume and market penetration increases during the first nine months of 1984 is especially significant.^{2/}

^{2/} See the discussion of the Court of International Trade in the appeal of the Commission's affirmative determination in Anhydrous Sodium Metasilicate from France, Inv. No. 731-TA-25(Final) USITC Pub. 1118(1980), aff'd. in Rhone Poulenc, SA v. United States, 1 Ct. Int'l. Trade, slip op. 84-87 at 14, 592 F. Supp. 1318, 1324 (Nov. 12, 1984). The plaintiff's in that appeal criticized "as speculative" the Commission's conclusion that "the ITA's preliminary determination of sales at LTFV, ^{20/} the requirement that bonds be posted on all French ASM imports entering the United States after September 5, 1980, and this pending case, accounted for a reduction in the increase of imports entering the United States." [footnote 20 reads: "Commerce calculated a tentative 50 percent margin in its preliminary determination."]

The Court concluded that "There is logic in the Commission's view regarding the effect of the events relating to this case on the rate of increase of imports. This is a corollary to the more obvious principle that '... the antidumping order, operating as a strong corrective or deterrent can be presumed to distort the meaningfulness of observable data regarding present conduct in the United States market.'" [citation to Matsushita Electric Industrial Co. omitted].

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

As a result of a preliminary determination by the U.S. Department of Commerce that imports of cold-rolled carbon steel plates and sheets 1/ from Argentina are being sold in the United States at less than fair value (LTFV), 2/ the U.S. International Trade Commission instituted investigation No. 731-TA-175 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) to determine whether an industry in the United States is materially injured or threatened with material injury, or whether the establishment of an industry in the United States is materially retarded, by reason of such LTFV imports.

Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of August 22, 1984 (49 FR 33348). 3/ Subsequently, the Commerce Department extended its investigation, and likewise, so did the Commission, publishing notice of such in the Federal Register of October 9, 1984 (49 FR 39622). 4/ The hearing was held in the Commission's hearing room on December 13, 1984. 5/

Background

This investigation results from a petition filed with the Commission and the Department of Commerce on February 10, 1984, by United States Steel Corp. (U.S. Steel), Pittsburgh, PA. In addition to the products subject to this final investigation, U.S. Steel simultaneously filed other petitions which alleged that U.S. imports of galvanized carbon steel sheets from Australia were being subsidized by the Government of Australia and that there were LTFV sales in the United States of imports of the following carbon steel products:

Plates not in coils (cut-to-length plates), coiled plates, hot-rolled sheets, cold-rolled plates and sheets, galvanized sheets, and structural shapes from South Africa;

1/ Cold-rolled carbon steel plates are provided for in TSUSA item 607.8320; cold-rolled carbon steel sheets are provided for in TSUSA items 607.8350, 607.8355, and 607.8360.

2/ 49 FR 29991, July 25, 1984. Commerce subsequently made a final LTFV determination in this investigation, publishing notice in the Federal Register of Dec. 13, 1984. A copy of Commerce's final determination is presented in app. A.

3/ A copy of the Commission's notice of investigation, as published in the Federal Register of Aug. 22, 1984, is presented in app. B.

4/ A copy of the Commission's notice of extension of investigation, as published in the Federal Register of Oct. 9, 1984, is presented in app. B.

5/ A list of witnesses appearing at the hearing is presented in app. C.

Cut-to-length and coiled plates, cold-rolled plates and sheets, galvanized sheets, and structural shapes from Spain;

Cut-to-length plates from Finland; and

Galvanized sheets from Australia.

The Commission instituted preliminary investigations on all of these products and made preliminary affirmative injury determinations concerning each of them (49 FR 13442, Apr. 4, 1984). The cases involving imports from South Africa, however, were terminated by the Department of Commerce after U.S. Steel withdrew its petitions on May 10, 1984; 1/ the countervailing duty case involving imports from Australia resulted in a negative final determination by Commerce effective July 25, 1984; 2/ and the antidumping cases involving imports from Australia, Finland, and Spain—all of the subject products of which Commerce had made affirmative determinations of sales in the United States at LTFV—were terminated by the Commission after U.S. Steel withdrew its petitions on January 18, 1985. 3/

Related Commission Investigations Concerning Imports of the Subject Products

The products covered by this investigation have also been the subject of a number of other recent (since 1981) Commission investigations. These investigations and the Commission's determinations in each of them are shown in table 1; a more thorough presentation of investigations since 1981 is found in appendix G.

Nature and Extent of Sales at LTFV

Details of Commerce's final LTFV determination are contained in the Federal Register notice presented in appendix A. A summary of the dumping margins presented in that determination is shown in the following tabulation (in percent ad valorem):

<u>Company</u>	<u>Margin</u>
Propulsora Siderurgica Saic (Propulsora)—————	30.3
Sociedad Mixta Siderurgia Argentina (Somisa)—————	242.5
All other manufacturers, producers, or exporters—————	122.3

1/ A copy of Commerce's notice of termination, as published in the Federal Register of June 7, 1984, is presented in app. D.

2/ A copy of Commerce's notice of its negative determination, as published in the Federal Register of July 25, 1984, is presented in app. E.

3/ A copy of the Commission's notice of termination, which will be published in the Federal Register, is presented in app. F.

Table 1.—Cold-rolled carbon steel plates and sheets: Commission investigations since 1981

(A = affirmative determination; N = negative determination)

Country	Determinations
	Preliminary determinations
Argentina	1/2/ A
Belgium	3/4/5/ N
Brazil	3/5/6/ N
Federal Republic of Germany (West Germany)	3/4/5/ A
France	3/4/5/ A
Italy	3/4/5/ A
Luxembourg	3/4/5/ N
Netherlands	3/4/5/ A
Republic of Korea (Korea)	6/7/ N
Republic of South Africa (South Africa)	1/2/ A
Spain	1/2/ A
United Kingdom	3/4/5/ N
	Final determinations
Brazil	8/9/ A
	10/11/ N
Korea	8/12/ A
Spain	8/13/ A

1/ By reason of allegedly LTFV imports.

2/ Certain Carbon Steel Products From Argentina, Australia, Finland, South Africa, and Spain; investigations Nos. 701-TA-212 (Preliminary) and 731-TA-169 through 182 (Preliminary), March 1984.

3/ Certain Steel Products From Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, investigations Nos. 701-TA-86 through 144, 146, and 147 (Preliminary) and 731-TA-53 through 86 (Preliminary), February 1982.

4/ By reason of both allegedly LTFV and subsidized imports.

5/ Includes strip.

6/ By reason of allegedly subsidized imports.

7/ Certain Steel Products From the Republic of Korea, investigations Nos. 701-TA-170 through 173 (Preliminary), June 1982.

8/ By reason of subsidized imports.

9/ Certain Steel Products From Brazil, investigations Nos. 701-TA-205 through 207 (Final), June 1984.

10/ By reason of LTFV imports.

11/ Cold-Rolled Carbon Steel Sheet From Brazil, investigation No. 731-TA-154 (Final), September 1984.

12/ Certain Cold-Rolled Carbon Steel Products From the Republic of Korea, investigation No. 701-TA-218 (Final), January 1985.

13/ Certain Carbon Steel Products From Spain, investigations Nos. 701-TA-155, 157 through 160, and 162 (Final), December 1982.

Source: See footnotes.

The Argentine Steel Industry and its Capacity to Generate Exports

Argentina was the 24th largest producer of raw steel in the Western world in 1983 with total production of 3.2 million tons, ^{1/} about the same level as 1982 production. There are about 10 producers of raw steel in Argentina, which serve 16 steel producing facilities. As shown in table 2, capacity utilization increased marginally in Argentina during 1981-83, but remained at low levels.

Table 2.—Raw steel: Argentina's production, capacity, and capacity utilization, 1981-83

Year	Production	Production capacity	Capacity utilization
	—1,000 short tons—		Percent
1981	2,785	6,200	44.9
1982	3,212	6,200	51.8
1983	3,236	6,200	52.2

Source: Compiled from data in Iron and Steelworks of the World, 8th ed.; Iron and Steelmaker, July 1983; and Iron Age, May 1984.

There are three producers of the products subject to the investigation in Argentina, Laminfer, SA, Propulsora Siderurgica Saic (Propulsora), and Sociedad Mixta Siderurgia Argentina (Somisa), but only Propulsora and Somisa export these products to the United States. ^{2/} Propulsora is a nonintegrated mill, which concentrates on the production of cold-rolled sheets and has an annual rolling capacity of *** tons. Somisa is a fully integrated steel producer, owned by the Government of Argentina, which produces a full range of flat-rolled carbon steel products. Its capacity for the production of cold-rolled sheets is currently *** tons per year. Somisa is engaged in an ambitious expansion program, which will increase its raw steelmaking capacity by 60 percent, and expand its slab and hot-rolled sheetmaking capability.

The two companies' shipments, capacity, and exports of cold-rolled sheets for the period 1981-83 are given in the following tabulation, provided by counsel for Propulsora:

<u>Domestic</u> <u>shipments</u> <u>(1,000 tons)</u>	<u>Exports</u> <u>(1,000 tons)</u>	<u>Production</u> <u>capacity</u> <u>(1,000 tons)</u>	<u>Capacity</u> <u>utilization</u> <u>(percent)</u>
*	*	*	*

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

^{2/} A fourth potential producer of cold-rolled carbon steel plates and sheets is Siderurgica Integrada Saic (Sidinsa), a State-owned greenfield facility in the planning stage.

This tabulation indicates a substantial increase in capacity utilization of cold-rolled sheet facilities due to increases in both domestic shipments and exports.

The amounts of total exports and exports to the United States of cold-rolled sheets from Argentina, as shown in the following tabulation, indicate that the United States is the major export market for Argentine cold-rolled sheets.

<u>Year</u>	<u>Exports to the</u> <u>United States</u> <u>(1,000 tons)</u>	<u>Total</u> <u>exports</u> <u>(1,000 tons)</u>	<u>U.S. share</u> <u>of total</u> <u>(percent)</u>
*	*	*	*

The Products

Description and uses

Cold-rolled carbon steel plates and sheets are flat-rolled products produced by processing hot-rolled, pickled (cleaned) carbon steel plates or sheets in cold-reduction mills. They are considered to be finished products and are distinguished from other flat-rolled products by their dimensional characteristics. For purposes of these investigations, cold-rolled carbon steel plates and sheets are defined as flat-rolled carbon steel products; whether or not corrugated or crimped, whether or not coiled, and whether or not pickled; over 12 inches in width; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal and not clad.

Cold-rolled carbon steel plates are 0.1875 inch or more in thickness and are provided for in TSUSA item 607.8320; cold-rolled carbon steel sheets are less than 0.1875 inch in thickness and are provided for in TSUSA items 607.8350, 607.8355, and 607.8360. Although cold-rolled plates are included within the scope of the investigations, imports of such products are believed to be negligible. Accordingly, imports under item 607.8320, which are believed to consist principally of pickled plates, are not included in the statistical data presented in this report.

The production of cold-rolled sheets begins with a coil of hot-rolled sheets, 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 sheets are then coiled and, usually, annealed (heat treated) to restore the ductility lost during cold rolling. A portion, however, is sold in an unannealed, "full hard" condition. After the steel has been softened in the annealing furnace, it is passed through a temper mill, which finishes the cold-rolled sheets by imparting additional hardness, flatness, and surface quality. The product is then shipped to consumers in coils or cut lengths.

Cold-rolled carbon steel sheets are the largest volume single steel mill product, having accounted for 22 percent of total U.S. producers' shipments of all carbon steel products (and 19 percent of such shipments of all steel mill products) in 1983. Major consumer markets for cold-rolled sheets are shown in

table 3. The automotive industry, the largest single consumer of cold-rolled sheet accounted for, on average, 33 percent of cold-rolled sheet shipments during 1981-83; shipments to steel service centers (SSC's) averaged 27 percent over the same period. Other end markets for cold-rolled sheets include the electrical equipment and appliance industries.

Table 3.—Cold-rolled carbon steel sheets: U.S. producers' shipments, by major markets, 1981-83, January-September 1983, and January-September 1984

Market	1981	1982	1983	Jan.—Sept.—	
				1983	1984
	Quantity (1,000 tons)				
Automotive	4,547	3,469	4,176	2,890	3,082
SSC's	3,328	2,798	3,777	2,783	2,902
Electrical equipment	1,215	871	1,143	830	895
Appliances, utensils, and cutlery	1,203	899	1,135	850	909
All other	3,455	2,529	2,764	2,060	2,234
Total	13,748	10,565	12,995	9,413	10,022
	Percent of total				
Automotive	33.1	32.8	32.1	30.7	30.8
SSC's	24.2	26.5	29.1	29.6	29.0
Electrical equipment	8.8	8.2	8.8	8.8	8.9
Appliances, utensils, and cutlery	8.8	8.4	8.7	9.0	9.1
All other	25.1	23.9	21.3	21.9	22.3
Total	100.0	100.0	100.0	100.0	100.0

Source: American Iron & Steel Institute.

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

U.S. tariff treatment

As mentioned, imports of cold-rolled carbon steel plates and sheets 1/ are classified for tariff purposes under TSUSA items 607.8320 (plates), 607.8350 (painted or varnished sheets), 607.8355 (annealed sheets not painted or varnished and having a minimum yield point of 40,000 pounds per square inch (psi)), and 607.8360 (all other cold-rolled sheets). The current column 1 or most-favored-nation (MFN) rate of duty, 2/ final column 1 concession rate

1/ Not coated or plated with metal and not clad.

2/ The col. 1 rate is 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 countries where such articles are eligible for preferential treatment provided under the Caribbean Basin Initiative (CBI) or under the "LDDC" column. The People's Republic of China, Hungary, Romania, and Yugoslavia are the only Communist countries currently eligible for MFN treatment.

granted under the Tokyo round of the Multilateral Trade Negotiations (MTN), 1/ the rate of duty for least developed developing countries (LDDC's), 2/ and the column 2 duty rate 3/ for these items are shown in the following tabulation (in percent ad valorem and cents per pound):

	<u>Rate of duty</u>
Col. 1:	
Jan. 1, 1985_____	6.1%
Jan. 1, 1987 <u>1/</u> _____	5.1%
LDDC_____	5.1%
Col. 2_____	0.2¢ + 20%

1/ The applicable rate prior to the first staged reduction under the Tokyo round (i.e., effective Jan. 1, 1980) was 8 percent ad valorem.

Imports of cold-rolled carbon steel plates and sheets, if the product of designated beneficiary countries, are eligible for duty-free entry under the CBI. 4/

In addition to the import duties shown above, countervailing duty orders are currently in effect with respect to imports from Argentina, Brazil, Korea, South Africa, and Spain. 5/ In other actions in recent years, the Commission determined that an industry in the United States was not materially injured, or threatened with material injury, by reason of LTFV imports from Brazil and 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 allegedly subsidized imports from Belgium, Korea, Luxembourg, and the United Kingdom. Similar determinations were made in cases on allegedly LTFV imports from Belgium, Luxembourg, and the United Kingdom.

1/ 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.

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

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

4/ The CBI is a program of nonreciprocal tariff preferences granted by the United States to developing countries in the Caribbean Basin area to aid their economic development by encouraging greater diversification and expansion of their production and exports. The CBI, as enacted in title II of Public Law 98-67 and implemented by Presidential Proclamation No. 5133 of Nov. 30, 1983, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after Jan. 1, 1984, and is scheduled to remain in effect until Sept. 30, 1995. It provides duty-free entry to eligible articles imported directly from designated countries in the Caribbean Basin area.

5/ Net subsidy and dumping margins for current investigations, outstanding countervailing duty orders issued since January 1983, and terminated (other than negative) title VII cases since January 1983 are presented in table 4. The weighted-average subsidies for other countries are 38.25 percent for Spain and 0 percent for South Africa.

Table 4.--Cold-rolled carbon steel sheets: Pending title VII investigations and outstanding countervailing orders since January 1983, most recent dumping/subsidy margins, by countries and by firms, 1981-83, January-September 1983, and January-September 1984

Investigation/ order/country and firm	Weighted-average margin	Date of bond or order ^{1/}	Ratio of imports to apparent U.S. consumption				
			1981	1982	1983	Jan.-Sept.--	
						1983	1984
	-----Percent-----				Percent		
Pending antidumping investigations:							
Argentina:							
Somisa-----	242.5	Jul. 25, 1984	2/	0.9	0.8	0.8	0.9
Propulsora-----	30.3	do	do	do	do	do	do
All other-----	122.3	do	do	do	do	do	do
Austria-----	3/	3/	0.0	.0	.1	2/	.7
Czechoslovakia-----	3/	3/	.0	.0	.0	.0	2/
German Democratic Republic.	3/	3/	.0	.0	2/	2/	.6
Romania-----	3/	3/	.0	.0	.0	.0	.1
Venezuela-----	3/	3/	2/	2/	.3	.2	.3
Pending counter-vailing investigations:							
Austria-----	5/	5/	.0	.0	.1	2/	.7
Sweden-----	5/	5/	2/	2/	.1	.1	.4
Venezuela-----	5/	5/	2/	2/	.3	.2	.3
Outstanding counter-vailing orders:							
Argentina:							
Somisa-----	6.42	Apr. 26, 1984	2/	.9	.8	.8	.9
Propulsora-----	2.34	do	do	do	do	do	do
All other-----	5.44	do	do	do	do	do	do
Brazil:							
Cosipa-----	36.48	June 22, 1984	.1	.4	2.2	2.0	1.6
CSN-----	62.18	do	do	do	do	do	do
Usiminas-----	17.49	do	do	do	do	do	do
All other-----	36.95	do	do	do	do	do	do
Republic of Korea--	3.60	Sep. 18, 1984	.7	.5	1.2	1.1	2.5

^{1/} Date posting of bond required or date order issued.

^{2/} Less than 0.05 percent.

^{3/} This is a new case (USITC notice of investigation: 50 FR 186 (Jan. 2, 1984)). To date, there is no determination of sales at less than fair value by Commerce nor requirement for the posting of bond.

^{4/} Only imports classifiable under TSUSA item 607.8360 are currently subject to investigation. The ratio shown is of imports from Finland under TSUSA item 607.8360 to total apparent consumption of cold-rolled sheets and therefore may be understated. Although apparent U.S. consumption of those cold-rolled carbon steel sheets classifiable under TSUSA item 607.8360 are not available, it is believed to account for the bulk of consumption of all cold-rolled carbon steel sheets.

^{5/} This is a new case (USITC notice of investigation: 50 FR 186 (Jan. 2, 1984)). To date, there is no determination of imports of products receiving countervailable subsidies nor requirement for the posting of bond.

Petitioners withdrew unfair trade complaints involving cold-rolled sheets from France, Italy, the Netherlands, and West Germany in order 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 sheets are included in a category in which exports are limited to 5.11 percent of consumption.

As previously mentioned in the background section of this report, complaints involving allegedly LTFV imports from South Africa and Spain were withdrawn by the petitioner.

U.S. Producers

There were 14 known firms in the United States producing cold-rolled carbon steel sheets 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 the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of cold-rolled sheets, as reported by the AISI, in 1983:

<u>Firm</u>	<u>Location</u>	<u>Share of Shipments (percent)</u>
Armco-----	Middletown, OH	***
Bethlehem-----	Burns Harbor, IN Mansfield, OH Sparrows Point, MD	***
Inland-----	East Chicago, IN	***
LTV-----	Aliquippa, PA Cleveland, OH East Chicago, IN Gadsden, AL Hennepin, IL Niles, OH Pittsburgh, PA Warren, OH	<u>1</u> / ***
National-----	Granite City, IL Detroit, MI Portage, IN Weirton, WV <u>2</u> /	***

See footnotes at end of tabulation.

<u>Firm</u>	<u>Location</u>	<u>Share of Shipments (percent)</u>
Rouge	Detroit, MI	***
U.S. Steel	Pittsburgh, PA Gary, IN Cleveland, OH Dravosburg, PA Fairless Hills, PA	***
Wheeling Pittsburg	Martins Ferry, OH Steubenville, OH	***

1/ The share of 1983 producer's shipments shown is for J&L and Republic combined.

2/ This plant is now independently owned and operated.

The production of cold-rolled carbon steel sheets is heavily concentrated in the United States, with the four largest producers, including the newly formed LTV, accounting for about 60 percent of total 1983 U.S. producers' shipments.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 15 firms that imported cold-rolled carbon steel sheets from Argentina during October 1982-June 1984. 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 carbon steel sheets 1/ decreased from 15.2 million tons in 1981 to 12.1 million tons in 1982, but then rose to 15.3 million tons in 1983; apparent U.S. consumption during January-September 1984, at 12.6 million tons, was 15 percent greater than such consumption during January-September 1983 (table 5). According to industry sources, the increase in apparent consumption during 1983 was due primarily to increasing demand in the automotive industry. As shown in the table, imports took an increasing share of the market, from 10 percent in 1981 to 15 percent in 1983 and 21 percent in January-September 1984. Monthly shipments, imports, exports, and consumption data for 1983 and January-October 1984 are shown in table H-1 in appendix H.

1/ As noted, cold-rolled carbon steel plates are also included within the scope of these investigations. However, as both imports and domestic production of such plates are believed to be negligible, they will not be specifically mentioned by name in the remainder of this report.

Table 5.—Cold-rolled carbon steel sheets: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

Year	Shipments	Imports	Exports	Apparent consump- tion	Ratio of imports to—	
					Shipments	Con- sumption
	1,000 short tons				Percent	
1981	13,748	1,546	46	15,248	11.2	10.1
1982	10,565	1,599	21	12,143	15.1	13.2
1983	12,995	1/ 2,341	23	15,313	18.0	15.3
Jan.—Sept.—						
1983	9,413	1/ 1,550	18	10,945	16.5	14.2
1984	10,022	2,590	19	12,593	25.8	20.6

1/ Estimated by the staff of the U.S. International Trade Commission.

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, except where noted.

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 sheets, as reported in responses to the Commission's questionnaires, 1/ fell sharply from 12.8 million tons in 1981 to 9.2 million tons in 1982, and then rose to 12.1 million tons in 1983; production during January-September 1984, at 9.6 million tons, was 8 percent greater than the level of production in January-September 1983 (table 6). Productive capacity for cold-rolled sheets decreased from 18.1 million tons in 1981 to 17.3 million tons in 1983 and an annualized 16.5 million tons during January-September 1984. Capacity utilization, which decreased from 70.6 percent in 1981 to 51.5 percent in 1982, rose to 70.0 percent in 1983 and 77.7 percent during January-September 1984. 2/

1/ The Commission's questionnaires for the subject investigation covered only six months of 1983 and 1984. However, more up-to-date data from domestic producers are available from responses to questionnaires of investigation 701-TA-218 (Final) (Certain Cold-Rolled Carbon Steel Products From the Republic of Korea); therefore, data from investigation 701-TA-218, which cover nine months of 1983 and 1984, are presented throughout this report.

2/ The data on capacity utilization, as calculated from responses to Commission questionnaires, differ from those developed in Carbon and Certain Alloy Steel Products, investigation No. TA-201-51, July 1984. The discrepancy is attributable to different product coverage in the two investigations (e.g., TA-201-51 included strip products and certain alloy steels), different respondents, and the production requested in TA-201-51 included captive production as well as production for sale.

Table 6.—Cold-rolled carbon steel sheets: U.S. production, capacity, 1/ and capacity utilization, 2/ 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	Jan.-Sept.—	
				1983	1984
Production—1,000 short tons—	12,762	9,157	12,093	8,958	9,638
Capacity—do—	18,067	17,768	17,274	12,961	12,411
Capacity utilization 3/—percent—	70.6	51.5	70.0	69.1	77.7

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 be reasonably 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 91 percent of total shipments of cold-rolled sheets in 1983, as reported by the American Iron & Steel Institute.

3/ Calculated from unrounded numbers.

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

U.S. producers' domestic shipments

U.S. producers' domestic shipments of cold-rolled carbon steel sheets, as reported in responses to the Commission's questionnaires, decreased from 10.9 million tons in 1981 to 8.1 million tons in 1982, and then increased to 10.2 million tons in 1983; January-September 1984 producers' shipments, at 8.3 million tons, were 9.8 percent greater than the January-September 1983 shipments (table 7).

A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of cold-rolled carbon steel sheets in the subject periods is presented in the following tabulation:

	<u>AISI</u> <u>shipments</u> (1,000 tons)	<u>Questionnaire</u> <u>shipments 1/</u> (1,000 tons)	<u>Coverage</u> (percent)
1981—	13,748	12,730	93
1982—	10,565	9,446	89
1983—	12,995	11,839	91
Jan.-Sept.—			
1983—	9,413	8,757	93
1984—	10,022	9,621	96

1/ Including exports and intercompany and intracompany transfers.

Table 7.—Cold-rolled carbon steel sheets: U.S. producers' domestic shipments, 1/2/ 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	Jan.-Sept.—	
				1983	1984
Quantity—————1,000 tons—	10,883	8,084	10,219	7,568	8,308
Value—————million dollars—	4,820	3,574	4,538	3,339	3,891
Unit value <u>3/</u> —————per ton—	\$443	\$442	\$444	\$441	\$468

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

2/ Excludes intercompany and intracompany transfers.

3/ Calculated from unrounded numbers.

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

U.S. producers' exports

U.S. producers' exports of cold-rolled carbon steel sheets, as reported in responses to the Commission's questionnaires, were 0.2 percent or less of producers' total shipments of cold-rolled sheets in each of the periods covered by this investigation. Such exports decreased from 27,869 tons in 1981 to *** tons in 1982 and increased slightly to *** tons in 1983; producers' exports during January-September 1984, at *** tons, were 5.4 percent below the level of exports in January-September 1983 (table 8).

Table 8.—Cold-rolled carbon steel sheets: U.S. producers' export shipments, 1/ 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	Jan.-Sept.—	
				1983	1984
Quantity—————tons—	27,869	***	***	***	***
Value—————1,000 dollars—	13,287	***	***	***	***
Unit value—————per ton—	\$477	***	***	***	***

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 cold-rolled carbon steel sheets, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1980-83 and January-September 1984. Such inventories were equal to 7 to 8 percent of the responding producers' (annualized) shipments in each of the periods covered by this report. Reported end-of-period inventories are shown in the following tabulation (in thousands of tons):

	<u>Inventories</u>
As of December 31—	
1980_____	938
1981_____	970
1982_____	682
1983_____	936
As of September 30—	
1983_____	883
1984_____	951

U.S. employment, wages, and productivity

Data on U.S. employment, wages, and productivity in establishments producing cold-rolled carbon steel sheets, as reported in responses to the Commission's questionnaires, are provided in table 9 (number of employees and hours worked by production and related workers) and table 10 (wages and total compensation ^{1/} paid to production and related workers, labor productivity, hourly compensation, and unit labor costs). The ratio of total production and related workers to total employees ranged from a low of 81 percent in 1982 to a high of 84 percent during January-September 1984; production and related workers producing cold-rolled sheets accounted for 24 percent (1981 and 1982) to 30 percent (both 1983 periods covered by this report) of total production and related workers.

The average number of production and related workers producing cold-rolled carbon steel sheets fell by 26 percent in 1982 but rose by 17 percent in 1983 to 31,861, and by another one-half percent to 32,024 during January-September 1984. Similarly, hours worked by these workers, which dropped by 29 percent in 1982, rose by 22 percent in 1983, and by 5 percent during January-September 1984 (compared with the year-earlier period).

The average wage for production and related workers producing cold-rolled sheets, which was \$15.02 per hour in 1981, rose by 5 percent in 1982, dropped by 8 percent in 1983, and then rose by 5 percent to \$15.22 per hour during January-September 1984. Labor productivity, which was 0.16 ton of cold-rolled sheets produced per man-hour during 1981, decreased slightly in 1982 and then increased by 10 percent in 1983, and an additional 2 percent during January-September 1984. Unit labor costs increased by 12 percent in 1982 to \$139 per ton, and then decreased by 11 percent in 1983 and an additional 3 percent during January-September 1984.

^{1/} The difference between total compensation and wages is an estimate of workers' benefits.

Table 9.—Average number of employees, total and production and related workers, in U.S. establishments producing cold-rolled carbon steel sheets, and hours paid 1/ for production and related workers producing cold-rolled carbon steel sheets, 2/ 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	Jan.-Sept.—	
				1983	1984
Average employment:					
All employees:					
Number—	180,132	139,925	129,379	129,028	132,343
Percentage change <u>3/</u> —	<u>4/</u>	-22.3	-7.5	-7.8	+2.3
Production and related workers producing—					
All products:					
Number—	149,475	113,220	106,986	106,366	110,961
Percentage change <u>3/</u> —	<u>4/</u>	-24.3	-5.5	-6.1	+3.7
Cold-rolled sheets:					
Number—	36,507	27,179	31,861	31,726	32,024
Percentage change <u>3/</u> —	<u>4/</u>	-25.6	+17.2	+16.7	+0.5
Hours worked by production and related workers producing cold-rolled sheets:					
Number—1,000 hours—	73,656	52,592	64,245	47,471	49,666
Percentage change—	<u>4/</u>	-28.6	+22.2	<u>4/</u>	+4.6

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

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

3/ Percentage change for each January-September period is calculated using the data from the prior complete year.

4/ Not available.

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

Financial experience of U.S. producers

Operations on cold-rolled carbon steel sheets.—Income-and-loss data were received from nine firms, accounting for 88 percent of total shipments of cold-rolled carbon steel sheets (as reported by AISI) in 1983. These data are presented in table 11. The nine responding producers' net sales of such merchandise declined from \$*** billion in 1981 to \$*** billion in 1982, or by 26 percent, and then rose by 27 percent to \$*** billion in 1983. During the interim period ended September 30, 1984, net sales increased by 16 percent to \$4.3 billion, compared with \$3.7 billion in the interim period of 1983.

All nine responding firms reported operating losses in 1982 and the interim period ended September 30, 1983, whereas eight did so in 1981 and 1983, and four did so in the interim period of 1984. Combined operating

Table 10.—Wages and total compensation ^{1/} paid to production and related workers producing cold-rolled carbon steel sheets and labor productivity, hourly compensation, and unit labor costs in the production of cold-rolled sheets, ^{2/} 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	Jan.-Sept.—	
				1983	1984
Wages paid to production and related workers:					
Value—million dollars—	1,106	831	930	703	756
Percentage change—	3/	-24.9	+11.9	3/	+7.5
Total compensation paid to production and related workers:					
Value—million dollars—	1,443	1,150	1,372	1,048	1,046
Percentage change—	3/	-20.3	+19.3	3/	-0.2
Labor productivity:					
Quantity—tons per hour—	0.1574	0.1570	0.1722	0.1723	0.1758
Percentage change ^{4/} —	3/	-0.3	+9.7	+9.7	+2.1
Hourly compensation: ^{5/}					
Value—per hour—	\$15.02	\$15.80	\$14.47	\$14.81	\$15.22
Percentage change ^{4/} —	3/	+5.2	-8.4	-6.3	+5.2
Unit labor costs: ^{6/}					
Value—per ton—	\$124.50	\$139.32	\$124.00	\$128.15	\$119.83
Percentage change ^{4/} —	3/	+11.9	-11.0	-8.0	-3.4

^{1/} Includes wages and contributions to Social Security and other employee benefits.

^{2/} Understated or overstated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

^{3/} Not available.

^{4/} Percentage change for each January-September period is calculated using the data from the prior complete year.

^{5/} Based on wages paid excluding fringe benefits.

^{6/} Based on total compensation paid.

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

losses of reporting firms grew from \$*** million (***) percent of net sales) in 1981 to \$*** million (***) percent of net sales) in 1982, and then fell to \$*** million (***) percent of net sales) in 1983. During the interim period of 1984, the financial picture of the industry improved as U.S. producers' operating loss was reduced to \$43 million, equivalent to 1.0 percent of net sales, compared with an operating loss of \$371 million in the interim period of 1983. In the aggregate, the nine responding firms experienced negative cash flows during 1981-83, ranging from \$*** million in 1983 to \$*** million in 1982. U.S. producers reported a positive cash flow of \$96 million in the interim period ended September 30, 1984.

Table 11.—Income and loss experience of 9 U.S. producers 1/ on their operations producing cold-rolled carbon steel sheets, 2/ accounting years 1981-83 and interim periods ended September 30, 1983, and September 30, 1984

Item	1981	1982	1983	Interim period ended Sept. 30—	
				1983	1984
Net sales—million dollars—	***	***	***	3,713	4,306
Cost of goods sold—do—	***	***	***	3,921	4,199
Gross profit or (loss)—do—	***	***	***	(208)	107
General, selling, and administrative expenses—do—	***	***	***	163	150
Operating income or (loss) <u>3/</u> —do—	***	***	***	(371)	(43)
Depreciation and amortization expense included above <u>4/</u> —do—	***	***	***	***	139
Cash flow or (deficit) from operations <u>4/</u> —do—	***	***	***	(241)	96
As a share of net sales:					
Gross profit or (loss) percent—	***	***	***	(5.6)	2.5
Operating income or (loss) percent—	***	***	***	(10.0)	(1.0)
Cost of goods sold—do—	***	***	***	105.6	97.5
General, selling, and administrative expenses—percent—	***	***	***	4.4	3.5
Number of firms reporting operating losses—	***	***	***	9	4

1/ * * *. Hence, technically, there are 10 producers reporting data in 1984.

2/ U.S. producers submitting usable data together accounted for 87.7 percent of total shipments of cold-rolled carbon steel sheets in 1983, as reported by the American Iron & Steel Institute.

3/ In its questionnaire, the Commission asked producers to provide interest expense and other (nonoperating) income or expense information in order to determine net income or loss before income taxes. However, only 3 producers, which together accounted for 21.6 percent of reported 1983 net sales, and Weirton provided such data; 2 firms did not report those line items and the remaining 4 firms did not allocate those expenses, instead reporting 0. Thus, data on interest expense, other income or expense, and net income or loss before income taxes are not presented in the table.

4/ ***, which accounted for *** percent of reported 1983 net sales, did not provide the Commission with data on depreciation and amortization expense. Hence, cash flow from operations is understated and deficits are overstated.

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

Overall operations in establishments within which cold-rolled carbon steel sheets are produced.—Nine U.S. producers' total net sales of their establishments within which cold-rolled carbon steel sheets are produced dropped from \$24.3 billion in 1981 to \$18.4 billion in 1983, or by 24 percent (table 12). During the interim period ended September 30, 1984, such net sales rose by 15 percent to \$15.6 billion, compared with \$13.6 billion in the corresponding period of 1983.

In the aggregate, the nine responding firms reported operating losses during 1981–83 which ranged from a low of \$349 million, or 1.4 percent of net sales, in 1981 to a high of \$2.2 billion, or 12.5 percent of net sales, in 1982. During the interim period ended September 30, 1984, U.S. producers earned an aggregate operating income of \$16 million, equivalent to a near break-even point of 0.1 percent of net sales, compared with an operating loss of \$1.4 billion in the interim period of 1983. Only five firms sustained operating losses in 1981 and the interim period ended September 30, 1984, whereas nine firms reported operating losses in 1982 and the interim period of 1983; seven firms reported such losses in 1983.

The nine firms reported aggregate negative cash flows of \$1.6 billion in 1982, \$0.9 billion in 1983, and \$1.0 billion in the interim period ended September 30, 1983, compared with positive cash flows of \$389 million in 1981 and \$484 million in the interim period of 1984.

Capital expenditures and research and development expenses.—Three of the nine U.S. producers providing financial information supplied data relative to their capital expenditures for buildings, machinery, and equipment used in the production of cold-rolled carbon steel sheets, and five U.S. producers supplied data relative to their research and development expenditures, as shown in the following tabulation (in thousands of dollars):

	<u>Capital expenditures</u>	<u>Research and development expenses</u>
1981—	***	***
1982—	***	***
1983—	***	***
January–September—		
1983—	29,052	<u>1/</u> 4,066
1984—	<u>2/</u> 24,214	<u>1/</u> 4,072

1/ Data are for 4 firms.

2/ Data are for 4 firms, * * *.

Total capital expenditures declined each year from \$*** million in 1981 to \$*** million in 1983. Such expenditures, which included \$*** million * * *, fell to \$24.2 million during January–September 1984 compared with \$29.1 million in the corresponding period of 1983. Research and development expenses dropped from \$*** million in 1981 to \$*** million in 1983, and then remained at \$4.1 million during January–September 1983, the same level as the corresponding period of 1984.

Table 12.—Income and loss experience of 9 U.S. producers ^{1/} on the overall operations of their establishments within which cold-rolled carbon steel sheets are produced, accounting years 1981-83, and interim periods ended September 30, 1983, and September 30, 1984

Item	1981	1982	1983	Interim period ended Sept. 30—	
				1983	1984
Net sales—million dollars—	24,311	17,809	18,429	13,582	15,568
Cost of goods sold—do—	23,996	19,346	19,079	14,409	15,019
Gross profit or (loss)—do—	315	(1,537)	(650)	(827)	549
General, selling, and administrative expenses—do—	664	685	797	579	533
Operating income or (loss) ^{2/} —do—	(349)	(2,222)	(1,447)	(1,406)	16
Depreciation and amortization expense included above ^{3/} —do—	738	632	568	448	468
Cash flow or (deficit) from operations ^{3/} —do—	389	(1,590)	(879)	(958)	484
As a share of net sales:					
Gross profit or (loss) percent—	1.3	(8.6)	(3.5)	(6.1)	3.5
Operating income or (loss) percent—	(1.4)	(12.5)	(7.9)	(10.4)	0.1
Cost of goods sold—do—	98.7	108.6	103.5	106.1	96.5
General, selling, and administrative expenses—percent—	2.7	3.8	4.3	4.3	3.4
Ratio of net sales of cold-rolled carbon sheets to establishments' sales—do—	22.2	22.5	27.6	27.3	27.7
Number of firms reporting operating losses—	5	9	7	9	5

^{1/} * * *.

^{2/} In its questionnaire, the Commission asked producers to provide interest expense and other (nonoperating) income or expense information in order to determine net income or loss before income taxes. However, only 4 producers, which together accounted for 13.1 percent of reported 1983 net sales, and Weirton provided such data. Of the 9 producers, 3 firms did not report those line items and the remaining 2 firms did not allocate those expenses, instead reporting 0. Thus, data on interest expense, other income or expense, and net income or loss before income taxes are not presented in the table.

^{3/} * * *, which accounted for * * * percent of reported 1983 net sales, did not provide the Commission with data on depreciation and amortization expense. Hence, cash flow from operations is understated and deficits are overstated.

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

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

Consideration factors

In its examination of the question of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase in LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the country subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of cold-rolled carbon steel sheets and of their U.S. market penetration is presented in the section of the report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports." Available data on foreign producers' capacity, production, and exports were presented earlier in the report.

U.S. importers' inventories

The Commission sent questionnaires to 28 firms believed to have imported products subject this investigation from Argentina. *** firms, accounting for *** percent of imports of cold-rolled sheet from Argentina in 1983 responded to the questionnaire. Importers of Argentine cold-rolled sheets reported the following end-of-period inventories (in tons):

	<u>Inventories</u>
As of December 31---	
1981-----	***
1982-----	***
1983-----	***
As of June 30 1/--	
1983-----	***
1984-----	***

1/ More up-to-date data are not available.

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

U.S. imports of cold-rolled sheets

Imports from all sources.—Aggregate U.S. imports of cold-rolled carbon steel sheets increased steadily and by more than 50 percent, from 1.5 million tons in 1981 to 2.3 million tons in 1983; such imports during January–September 1984 amounted to 2.6 million tons, representing an increase of 67 percent over the level of January–September 1983 (table 13). The average unit value of such imports declined from \$390 per ton in 1981 to \$374 per ton in 1982 and \$330 per ton in 1983, but then increased to \$351 per ton in January–September 1984.

Imports from Argentina.—Imports of cold-rolled carbon steel sheets from Argentina were insignificant in 1981. However, the United States imported

Table B3. Cold-rolled carbon steel sheets, 1/ U.S. imports for consumption by principal sources 1981-83, January-September 1983, and January-September 1984. Average unit value of the imports was \$321 per ton in 1982, \$282 per ton in 1983, and \$308 per ton in January-September 1984. Argentina captured 7.6 percent of the market for cold-rolled sheets in 1982, 1983, and January-September 1984.

Item	1981	1982	1983	1984
Quantity (1,000 short tons)	1,546	1,599	2,341	2,590

Item	1981	1982	1983	1984
Argentina	2/	104	3/ 130	3/ 92
Japan	383	296	559	616
Brazil	19	45	343	204
West Germany	380	396	309	240
Republic of Korea	101	66	191	316
South Africa	40	42	103	73
Spain	62	48	67	218
All other	561	603	639	807
Total	1,546	1,599	2,341	2,590

Item	1981	1982	1983	1984
Argentina	2/	33	37	36
Japan	155	124	204	238
Brazil	8	15	101	62
West Germany	150	146	113	92
Republic of Korea	38	24	61	109
South Africa	14	15	30	22
Spain	26	19	19	70
All other	213	222	210	281
Total	603	598	773	908

Item	1981	1982	1983	1984
Argentina	\$417	\$321	3/ \$282	3/ \$281
Japan	408	418	354	386
Brazil	410	338	292	303
West Germany	393	368	366	382
Republic of Korea	382	369	319	345
South Africa	348	364	291	296
Spain	411	388	283	319
All other	379	368	328	348
Average	390	374	3/ 330	3/ 328

1/ Includes imports under TSUSA items 607.8350, 607.8355, and 607.8360. Although imports of cold-rolled plates under TSUSA item 607.8320 (which is believed to consist principally of pickled plates) are included within the scope of these investigations, such imports are believed to be negligible. In 1981, 1982, and 1983, cold-rolled carbon steel sheets were imported from Argentina. It was valued at less than \$500 per ton. On the other hand, on sheet prices. 3/ Estimated by the staff of the U.S. International Trade Commission. Source: Compiled from official statistics of the U.S. Department of Commerce, except where noted.

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

Table 15.—Industrial production indexes for household appliances and automobiles, seasonally adjusted, by quarters, 1/ January 1981–November 1984

(January–March 1981 = 100)		
Period	Household appliances	Automobiles and utility vehicles
1981:		
January–March	100.0	100.0
April–June	95.2	116.3
July–September	99.9	104.1
October–December	77.8	85.0
1982:		
January–March	77.0	75.5
April–June	80.0	100.6
July–September	84.0	104.0
October–December	85.1	84.1
1983:		
January–March	88.2	105.1
April–June	89.8	115.5
July–September	97.1	136.1
October–December	100.0	139.4
1984:		
January–March	107.3	149.6
April–June	101.6	144.6
July–September	108.0	142.3
October–November	<u>2/</u> 103.3	140.5

1/ Except for the final period which comprises October and November of 1984.

2/ Latest data for household appliances are for the month of October 1984.

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

Other large users of cold-rolled (and galvanized) sheets are the household appliance industry and the heating and air-conditioning industry. Industrial production in these markets 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 and into 1984.

Similar to the practice in marketing plates, prices for cold-rolled carbon steel sheets 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.

1/ According to data on list prices collected by the Bureau of Labor Statistics, domestic producers of steel sheets announced seven base price increases and one decrease during 1979–83. The latest base price increase, which averaged approximately 7 percentage points, was announced in September 1983. 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. Discounting from published prices continued during 1983.

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 SSC's and end users for three specific products. ^{1/} Weighted-average prices and indexes of the data so obtained are presented in table 16.

Domestic price trends.—Domestic selling prices of the representative cold-rolled carbon steel sheet products sold to SSC's (products 1, 2, and 3) reflect a common trend. Prices declined irregularly through July–September 1983, to levels 7 to 9 index points below the January–March 1982 levels. During October–December 1983, the prices trended upward, climbing to levels 1 percent to 7 percent above those at the beginning of the subject period, January–March 1982.

Prices of domestic cold-rolled carbon steel sheets for two of the three products sold to end users showed a similar pattern; the lowest prices of products 1 and 2 during the period were 5 index points below their base-period levels. Product 3, however, exhibited increased price levels during all but two quarters throughout the 3-year period ranging as high as 7 percent over the initial price level in January–March 1982.

Price trends of cold-rolled carbon steel sheets imported from Argentina.—Price data for cold-rolled sheet products 1 and 3 imported from Argentina and sold to SSC's reflect a similar trend. The average price for product 1 peaked in July–September 1982 at \$*** per ton, 5 percent above the beginning price level, then fell during the following quarters to a near base-period level of \$*** per ton in July–September 1983 and then increased again to peak in April–June 1984 at \$*** per ton, 14 percent above the January–March 1982 price level. Product 3 prices were more stable during 1982–83, dropping only 4 percent from \$*** per ton to \$*** per ton before reaching an average price of \$*** in January–June 1984. In July–September 1984, the price fell 3 percent to \$*** per ton. Limited price data on sales of product 1 to end users show a flat price trend in April–December 1983 with a price rise of 11 percent in January–June 1984.

Purchasers' prices.—The Commissions' questionnaire asked purchasers to furnish the delivered price they paid for three representative imported and domestically produced cold-rolled carbon steel sheet products subject to this investigation, by quarters, during 1983 and January–September 1984. Purchasers were asked for prices, including delivery charges, paid in specific transactions. To ensure that these prices would be comparable, the purchasers were identified by their location and questionnaires were sent to firms located in seven metropolitan market areas. ^{2/} The information obtained was used to compare the levels of importers' and domestic producers' prices and to calculate margins of underselling by imports. These prices provide a better basis for comparing price levels than do f.o.b. selling prices, because they include all inland freight charges (as well as wharfage and dock handling charges for importers') and are isolated on the basis of geographic market areas.

^{1/} These products and their specifications are listed in app. I.

^{2/} The market areas for which purchase prices were requested are Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle.

Table 16. Cold-rolled carbon steel sheets sold to SSC's and end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Argentina, and indexes of those prices, 1/ by types of products and by quarters, January 1982-September 1984

Product and period	Sales to SSC's of merchandise from--				Sales to end users of merchandise from--			
	Domestic firms		Argentina		Domestic firms		Argentina	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton		Per ton	
Product 1:								
1982:								
January-March----	\$***	100	-	-	\$***	100	-	-
April-June-----	***	100	***	100	***	99	-	-
July-September----	***	100	***	105	***	99	-	-
October-December--	***	94	***	104	***	95	-	-
1983:								
January-March----	***	92	***	102	***	95	-	-
April-June-----	***	92	***	102	***	96	***	100
July-September----	***	93	***	100	***	98	***	100
October-December--	***	96	***	101	***	98	***	100
1984:								
January-March----	***	101	***	113	***	102	***	111
April-June-----	***	105	***	114	***	103	***	111
July-September----	***	107	***	109	***	103	-	-
Product 2:								
1982:								
January-March----	***	100	-	-	***	100	-	-
April-June-----	***	99	-	-	***	99	-	-
July-September----	***	98	-	-	***	100	-	-
October-December--	***	95	-	-	***	100	-	-
1983:								
January-March----	***	91	-	-	***	95	-	-
April-June-----	***	94	-	-	***	95	-	-
July-September----	***	93	***	100	***	97	-	-
October-December--	***	96	-	-	***	100	-	-
1984:								
January-March----	***	105	-	-	***	101	-	-
April-June-----	***	103	-	-	***	102	-	-
July-September----	***	103	-	-	***	103	-	-
Product 3:								
1982:								
January-March----	***	100	-	-	***	100	-	-
April-June-----	***	96	-	-	***	98	-	-
July-September----	***	97	***	100	***	100	-	-
October-December--	***	86	***	100	***	98	-	-
1983:								
January-March----	***	94	***	97	***	100	-	-
April-June-----	***	91	***	97	***	100	-	-
July-September----	***	91	***	97	***	102	-	-
October-December--	***	92	***	97	***	105	-	-
1984:								
January-March----	***	100	***	108	***	105	-	-
April-June-----	***	100	***	108	***	104	-	-
July-September----	***	101	***	103	***	107	-	-

1/ First period with data = 100.

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

Transaction prices reported by purchasers of cold-rolled carbon steel sheets enabled quarterly comparisons of domestic prices and import prices paid by SSC's located in three market areas—***, ***, and ***. These comparisons covered product 1 in nine instances and product 3 in four instances. Average margins of underselling are presented in table 17.

Table 17.—Cold-rolled carbon steel sheets purchased by SSC's: Average margins by which imports from Argentina undersold U.S. domestic products, by market areas, by products, and by quarters, January 1983–September 1984

Product and period	Margin of underselling/(overselling) in—					
	***		***		***	
	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
	Per ton		Per ton		Per ton	
Product 1:						
1983:						
Jan.-Mar	-	-	-	-	****	***
Apr.-June	-	-	****	***	***	***
July-Sept	-	-	-	-	***	***
Oct.-Dec	-	-	***	***	***	***
1984:						
Jan.-Mar	-	-	-	-	***	***
Apr.-June	-	-	-	-	***	***
July-Sept	-	-	-	-	***	***
Product 3:						
1983:						
Jan.-Mar	-	-	-	-	-	-
Apr.-June	****	***	-	-	-	-
July-Sept	***	***	-	-	-	-
Oct.-Dec	***	***	-	-	-	-
1984:						
Jan.-Mar	-	-	-	-	-	-
Apr.-June	***	***	-	-	-	-
July-Sept	-	-	-	-	-	-

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

Margins of underselling by imports of cold-rolled sheets from Argentina.—Imports from Argentina undersold the domestic cold-rolled sheets, by margins ranging from 5 to 14 percent, in each instance where transaction price comparisons are available. Two comparisons in the *** market reflect margins of *** percent (\$**** per ton) and *** percent (\$**** per ton) in favor of the imported Argentine product. Seven comparisons of delivered prices paid in the *** market area show that Argentine cold-rolled sheets undersold the domestic sheets by margins that ranged from *** percent (\$**** per ton) to *** percent (\$**** per ton). Four comparisons of quarterly transaction prices in

the *** market area reflect margins of underselling by the sheets imported from Argentina that ranged from *** percent (\$*** per ton) to *** percent (\$*** per ton).

Lost sales

U.S. Steel provided the Commission with *** specific allegations of lost sales of cold-rolled carbon steel sheets to imports from Argentina. These allegations involved *** purchasers, * * * and * * *. The allegations spanned a period from September *** to February *** and involved a total quantity of *** tons of cold-rolled sheets imported from Argentina. Commission staff investigated *** of the allegations.

* * *, * * *, was named as accepting an offer price of \$*** per ton for *** tons of Argentine cold-rolled sheets and rejecting a domestic quote of \$*** per ton in * * *. Mr. * * *, purchasing manager, is * * * to confirm this transaction, but stated that any South American steel purchased by his firm in the past year or so usually originated in * * *.

* * * of * * * was cited as purchasing *** tons of Argentine cold-rolled sheets * * * in * * *. * * *, purchasing agent, stated that he * * * cold-rolled Argentine sheets. He added that * * * buys in the quantities alleged. * * * did confirm buying * * * cold-rolled sheets * * * in * * * for \$*** per ton, a price \$*** per ton less than the rejected quote submitted by U.S. Steel.

* * * was named as the purchaser of *** tons of Argentine cold-rolled sheets in * * *. The alleged offer price accepted was \$*** per ton and the rejected domestic quote was \$*** per ton. * * *, purchasing manager, checked his records and * * * that his firm * * * *** tons of Argentine cold-rolled sheets as alleged for \$*** per ton. He was * * * the U.S. Steel offer price of \$*** per ton.

Lost revenue

There were no allegations with respect to revenue lost on sales made at reduced prices to compete with cold-rolled carbon steel sheets imported from Argentina.

Exchange rates

Quarterly data reported by the International Monetary Fund on the value of the Argentine peso indicate that during January 1981-August 1984 the nominal value of the currency depreciated against the U.S. dollar by a total of 99.7 percent. The rate of inflation for Argentina exceeded that for the

United States during the period, however. Therefore, the real value ^{1/} of the Argentine peso declined by only 48.2 percent during that period. Indexes of the nominal and real value of the Argentine currency relative to the U.S. dollar during January 1981-June 1984 are shown in the following tabulation (January-March 1981=100):

	<u>Dollars</u> <u>per peso</u> <u>nominal rate</u>	<u>Dollars</u> <u>per peso</u> <u>real rate</u>
1981:		
January-March-----	100.0	100.0
April-June-----	58.4	75.3
July-September-----	42.8	33.3
October-December-----	33.7	26.2
1982:		
January-March-----	21.4	64.1
April-June-----	16.1	60.0
July-September-----	5.8	36.7
October-December-----	5.2	48.0
1983:		
January-March-----	3.8	50.4
April-June-----	2.8	49.2
July-September-----	2.1	55.0
October-December-----	1.2	54.0
1984:		
January-March-----	.8	52.4
April-June-----	.5	58.4
July-August-----	.3	51.5

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

Transportation costs

Because carbon steel products have a low value per unit of weight in comparison with other manufactured goods, transportation costs are an important factor in marketing these products in the United States. Currently, most domestic carbon steel production of these products is in mills located in the "steel belt" ^{2/} area. Since significant quantities of carbon steel are consumed in areas far from the production centers, the cost of their transportation becomes an important factor when they compete with the imported products.

^{1/} The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the foreign country. Inflation in the United States averaged 2.2 percent annually during the period, compared with 4,724.6 percent for Argentina.

^{2/} The steel belt comprises the following States: Illinois, Indiana, Ohio, and Pennsylvania,

Most domestic carbon steel products are shipped either by truck or by rail. Trucks are usually used for shipping steel within a 500-mile radius of the steel mill. When longer distances are involved, the shipments are made by rail, or if feasible, by barge.

Transportation of cold-rolled carbon steel sheets.—The Commission asked domestic producers and importers to provide 1983 data as follows: the distances shipped from the mill or port (in percent); the share shipped (in percent), by mode (truck, rail, or barge); the quantity shipped to major geographic areas, grouped by States; and the transportation cost, both per ton and as a percent of delivered cost, to seven specified market areas. ^{1/} Five domestic producers, with mills located in Maryland, New York, Indiana, Pennsylvania, Illinois, Michigan, West Virginia, Kentucky, Ohio, and California, reported relevant transportation data for cold-rolled sheets. No importers provided the requested data.

Distance shipped and transport mode used.—Salient data on distance shipped and mode used are presented, by firm and mill location, in table 18. Although no common pattern characterizes distance shipped, truck transport was the dominant mode used for 10 of the 11 mills providing such data. In 1983, *** percent or more of eight mills' shipments of cold-rolled sheets were by truck; the remaining three firms shipped *** percent, *** percent, and *** percent of their respective shipments of cold-rolled sheets by truck. The pattern of distances shipped by the 11 reporting cold-rolled sheet mills varies markedly. Shipments to purchasers within a 200-mile radius or less range from *** percent (* * * mill) to *** percent (* * * mill). Shipments to purchasers located 200 to 500 miles from the respective mills range from *** percent (* * * mill) to *** percent (* * * mill) of total cold-rolled sheet shipments. Shipments to locations over 500 miles from these mills range from *** percent (* * * mill) to *** percent (* * * mill).

Transportation costs to specific market areas.—From a total of 15 mills, 6 domestic cold-rolled carbon steel sheet producers provided transportation cost data by market area (table 19). The geographic breadth of cold-rolled sheet mill locations creates a diverse pattern of freight costs to many of the market areas. For example, freight costs by truck to the Philadelphia/New York area from the respondent mills serving that market range from *** percent of delivered cost, or \$*** per ton (from * * * mill), to *** percent, or \$*** per ton (from * * * mill). The range of freight costs is narrower to the Atlanta market—from *** percent, or \$*** per ton (from * * * mill) to *** percent, or \$*** per ton (from * * * mill).

The data show that freight cost by rail for long hauls is less costly than by truck. For example, savings amount to about *** percent of delivered cost (\$*** per ton) shipping cold-rolled sheets by rail from * * * to the Chicago market area, or almost *** percent (\$*** per ton) when shipping from * * * to the Houston/New Orleans market. For short hauls, rail can be a more costly mode than truck. For example, freight by truck from * * * to Chicago

^{1/} The market areas for which transportation costs were requested are Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle.

Table 18.—Cold-rolled carbon steel sheets: Distance shipped and transport mode used, as a share of 1983 shipments, by firms and by mill locations

Domestic producer and mill location	Distance shipped			Transport mode used		
	200	200-	Over			
	miles	500	500	Truck	Rail	Barge
	or less	miles	miles			

* * * * *

Table 19.—Cold-rolled carbon steel sheets: Transportation costs to specific market areas, by truck and rail, by firms and by mill locations, 1983

Transport mode/ domestic producer/ and mill location	Transportation costs by market area							
	Atlanta		Chicago		Detroit		Houston/ New Orleans	
	Amount	Per-	Amount	Per-	Amount	Per-	Amount	Per-
		cent		cent		cent		cent
	Per ton		Per ton		Per ton		Per ton	

By truck:

* * * * *

By rail:

* * * * *

	Transportation costs by market area					
	Los Angeles/ San Francisco		Philadelphia/ New York		Portland/ Seattle	
	Amount	Per-	Amount	Per-	Amount	Per-
		cent		cent		cent
	Per ton		Per ton		Per ton	

By truck:

* * * * *

By rail:

* * * * *

amounts to *** percent of delivered price, or \$*** per ton; by rail the cost is *** percent, or \$*** per ton.

Importers failed to provide the transportation cost data requested by the Commission. In an attempt to make some comparison of freight costs incurred by domestic mills versus imported cold-rolled sheet vendors, the staff contacted purchasers located in various subject markets. Facts on competitive freight cost advantages and disadvantages of buying imported cold-rolled carbon steel sheets and other carbon steel products, as related by specific purchasers located in various market areas, are sketched below. According to these purchasers, freight cost comparisons in terms of dollars per ton are applicable not only to cold-rolled sheets but also to hot-rolled sheets, galvanized sheets, plates, and structural shapes (except for extra-length structural shapes).

, a *** , provided transportation cost data for cold-rolled sheets imported through the Port of ***. The importer, *** , quotes its price "c.i.f. port, duty-paid, wharfage and handling charges for the buyer's account." *** pays the freight by truck from the *** dock to its *** yard. Wharfage, handling, and freight amount to \$ per ton. Domestic freight cost from ***'s *** mill is \$*** per ton. *** will not freight equalize to meet the importer's inland freight cost. Based on data from *** , freight cost from its *** mill would amount to about *** percent of delivered price, or close to \$*** per ton. According to the *** purchasing manager, "you have to shop for the best truck rate" since deregulation. The best domestic rate from southern domestic mills has been \$*** per ton, a confirmation of ***'s figure. Delivery is more important to *** than relatively small differences in freight costs. Orders this past year have been "hand-to-mouth," or on a spot basis when you needed the product "yesterday."

*** provided transportation-cost data for plates imported through the port of *** then barged up the *** to ***. The importer, *** , quotes its price "f.o.b. truck, destination, duty-paid, via barge from ***." *** pays the freight by truck from the *** landing on the *** river to its yard. *** absorbs the cost of barging the plate upriver. Barge freight is \$*** per ton, according to ***'s purchasing manager. His firm pays \$*** per ton for the truck freight. Plates bought from the *** mills in the *** area incur a freight cost by truck of \$*** per ton, or \$*** per ton from ***. These domestic mills will not freight equalize to the freight cost of the imported plate. Cut-to-length plates shipped by rail to *** from *** or *** are *** percent cheaper. Time in transit, however, also is a factor. Barge time is *** to *** weeks from placement to delivery; from billing to delivery is *** weeks. By rail, transit time for domestic plate delivery is *** week to *** days; by truck, delivery is within *** to *** days. Because of deregulation and the cost of money, the pattern of transport, by mode, has changed for ***. Two to three years ago, *** percent of its steel shipments were by rail, *** percent by barge, and *** percent by truck; now *** percent is by truck.

***, a *** firm, provided transportation cost figures on cut-to-length plates imported through the port of *** compared with domestic plates purchased from *** , *** , or ***. *** quotes its plate prices to *** "CIF port, duty-paid, wharfage and handling charges for buyer's

account." Buyer's transportation and handling charges from * * * (or * * *) to * * * amount to \$*** per ton for freight by truck. Freight cost from * * * is \$*** per ton, and from * * *, \$*** per ton. The firm's purchasing manager states that he "never discusses freight costs when writing an order--negotiations are on price, not freight." He also emphasized that "rail is not competitive . . . You never know when you'll get your material." To this purchaser, the difference in domestic and imported plate freight costs is not a significant factor, product price is the primary concern.

* * * provided transportation costs for plate imported through the Port of * * *. The importer, * * *, quotes its price "f.o.b. car/truck, duty-paid, subject to direct discharge." * * * pays the freight to its yard and what is termed a "catching charge" for direct discharge from the vessel to the transport mode. Freight charges amount to \$*** per ton. Domestic coiled plates barged from * * * 's * * * mill incurs a freight cost of \$*** per ton. By rail, * * * reported a freight cost of \$*** per ton from that same mill and * * * reported a \$***-per-ton freight cost from its * * * plate mill.

* * *, a * * *, provided transportation costs for coiled plates (and sheets and structurals) imported through the Port of * * *, or the Port of * * *. The importer, * * *, quotes its price "CIF port, duty-paid, wharfage and handling charges for buyer's account." * * * pays the freight and wharfage, etc., from the dock to its yard; these costs amount to \$*** per ton from * * * and \$*** per ton from * * *. Competing domestic coiled plates from * * * 's * * * mill or from * * * 's mill at * * * would incur a freight cost of about \$*** per ton. * * * noted that truck freight is less since deregulation, and the firm has saved money using that mode. Although truckers tried unsuccessfully on several recent occasions to "jump the rates," competition negated these efforts.

Any analysis of freight cost comparisons is difficult and complex because of the diversity of related factors, e.g., the difficulty in factoring in freight equalization or allowances (which are usually disguised by inclusion in the quoted price), the importance of transit time and cost of inventory, and the problems of generalization based simply on apparent freight cost advantage to the domestic or imported product.

APPENDIX A
COMMERCE'S FINAL LTFV DETERMINATION

(A-357-401)

Cold-Rolled Carbon Steel Flat-Rolled Products From Argentina; Final Determination of Sales at Less Than Fair Value**AGENCY:** International Trade Administration, Import Administration, Commerce.**ACTION:** Notice.

SUMMARY: We determine that cold-rolled carbon steel flat-rolled products from Argentina are being, or are likely to be, sold in the United States at less than fair value. We have notified the United States International Trade Commission (ITC) of our determination and the ITC will determine, within 45 days of publication of this notice, whether a U.S. industry is materially injured, or threatened with material injury, by imports of this merchandise. We have directed the U.S. Customs Service to continue to suspend liquidation of all entries of the subject merchandise, and to require a cash deposit or posting of a bond for each such entry in an amount equal to the estimated dumping margin as described in the "Suspension of Liquidation" section of this notice.

EFFECTIVE DATE: December 13, 1984.

FOR FURTHER INFORMATION CONTACT: Mary Jenkins, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1756.

SUPPLEMENTARY INFORMATION:**Final Determination**

We have determined that cold-rolled carbon steel flat-rolled products from Argentina are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (19 U.S.C. 1673d) (the Act). For SOMISA we

found that the foreign market value of the merchandise under consideration exceeded the United States price on 100 percent of sales compared. These margins ranged from 195.8 to 261.2 percent. The weighted-average margin on all sales compared is 242.5 percent. For Propulsora we found that the foreign market value exceeded the United States price on 100 percent of sales compared. These margins ranged from 18.7 to 44.3 percent. The weighted-average margin on all sales compared is 30.3 percent.

Case History

On February 10, 1984, we received a petition from United States Steel Corporation of Pittsburgh, Pennsylvania, filed on behalf of the U.S. industry producing cold-rolled carbon steel flat-rolled products. In accordance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of cold-rolled carbon steel flat-rolled products from Argentina 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 Act and that these imports materially injure, or threaten material injury to, a United States industry.

After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate an antidumping duty investigation. We notified the ITC of our action and initiated the investigation on March 1, 1984 (49 FR 8856). On March 28, 1984 (49 FR 13442), the ITC found that there is a reasonable indication that imports of cold-rolled carbon steel flat-rolled products from Argentina materially injure, or threaten material injury to, a United States industry.

We presented a questionnaire to counsel for Propulsora and to an official at the Embassy of Argentina as representative for Sociedad Mixta Siderurgia Argentina (SOMISA) on March 12, 1984. Propulsora and SOMISA are the only known producers that exported the subject merchandise to the United States during the period of investigation. Due to the large number of sales transactions, we instructed each company to report its home market and U.S. sales transactions in hard copy and on computer tape in the format outlined in our questionnaire. An extension of the time to respond to our questionnaire was requested by both firms and was granted. On April 30, 1984, we received a partial response from Propulsora. We received Propulsora's complete response to the questionnaire on May 1, 1984. We received SOMISA's response to our questionnaire on May 29, 1984. June 11-

22, 1984, we conducted a verification in Argentina of Propulsora and SOMISA's responses. After verification, in response to our request, Propulsora submitted, on July 12, 1984, a revised computer tape to provide month-by-month cost information. On July 19, 1984, we made a preliminary determination that cold-rolled carbon steel flat-rolled products from Argentina were being, or were likely to be, sold in the United States at less than fair value (49 FR 29991). As required by the Act, we afforded interested parties an opportunity to submit oral and written views.

On August 14, 1984, counsel for Propulsora requested an extension of our final determination date of October 2, 1984. We granted an extension until not later than December 7, 1984 (49 FR 43732).

A hearing was held on August 23, 1984, to allow parties an opportunity to address the issues arising in these investigations.

Scope of Investigation

The merchandise covered by this investigation is cold-rolled carbon steel flat-rolled products from Argentina. The term "cold-rolled carbon steel flat-rolled products" covers flat-rolled carbon steel products, whether or not corrugated or crimped; whether or not painted or varnished and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width, and 0.1875 inch or more in thickness; as currently provided for in item 607.8320 of the *Tariff Schedules of the United States Annotated* (TSUSA); or over 12 inches in width and under 0.1875 inch in thickness whether or not in coils; as currently provided for in items 607.8350, 607.8355 and 607.8360 of the TSUSA.

Propulsora and SOMISA account for virtually all of the exports of this merchandise to the United States from Argentina. We investigated all sales of this merchandise by Propulsora to the United States during the period September 1, 1983, through February 29, 1984. We investigated all sales by SOMISA during the period May 1, 1983, through October 31, 1983. There were no sales by SOMISA to the United States during the period used for Propulsora.

Fair Value Comparison

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value.

Comparisons were made on the basis of quality and product dimensional groupings selected by a Department of Commerce industry expert.

United States Price

As provided in section 772 of the Act, we used the purchase price of the subject merchandise to represent the United States price for sales by Propulsora and SOMISA because the merchandise was sold to unrelated U.S. purchasers prior to its importation into the United States. We calculated the purchase price for each United States sale based on the F.O.B. packed price to unrelated customers in the United States. For Propulsora we deducted brokerage cost. There were no deductions for SOMISA. For each company we adjusted for taxes rebated and taxes uncollected by reason of exportation, which were included in the home market prices. Additions to United States price were made in accordance with section 772(d)(1) of the Act (19 USC 1677a(d)(1)).

Foreign Market Value

Petitioner alleged that sales in the home market were at prices below the cost of producing cold-rolled carbon steel flat-rolled products. We examined production costs, which included all appropriate costs for materials, fabrication, and general expenses. We found virtually all sales were at prices below the cost of production for both SOMISA and Propulsora. Accordingly, we disregarded all home market sales in making our fair value comparisons.

In accordance with section 773(e)(1)(A) of the Act, we calculated the constructed value for SOMISA and Propulsora on the basis of their cost of materials and fabrication. Since their general expenses exceeded the 10 percent minimum required under section 773(e)(1)(B)(i) of the Act, we used their actual general expenses. Since their profit was less than the statutory minimum, we added 8 percent in accordance with section 773(e)(1)(B)(ii). We added their costs of U.S. packing.

Since the high rate of inflation in Argentina caused a rapid increase in home market prices, we compared the United States price for each U.S. sale to a foreign market value based on the constructed value in the month of the sale to the United States.

In calculating foreign market value we made currency conversions from Argentine pesos to United States dollars in accordance with § 353.59(a)(1) of our regulations.

Petitioner's Comments

Comment 1—The petitioner alleges that the costs of production for SOMISA and Propulsora are understated due to capitalization of exchange losses, the effect of which is to defer the recognition of such expenses in determining the company's profits. The petitioner states that such expenses should be considered an expense at the time they occur.

Response—The Department accepted Argentine accounting principles for treating exchange losses. For exchange losses which were realized during the period of investigation, such losses were considered to be an expense. For unrealized exchange losses resulting from foreign-denominated debt incurred to purchase fixed assets, the exchange losses were captured by the increased depreciation expenses. We consider this appropriate in a hyperinflationary economy. The increase in the peso value of fixed assets resulting from hyperinflation will approximate the increase in debt resulting from exchange losses over a period of time. Therefore, since the value of the fixed assets increases, the depreciation expense correspondingly increases.

Comment 2—The petitioner alleges that SOMISA's costs are understated by including an unrealized inventory holding gain in the selling, general and administrative expenses.

Response—The Department agreed. The unrealized gain was not included in inventory.

Comment 3—The petitioner states that Propulsora's costs were understated for January-February 1984, the months when the company was performing its annual maintenance, because the company averaged the costs for these months.

Response—We disagree. Since the annual maintenance is a cost incurred for all production, the cost for January-February 1984 was adjusted by using the average monthly production.

Comment 4—The petitioner alleges that the fully absorbed cost of production of the merchandise manufactured by Propulsora should not be offset by revenues accruing from other business activities of the company. (See response to respondent's comment 1.)

Response—The Department agrees. We considered that the revenues claimed were derived from other lines of business, and therefore were not considered for purposes of determining cost of production. Moreover, these claimed revenues were unrealized gains on assets which, because they were unrealized, would not have been

included in the cost of production in any event.

Comment 5—The petitioner claims that the costs of production for Propulsora and for SOMISA are understated if historic costs are used rather than the inflation-adjusted costs.

Response—The Department agrees that historic-cost information, unadjusted for inflation, would not adequately reflect the costs of production. We used the modified historic method which reflects costs on a monthly basis corresponding to the month of the U.S. sale. This method accounts for the effects of inflation.

Argentine companies also use "inflation-adjusted" accounting principles as another basis for the presentation of the financial statements. The "inflation-adjusted" financial statements index all sales and all costs to an end-of-the-fiscal year value. To use this method, the U.S. sales prices would also have to be indexed to year end values. If the U.S. sales were indexed to a year-end value, the relationship between U.S. sales and the home market prices as well as corresponding home market costs should remain the same.

Comment 6—The petitioner alleges that Propulsora's depreciation expense is understated because the company only adjusts the value of its production assets for inflation once a year.

Response—In its internal records, the company estimates on a quarterly basis the depreciation expense for its annual revaluation. Additionally, any differences between these estimates and the actual revaluation were included in an adjustment at the end of the quarter. Therefore, the actual inflation adjustment was accounted for in the calculation of the cost of production on a monthly basis.

Comment 7—The petitioner claims that Propulsora's financial expense is misstated due to the inclusion of exchange gains.

Response—As stated in response to petitioner's comment 4, we have not included unrealized exchange gains, which are the exchange gains accruing from other business activities of the company, in calculating the cost of production. Realized exchange gains resulting from steel operations were included in the calculation of production costs.

Comment 8—The petitioner requests that the Department ensure that the respondents properly account for the variances from standard costs.

Response—The variances were verified and appropriately included in the costs of production.

Interested Party's Comments

Comment 1—Bethlehem alleges that in a hyperinflationary economy costs based on a quarterly average would not present the correct cost of production.

Response—We agree. Monthly cost data were used for the cost of production computation.

Comment 2—Bethlehem claims that Propulsora's production costs for January-February 1984 did not include the costs of raw material inventory used for production during this period of time.

Response—The Department used the replacement cost of raw materials in the month for which we are measuring cost. Because of the high inflation, replacement cost properly reflects the cost of production.

Comment 3—Bethlehem alleges that the increase in Propulsora's labor costs from the fourth quarter 1983 to the first quarter 1984 did not reflect the increase in the cost of living.

Response—We used the verified labor costs for purposes of determining the cost of production for each month under consideration. These costs were based on accounting records and represent Propulsora's actual costs. We recognize that individual cost increases may not be the same as selected cost indices, particularly in a hyperinflationary economy.

Comment 4—Bethlehem suggests that for the purpose of determining that the home market sales were below the cost of production, the cost of production should be calculated by converting the respondent's costs to a dollar value at the time such costs were incurred and converting home market sales prices converted to dollars at the time such sales were shipped.

Response—The Department based its cost of production on current monthly costs. Other costs for which current monthly costs were not available were adjusted for inflation in accordance with accounting principles used in Argentina. We determine that this method adequately reflected costs and see no need to convert costs and home market sales prices to dollars.

Comment 5—Bethlehem argues that the home market prices should not be used for the calculation of foreign market value because they are subject to government imposed price controls and are therefore fictitious prices.

Response—Since the foreign market value was based on the constructed value, the point is moot.

Comment 6—Bethlehem asserts that use of home market sales which were made during the three-month period surrounding the sales to the United

States is distortive in a hyperinflationary economy.

Response—Since the foreign market value was based on the constructed value, the point is moot. We calculated the constructed value in the month of the sale to the United States.

Respondents' Comments

Comment 1—Propulsora asserts that because of the hyperinflationary nature of the economy all investments owned by Propulsora are necessary for cash management related to the steel operations.

Response—The Department does not include income or losses from other lines of business to offset the cost of production for the product under investigation. After review of the financial statements, income from investments in excess of that needed for ordinary steel business activities was considered to be from another line of business and not included in the cost of production.

As discussed above in our response to petitioner comment 4, we found that these gains were unrealized income and, therefore, were not part of the cost of production of the merchandise under investigation.

Comment 2—Propulsora claims that although the petitioner proposed several methods for developing the costs of production, the cost information provided by the company reflected the actual costs incurred within a narrow time period appropriately matched to the home market sales.

Response—The Department based its calculation of the cost of production on the month of the sale which was provided by Propulsora.

Comment 3—Propulsora claims the "general, selling and administrative" (SG&A) expenses are properly allocated by the production for the period under investigation.

Response—We disagree. The respondent allocated SG&A expenses to specific products based on the same ratio as the total SG&A expenses to the costs incurred for production during that period. This methodology, however, does not properly allocate SG&A expenses to the products under investigation. Using its methodology, a portion of SG&A would be allocated to inventory. We consider SG&A expenses to be period costs and have reallocated the expenses to specific products based on the same ratio as total SG&A to cost of goods sold for that product during the period.

Comment 4—Propulsora claims that exchange gains attributable to extended credit terms on U.S. sales should be used to offset credit expenses in the

calculation of the differences in circumstances of sale for credit terms.

Response—We disagree. In the final determination on potassium permanganate from Spain (48 FR 53589), we disallowed an adjustment for exchange gains related to late payment by U.S. customers as being speculative and not directly shown to be reflected in the prices of the sales under consideration. Our view of this claim is the same. The respondent has not demonstrated a relationship between the price to the United States and the increased number of pesos received at the time of collection. We recognize that although a producer may realize more pesos from dollar denominated sales at the date of collection than would be realized on the date of sale, the purchasing power in Argentina has remained approximately the same.

We note that dollar denominated receivables are being used as a hedge for dollar denominated payables and therefore the effect from this financing method was taken into account in calculating the cost of production.

Comment 5—SOMISA argues that the date of sale for one U.S. transaction was improperly determined because subsequent revisions in the terms were not taken into account.

Response—We determined that the revisions agreed to after the date of the original confirmation did not relate to the price or total quantity to be shipped. The amendment merely refined the specifications. Therefore, we determined that the date of sale was the date of confirmation.

Verification

In accordance with section 776(a) of the Act, we verified all data used in making this final determination by using verification procedures which included on-site inspection of the manufacturer's facilities and examination of company records and selected original source documentation containing relevant information.

Suspension of Liquidation

In accordance with section 733(d) of the Act, on July 25, 1984, we directed the United States Customs Service to suspend liquidation of all entries of cold-rolled carbon steel flat-rolled products from Argentina as described in the "Scope of Investigation" section of this notice. As of the date of publication of this notice in the Federal Register, the liquidation of all entries, or withdrawals from warehouse, for consumption, of this merchandise shall continue to be suspended. The Customs Service shall require a cash deposit or the posting of a

bond equal to the estimated weighted-average margin amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price. The suspension of liquidation will remain in effect until further notice. The weighted-average margins are as follows:

Manufacturers/ producers/ exporters	Weighted average (percent)
Propulsors	30.3
SOMISA	242.5
All other manufacturers/ producers/ exporters	122.3

carbon steel flat-rolled products from Argentina, as appropriate.

William T. Archey,

Acting Assistant Secretary for Trade Administration.

(FR Doc. 84-32300 Filed 12-13-84; 8:45 am)

BILLING CODE 3510-05-01

Article VI.5 of the General Agreement on Tariffs and Trade provides that "(n)o product . . . shall be subject to both antidumping and countervailing duties to compensate for the same situation of dumping or export subsidization." This provision is implemented by section 772(d)(1)(D) of the Act. Since dumping duties cannot be assessed on the portion of the margin attributable to export subsidies there is no reason to require a cash deposit or bond for that amount. Accordingly, the level of export subsidies (as determined in the final affirmative countervailing duty determination on cold-rolled carbon steel flat-rolled products from Argentina (49 FR 18006)) will be subtracted from the dumping margin for deposit or bonding purposes.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and proprietary information in our files, provided the ITC 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.

The ITC will determine whether these imports materially injure, or threaten material injury to, a U.S. industry, within 45 days of the publication of this notice.

If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all cash deposits paid or securities posted as a result of the suspension of liquidation will be refunded or cancelled. If, however, the ITC determines that such injury does exist, we will issue an antidumping duty order directing Customs officers to assess antidumping duties on cold-rolled

APPENDIX B

NOTICES OF THE COMMISSION'S INVESTIGATIONS

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

SUMMARY: As a result of affirmative preliminary determinations by the U.S. Department of Commerce that there is a reasonable basis to believe or suspect that imports of certain carbon steel products from Argentina, Australia, Finland, and Spain are being sold in the United States at less than fair value, the United States International Trade Commission hereby gives notice of the institution of investigations Nos. 731-TA-169, 171, 175, 177, 178, 180, and 182 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) to determine whether industries in the United States are materially injured, or are threatened with material injury, or the establishment of industries in the United States are materially retarded, by reason of imports from the specified countries of the following carbon steel products:

Carbon steel plates not in coils provided for in item 607.66 of the *Tariff Schedules of the United States (TSUS)* from Finland [investigation No. 731-TA-169 (Final)];

Carbon steel plates whether or not in coils provided for in TSUS item 607.66 from Spain [investigation No. 731-TA-171 (Final)];

Cold-rolled carbon steel plates and sheets provided for in TSUS item 607.83 from—

Argentina [investigation No. 731-TA-175 (Final)]; and Spain [investigation No. 731-TA-177 (Final)];

Galvanized carbon steel sheets provided for in TSUS items 608.07 and 608.13 from—

Australia [investigation No. 731-TA-178 (Final)]; and Spain [investigation No. 731-TA-180 (Final)]; and

Carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more provided for in TSUS item 609.80 from Spain [investigation No. 731-TA-182 (Final)].

The Department of Commerce will make its final determinations of sales at less than fair value in these cases on or before October 2, 1984, and the Commission will make its final injury determinations by November 21, 1984 (19 CFR 207.25).

EFFECTIVE DATE: July 25, 1984.

FOR FURTHER INFORMATION CONTACT: Ms. Bonnie J. Noreen (202-523-1369).

[Investigations Nos. 731-TA-169, 171,¹ 175, 177, 178, 180, and 182 (Final)]

Certain Carbon Steel Products From Argentina, Australia, Finland, And Spain

AGENCY: United States International Trade Commission.

¹ Includes products covered by investigation No. 731-TA-171 (Preliminary)—carbon steel plates not in coils provided for in TSUS item 607.66 from Spain—and investigation No. 731-TA-173

(Preliminary)—carbon steel plates in coils provided for in TSUS item 607.66 from Spain.

Office of Investigations, U.S.
International Trade Commission.

SUPPLEMENTARY INFORMATION:

Background

On March 28, 1984, the Commission determined, on the basis of the information developed during the course of its preliminary investigations, that there were reasonable indications that industries in the United States were materially injured or threatened with material injury by reason of imports of the aforementioned carbon steel products from Argentina, Australia, Finland, and Spain. The preliminary investigations were instituted in response to petitions filed on February 10, 1984, by the United States Steel Corp., Pittsburgh, PA.

Participation in the Investigations

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than 21 days after the publication of this notice in the *Federal Register*. Any entry of appearance filed after this date will be referred to the Chairwoman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)). Each document filed by a party to these investigations must be served on all other parties to the investigations (as identified by the service lists), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service (19 CFR 201.16(c)).

Staff Report

A public version of the staff report containing preliminary findings of fact in these investigations will be placed in the public record on September 20, 1984, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a public hearing in connection with these investigations beginning at 10:00 a.m., on October 9, 1984, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Requests to appear at the hearing should be filed in

writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on September 27, 1984. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 11:00 a.m., on October 2, 1984, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is October 3, 1984.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on October 16, 1984.

Written Submissions

As mentioned, parties to these investigations may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before October 16, 1984. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). 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 to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

For further information concerning the conduct of the investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and C (19 CFR Part 207),

and Part 201, Subparts A through E (19 CFR Part 201).

This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

Issued: August 17, 1984.

By order of the Commission.

Kenneth R. Mason,

Secretary.

(PR Doc. 84-2229 Filed 8-21-84; 8:45 am)

SELLING CODE 7020-02-M

therefore, is revising its schedule in the investigations to conform with Commerce's new schedule. Pursuant to section 735(b)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1673(b)(2)(B)), the Commission must make its final determinations within 45 days of Commerce's final determinations, or in this case by January 21, 1985.

Staff report

A public version of the staff report containing preliminary findings of fact in these investigations was placed in the public record on September 20, 1984, pursuant to § 207.21 of the Commission's rules (19 CFR § 207.21).

Hearing

The Commission will hold a hearing in connection with these investigations beginning at 10:00 a.m. on December 13, 1984, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC 20436. Requests to appear at the hearing were to be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on September 27, 1984. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m. on December 7, 1984, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is December 10, 1984.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR § 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on December 18, 1984.

Written Submissions

As mentioned, parties to these investigations may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before December 18, 1984. A signed original and fourteen (14) true copies of each submission must be filed with the

Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). 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 to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.8 of the Commission's rules (19 CFR 201.8).

For further information concerning the conduct of the investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

Authority: This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

By order of the Commission.

Issued: October 3, 1984.

Kenneth R. Mason,
Secretary.

(FR Doc. 84-28815 Filed 10-5-84; 8:45 am)
BILLING CODE 7020-02-M

INTERNATIONAL TRADE COMMISSION

(Investigations Nos. 731-TA-169, 171, 175, 177, 178, 180, and 182(Final))

Certain Carbon Steel Products From Argentina, Australia, Finland, and Spain; Rescheduling of Hearing

AGENCY: International Trade Commission.

ACTION: Rescheduling of the hearing to be held in connection with the subject investigations.

SUMMARY: The Commission hereby announces the rescheduling of the hearing to be held in connection with the subject investigations from 10:00 a.m. on October 9, 1984, to 10:00 a.m. on December 13, 1984.

EFFECTIVE DATE: October 2, 1984.

FOR FURTHER INFORMATION CONTACT: Bonnie Noreen (202-523-1369), Office of Investigations, U.S. International Trade Commission.

SUPPLEMENTARY INFORMATION:

Background

On July 25, 1984, the Commission instituted the subject antidumping investigations and scheduled a hearing to be held in connection with them for October 9, 1984 (49 FR 33348, Aug. 22, 1984). Subsequently, the Department of Commerce extended the date for its final determinations in the investigations from October 3, 1984, to December 7, 1984. The Commission,

APPENDIX C

LIST OF WITNESSES APPEARING AT THE HEARING

CALENDAR OF PUBLIC HEARING

Those listed below are scheduled to appear as witnesses at the United States International Trade Commission's hearing:

Subjects : Certain Cold-Rolled Carbon Steel Products
from The Republic of Korea

and

Certain Carbon Steel Products from Argentina,
Australia, Finland, and Spain

Inv. Nos. : 701-TA-218 (Final)

and

731-TA-169, 171, 175, 177, 178, 180 & 182 (Final)

Date and time: December 13, 1984 - 10:00 a.m.

Sessions will be held in connection with the investigation in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

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

United States Steel Corporation, Pittsburgh, Pennsylvania

Craig D. Mallick, Attorney

John J. Mangan, Senior General Attorney,
International Trade

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

Bethlehem Steel Corporation

Robert E. Roll, Manager of Sales, Structural Shapes
Sales, Steel Group

Roland L. Moore, Manager of Sales, Plate and Tubular
Product Sales, Steel Group

Stewart and Stewart (Continued)

**David A. Roberts, Manager of Sales, Hot & Cold
Roller Sheet Sales, Steel Group**

Eugene L. Stewart|--OF COUNSEL

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

LTV Steel Company, Inland Steel Company and Armco, Inc.

Alan J. Hruska--OF COUNSEL

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

**Mudge Rose Guthrie Alexander & Ferdon--Counsel
Washington, D.C.
on behalf of**

The Korea Iron and Steel Association

**Donald B. Cameron)
Ms. Julie C. Mendoza)--OF COUNSEL**

- more -

Mudge Rose Guthrie Alexander & Ferdon--Counsel
Washington, D.C.
on behalf of

Propulsora Siderurgica S.A.I.C. of Argentina

David P. Houlihan)
Jeffrey S. Neeley)--OF COUNSEL

Surrey & Moore--Counsel
Washington, D.C.
Sullivan & Cromwell--Counsel
Washington, D.C.
on behalf of

John Lysaght (Australia), Ltd. ("JLA")

Surrey & Moore

Kermit W. Almstedt)
Ms. F. Amanda DeBusk)--OF COUNSEL

Sullivan & Cromwell

Ms. Margaret K. Pfeiffer)
Ms. Ruth A. Bourquin)--OF COUNSEL

APPENDIX D

COMMERCE'S TERMINATION OF INVESTIGATIONS INVOLVING
IMPORTS FROM SOUTH AFRICA

United States Department of Commerce,
14th Street and Constitution Avenue,
NW., Washington, D.C. 20230; telephone
(202) 377-5288.

SUPPLEMENTARY INFORMATION:

Case History

On February 10, 1984, we received a petition filed by United States Steel Corporation on behalf of the U.S. industry producing certain carbon steel products. In accordance with the filing requirements of § 353.36 of the Commerce Department Regulations (19 CFR 353.36), the petitioner alleged that certain carbon steel products from South Africa 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 (the Act), and that these imports are materially injuring, or are threatening to materially injure, a U.S. industry. The allegations of sales at less than fair value include an allegation that home market sales are being made at less than the cost of production in South Africa.

After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate antidumping investigations. We notified the U.S. International Trade Commission (ITC) of our action and initiated such investigations on March 7, 1984 (49 FR 8482). The ITC subsequently found, on April 4, 1984, that there is a reasonable indication that imports of certain carbon steel products from South Africa are materially injuring, or are threatening to materially injure, a U.S. industry (49 FR 13442).

Scope of Investigations

The products covered by these investigations are certain carbon steel products which are fully described in the Product Description Appendix of this notice.

Withdrawal of Petition

On May 10, 1984, petitioners notified us that they were withdrawing their petition and requested that the investigations be terminated. Under section 734(a) of the Act, upon withdrawal of petition, the administering authority may terminate an investigation after giving notice to all parties to the investigation. We have notified all parties to these investigations of petitioner's withdrawal and our intention to terminate, and we have consulted with the International Trade Commission. We have determined that termination of these cases is in the public interest.

For these reasons, we are terminating our investigations of certain carbon steel products from South Africa.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

Appendix IV—Description of Products

For purposes of these investigations, 1. The term "carbon steel structural shapes" covers hot-rolled, forged, extruded, or drawn, or cold-formed or cold-finished carbon steel angles, shapes, or sections, not drilled, not punched, and not otherwise advanced, and not conforming completely to the specifications given in the headnotes to Schedule 6, Part 2, Subpart B of the *Tariff Schedules of the United States Annotated ("TSUSA")*, for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rails, joint bars, tie plates, or any tubular products set forth in the *TSUSA*, having a maximum cross-sectional dimension of 3 inches or more, as currently provided for in items 609.8005, 609.8015, 609.8035, 609.8041, or 609.8045 of the *TSUSA*. Such products are generally referred to as structural shapes.

2. The term "carbon steel plate" covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.8620, and 607.8625 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

3. The term "hot-rolled carbon steel flat-rolled products" covers the following hot-rolled carbon steel products. Hot-rolled carbon steel flat-rolled products are flat-rolled carbon steel products, whether or not corrugated or crimped; not cold rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; 0.1875 inch or more in thickness and over 8 inches in width and pickled; as currently provided for in item 607.8320 of the *TSUSA*; and over 8 inches in width; in coils; as currently provides in item 607.8610 or under 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.8710, 607.8720, 607.8730, 607.8740, or 607.8342 of the *TSUSA*.

4. The term "cold-rolled carbon steel flat-rolled products" covers the following cold-rolled carbon steel products. Cold-rolled carbon steel flat-rolled products are flat-rolled carbon steel products, whether or not corrugated or crimped; whether or not painted or varnished and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width, and 0.1875 or more in thickness; as currently provided for in item 607.8320 of the *TSUSA*; or over 12 inches in width and under 0.1875 inch in thickness whether or not in coils; as currently provided for in items 607.8350, 607.8355, or 607.8360 of the *TSUSA*.

International Trade Administration/ Import Administration

[A-791-401]

Certain Carbon Steel Products From South Africa; Antidumping Duty Investigations

AGENCY: International Trade
Association, Commerce.

ACTION: Notice.

SUMMARY: On May 10, 1984, United States Steel Corporation withdrew its antidumping petition, filed on February 10, 1984, on certain carbon steel products from South Africa. Based on that withdrawal, we are terminating the antidumping investigations.

EFFECTIVE DATE: May 10, 1984.

FOR FURTHER INFORMATION CONTACT:
Charles E. Wilson, Office of
Investigations, Import Administration,
International Trade Administration,

5. The term "*galvanized carbon steel sheet*" covers hot- or cold-rolled carbon steel sheet which has been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0730, 608.1310, 608.1320, or 608.1330, of the TSUSA. Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc not included.

[FR Doc. 84-15330 Filed 6-6-84; 8:45 am]

BILLING CODE 2510-08-M

APPENDIX E

COMMERCE'S NEGATIVE SUBSIDY DETERMINATION INVOLVING
IMPORTS FROM AUSTRALIA

[C-602-402]

**Galvanized Carbon Steel Sheet From
Australia; Final Negative
Countervailing Duty Determination**

AGENCY: International Trade
Administration, Commerce.

ACTION: Notice.

SUMMARY: We determine that certain benefits that constitute subsidies within the meaning of the countervailing duty law are not being provided to manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet, as described in the "Scope of Investigation" section of this notice. The estimated net subsidy is *de minimis*, and therefore, our final countervailing duty determination is negative.

EFFECTIVE DATE: July 25, 1984.

FOR FURTHER INFORMATION CONTACT:
Melissa Skinner, Office of
Investigations, Import Administration,
International Trade Administration, U.S.
Department of Commerce, 14th Street
and Constitution Avenue, NW.,
Washington, D.C. 20230; telephone: (202)
377-3530.

SUPPLEMENTARY INFORMATION:

Final Determination

For purposes of this investigation, the Export Expansion Grants and the Export Market Development Grants are found to confer subsidies to the producers of galvanized carbon steel sheet. The estimated net subsidy is 0.04 percent *ad valorem*. This *ad valorem* subsidy is *de minimis*. Therefore, we determine that there are no benefits constituting subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act), being provided to manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet, as described in the "Scope of Investigation" section of this notice.

Case History

On February 10, 1984, we received a petition in proper form from the United States Steel Corporation (U.S. Steel), Pittsburgh, Pennsylvania, on behalf of the galvanized carbon steel sheet

industry. In compliance with the filing requirements of § 355.26 of our regulations (19 CFR 355.26), the petition alleged that manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet receive directly or indirectly, benefits that constitute subsidies within the meaning of section 701 of the Act. We found the petition to contain sufficient grounds upon which to initiate a countervailing duty investigation, and on March 1, 1984, we initiated a countervailing duty investigation (49 FR 8657). We stated that we expected to issue a preliminary determination by May 7, 1984.

Because Australia is a "country under the Agreement" within the meaning of section 701(b) of the Act, an injury determination is required for this investigation. Therefore, we notified the U.S. International Trade Commission (ITC) of our initiation. On March 28, 1984, the ITC determined that there is a reasonable indication that these imports are materially injuring a U.S. industry.

We presented questionnaires concerning the allegations to the government of Australia on March 9, 1984. On April 16, and June 22, 1984, we received responses to the questionnaires.

On May 7, 1984, we preliminarily determined that benefits that constitute subsidies within the meaning of the countervailing duty law are not being provided to manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet (49 FR 18881). No hearing was requested. We received briefs from the parties to the proceeding on June 29, and July 11, 1984.

Scope of Investigation

The product covered by this investigation is galvanized carbon steel sheet. The term "galvanized carbon steel sheet" covers hot- or cold-rolled carbon steel sheet which has been coated or painted with zinc, including any material which has been painted or otherwise covered after having been coated or painted with zinc, as currently provided for in items 608.0730, 608.1310, 608.1320, or 608.1330 of the *Tariff Schedules of the United States Annotated (TSUSA)*. Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc or with a zinc-aluminum or aluminum-zinc alloy is not included.

There is one known producer/exporter, John Lysaght (Australia) Ltd., and one known export agent, Tennant New York Pty. Ltd., of galvanized carbon steel sheet. The period for which we are measuring subsidization is fiscal year 1983 (June 1, 1982 to May 31, 1983).

Analysis of Programs

Based upon our analysis of the petition, the responses to our questionnaires and our verification, we determine the following:

I. Programs Determined to Confer Subsidies

We determine that subsidies are being provided to manufacturers, producers, or exporters in Australia of galvanized carbon steel sheet under the programs discussed below.

A. Export Expansion Grants (EEG). The Export Expansion Grants Act 1978 established a scheme to provide for the payment of grants based on increases in exports achieved by a claimant in a grant year over the claimant's average of exports in the immediately preceding three years. The Export Development Grants Board has administered the provisions of the EEG Act 1978 since late 1978. The EEG scheme lapsed on June 30, 1983.

The producer and the export agent received these grants. However, only the export agent was approved for and received a grant during fiscal year 1983. Because such grants are contingent upon export performance, we determine that grants provided under this program confer benefits that constitute export subsidies.

Since all grants received before the period for which we are measuring subsidization were less than 0.5 percent of the value of exports in the year of receipt, we did not allocate grants received in prior years over time, according to our practice of allocating very small grant amounts (less than 0.5 percent of the value of exports or total sales, as appropriate) entirely to the year of receipt.

In the year for which we are measuring subsidization, we multiplied the amount of the grant received by Tennant by the ratio of Tennant's exports to the U.S. to its total exports in order to determine the amount of benefit to be applied to U.S. sales. The amount of the grant received is greater than 0.5 percent of total exports to the U.S. during that year; therefore, we allocate the amount of grant over 15 years, the average useful life of capital equipment in the steel industry. On this basis, we calculate a benefit of less than 0.001 percent *ad valorem*.

B. Export Market Development Grants (EMDG). The Export Market Development Grants Act 1974, as amended by the Export Market Development Grants Amendment Act 1978, established a system for the payment of cash grants to encourage Australian exporters and prospective

exporters seek out and develop overseas markets for goods, services, industrial property rights and know-how substantially of Australian origin. The amount of these grants is based on certain promotional expenditures incurred by claimants. The Export Development Board is responsible for administering this scheme.

The producer and the export agent were approved for these grants and received grants during fiscal year 1983. Because the purpose of these grants is to encourage the development and expansion of Australian exports, and because we established at verification that these grants are based on promotional expenditures and that these expenditures are related to specific markets, we determine that grants provided under this program confer benefits that constitute export subsidies.

The producer was able to identify the portion of the grants attributable to the U.S. However, the export agent was unable to demonstrate a direct relationship between expenses incurred on behalf of the U.S. market and the portion of the grant attributable to the U.S. Therefore, we multiplied the Tennant grant amount by the ratio of Tennant's exports to the U.S. to its total exports in order to determine the amount of benefit to be applied to U.S. sales. In accordance with our practice of allocating very small grant amounts (less than 0.5 percent of the value of exports or total sales, as appropriate) entirely to the year of receipt, we allocated the amount of the grants received in the year for which we are measuring subsidization over total exports to the U.S. for that year. All grants received before the period for which we are measuring subsidization were less than 0.5 percent of the value of exports in the year of receipt. Therefore, we did not allocate these grants over time. On this basis, we calculate a subsidy of 0.04 percent *ad valorem*.

II. Programs Determined Not To Confer Subsidies

We determine that the Australian federal government and the state governments are not providing subsidies to manufacturers, producers, or exporters of galvanized carbon steel sheet under the following programs:

A. Preferential Loans. Petitioner alleges that the Australian Industry Development Corporation (AIDC), an instrument of the Australian government, grants loans at preferential interest rates. The AIDC, established by an Act of Parliament in 1970 to promote the development of Australian industry and Australian participation therein,

provides financing for the following purposes: resources and energy development; manufacturing and construction; food processing; processing of farm, forestry and fishing products; facilities for the transport of goods; significant developments in wholesale and retail distribution of goods; development and application of new technology; and industries or activities connected with any of the above.

The producer of galvanized carbon steel sheet received loans from the AIDC. However, we verified that this program is not limited, by law or by application, to a specific industry, group of industries, or to companies in specific regions. Therefore, we determine that loans granted by the AIDC are not countervailable.

B. Preferential Taxation Schemes. Petitioner alleges that the producers/exporters of galvanized carbon steel sheet benefit from preferential taxation schemes in the form of investment allowances for capital expenditures. These allowances are income tax deductions calculated by reference to expenditures on eligible plant and equipment. The Income Tax Assessment Act, Subdivision B—Investment Allowance, states that these allowances are available for " . . . a unit of eligible property acquired or constructed by the taxpayer that is—(a) in the case of any taxpayer, for use by the taxpayer wholly and exclusively—(i) in Australia; and (ii) for the purpose of producing assessable income " Eligible property is defined as plant or articles within the meaning of section 54 and includes earth tanks constructed for the purpose of conserving water for use in carrying on a business of primary production.

The galvanized carbon steel sheet producer has taken tax deductions under this program. We verified that these deductions are available to all taxpayers, and that this program is not limited to a specific industry, group of industries, or to companies in specific regions, therefore, we determine that this program is not countervailable.

C. Industrial Research and Development Grants. The responses state that the purpose of these grants is to encourage the development and application in Australia of new products and processes through increased industrial research and development expenditures. We verified that this program is open to all businesses engaged in the manufacturing, mining, on-site building or construction industries. These grants provide a partial reimbursement of industrial research and development expenditures.

The producer of galvanized carbon steel sheet received grants under this program. Because these grants are not limited to a specific industry, group of industries, or to companies in specific regions, we determine that this program is not countervailable.

D. Commonwealth Rebate for Apprentice Full-Time Training (CRAFT). CRAFT is a financial support scheme to provide rebates to employers who release their apprentices to attend, or to study by correspondence, the education component of an approved basic trade course. Rebates are also available to employers who release their apprentices to undertake an approved course of off-the-job training. This program applies to training undertaken in Australia, and is available for employers operating in Australia and apprentices residing in Australia.

The producer of galvanized carbon steel sheet received rebates under this program. Because we verified that this program is not limited to a specific industry, group of industries, or to companies in specific regions, we determine that this program is not countervailable.

E. New South Wales Youth Employment Tax Rebate Scheme. The New South Wales Youth Employment Tax Rebate Scheme (Scheme) provides for employers to receive a full rebate of the payroll tax paid on wages paid to young people during their first year of full-time employment. All employers are automatically covered under the Scheme without the need for prior application.

The producer of galvanized carbon steel sheet received rebates under this program. Because we verified that this program is not limited to a specific industry, group of industries, or to companies in specific regions, we determine that this program is not countervailable.

III. Programs Determined Not To Be Used

We determine that the following programs listed in the notice of "Initiation of Countervailing Duty Investigation" are not used by manufacturers, producers, or exporters of galvanized carbon steel sheet:

A. Grants Provided Under the Steel Industry Plan. On August 11, 1983, the government of Australia announced its Steel Industry Plan which included the Bounty (Steel Mill Products) Act 1983. This program is administered by the Department of Industry and Commerce. The amount of payment a company receives is based on a sliding scale dependent on the national annual industry hot-rolled feed usage.

This program did not go into effect until January 1984. We verified that no payments were made for the period January 1 to March 31, 1984, to galvanized carbon steel sheet producers. Accordingly, we determine this program was not used by the producer of galvanized carbon steel sheet during the period for which we are measuring subsidization.

B. Victoria Decentralization Program. The Decentralized Industry Incentive Payments Act 1972 provides for incentive payments to decentralized industries. The Economic Development Act 1981 amends the previous act. Decentralized industries are defined as any person who carries on a manufacturing or processing industry at a place or places—(a) beyond a radius of 80 kilometers from Melbourne; or (b) within a radius of 8 kilometers from the principal post offices at Bacchus Marsh, Broadford, Gisborne, Kilmore, Kyneton or Woodend—that apply for declaration as a decentralized establishment.

On verification we found that the production and sales facilities of the producer of galvanized carbon steel sheet are disqualified from assistance under this program because of their location. Therefore, we determine that this program was not used by the galvanized carbon steel sheet producer.

C. Victoria Economic Development Corporation. Petitioner alleged that the Victorian Economic Development Corporation provides loans conferring a subsidy to country industries. The Victorian Economic Development Corporation Act of 1981 defines the term country industry as a manufacturing or processing industry carried on at an establishment: (a) Beyond a radius of 80 kilometers from Melbourne; or (b) within a radius of 8 kilometers from the principal post offices at Bacchus Marsh, Broadford, Gisborne, Kilmore, Kyneton or Woodend; or (c) which is a special establishment under the Decentralized Industry Incentive Payments Act 1972.

We verified that the producer of galvanized carbon steel sheet has not received any loans from this corporation. Therefore, we determine that this program was not used by the galvanized carbon steel sheet producer.

Comments

Respondents' Comments

The following comments were received by counsel for the respondent companies.

Comment 1: Respondents argue that under the facts of the instant investigation, where preliminarily grants have been allocated solely to the year of

receipt and there is no speculation as to the future profitability of the company, it is reasonable for the Department to take into consideration the taxability of the Export Expansion Grant and Export Market Development Grant programs and to adjust accordingly the amount of grant money considered countervailable.

DOC Position: We disagree. The taxability of benefits received is not a permissible offset under section 771(6) of the Act. Although the company's taxable income from the period under investigation has been determined, making the adjustment requested by respondent would require unsupported assumptions on the part of the Department as to the relationship between specific income and specific tax payments.

Comment 2: Respondents argue that an affirmative final determination with a zero percent subsidy rate (and thus estimated duty deposit rate) premised on potential future participation in the Steel Industry Plan is not warranted, would be an arbitrary and capricious determination on the part of Commerce, and is without precedent.

DOC Position: We have issued a final negative determination on the basis that the net subsidy is *de minimis*.

Verification

In accordance with section 776(a) of the Act, we verified all data used in making our final determination.

Administrative Procedures

The Department has afforded interested parties an opportunity to present oral views in accordance with its regulations (19 CFR 355.35). There was no request for a hearing. In accordance with the Department's regulations (19 CFR 355.34 (a)) timely written views have been received and considered.

This notice is published pursuant to section 705(d) of the Act (19 U.S.C. 1671d(d)).

Dated: July 19, 1984.

William T. Archey,
Acting Assistant Secretary for Trade
Administration.

[FR Doc. 84-19058 Filed 7-24-84; 8:45 am]
SELLING CODE 3510-08-01

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APPENDIX F

**NOTICE OF THE COMMISSION'S TERMINATION OF INVESTIGATIONS INVOLVING
IMPORTS FROM AUSTRALIA, FINLAND, AND SPAIN**

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 731-TA-169, 171, 177, 178, 180, and 182 (Final)

CERTAIN CARBON STEEL PRODUCTS FROM AUSTRALIA, FINLAND, AND SPAIN

AGENCY: United States International Trade Commission.

ACTION: Termination of investigations.

SUMMARY: On January 18, 1985, the Commission received letters from petitioner in the subject investigations (United States Steel Corp.) which stated, with respect to each of the cited investigations, that "... U.S. Steel is this date withdrawing its ... petitions without prejudice and hereby requests the International Trade Commission to terminate its final injury investigation ...". Accordingly, pursuant to section 207.40(a) of the Commission's Rules of Practice and Procedure (19 CFR § 207.40(a)), the following investigations are terminated:

Carbon Steel Plates Not in Coils from Finland (investigation No. 731-TA-169 (Final));

Carbon Steel Plates Whether or not in Coils from Spain (investigation No. 731-TA-171 (Final));

Cold-Rolled Carbon Steel Plates and Sheets from Spain (investigation No. 731-TA-177 (Final));

Galvanized Carbon Steel Sheets from Australia (investigation No. 731-TA-178 (Final)) and Spain (investigation No. 731-TA-180 (Final)); and


Carbon Steel Structural Shapes from Spain (investigation No. 731-TA-182 (Final)).

EFFECTIVE DATE: January 22, 1985.

FOR FURTHER INFORMATION CONTACT: Lynn Featherstone (202-523-0301), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436.

AUTHORITY: These investigations are being terminated under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to section 207.40 of the Commission's rules (19 CFR § 207.40).

By order of the Commission.


Kenneth R. Mason
Secretary

Issued: January 25, 1985.

APPENDIX G

PAST AND PENDING TITLE VII INVESTIGATIONS FROM 1981 TO THE PRESENT
ON THE SUBJECT PRODUCTS AND PAST AND CURRENT IMPORT RESTRAINTS

Cold-rolled carbon steel plates and sheets: Past and Pending Title VII investigations from 1981 to the present,
and current import restraints, by countries

Product group and source <u>1/</u>	Action	Federal Register cites/ Investigation Nos./ Publication Nos.	Orders issued/ outstanding agreements/ current status
Argentina-----	Final determination pending by USITC.		
	Cold-rolled carbon steel sheets	ITA affirmative final determination: FR 48588 (Dec. 13, 1984) 731-TA- 175(P), USITC Publication 1510 (1984).	USITC final pending.
	Affirmative final countervailing duty determination; case filed: with ITA only. <u>2/</u>		
	Cold-rolled carbon steel sheets	Final determination: 49 FR 18006 (Apr. 26, 1984); Initiated: 48 FR 55014 (Dec. 8, 1983).	Outstanding countervailing duty order by ITA: 49 FR 18006 (Apr. 26, 1984).
Austria-----	Preliminary determination pending by USITC.		
	Cold-rolled carbon steel plates and sheets.	Initiated: 50 FR 186 (Jan. 2, 1985), 701-TA-230(P); and 731-TA-224(P).	USITC preliminary pending.
Belgium-----	Negative preliminary determination by USITC.		
	Cold-rolled carbon steel plates, sheets, and strip.	731-TA-68(P) and 701-TA-102(P), - USITC Publication 1221 (1982).	
Brazil-----	Negative preliminary determination by USITC.		
	Cold-rolled carbon steel plates sheets, and strip.	701-TA-103(P), USITC Publication 1221 (1982).	-
	Negative final determination by USITC.		
	Cold-rolled carbon steel plates and sheets.	731-TA-154(F) USITC Publication 1579 (1984).	-
	Affirmative final determination by USITC.		
	Cold-rolled carbon steel plates and sheets.	701-TA-207(F) USITC Publication: - 1538 (1984).	
Czechoslovakia-----	Preliminary determination pending by USITC.		
	Cold-rolled carbon steel plates and sheets.	Initiated: 50 FR 186 (Jan. 2, 1985), 731-TA- 225(P).	USITC preliminary pending.
Federal Republic of Germany	Termination after affirmative pre- liminary determination by USITC [TPM]. <u>3/</u>		
	Cold-rolled carbon steel plates, sheets, and strip.	Terminated: 47 FR 49058, (Oct. 29, 1982); 731-TA-74(P); and 701-TA-109(P), USITC Publication 1221 (1982).	U.S./EC Steel Arrangement.
Finland-----	Termination before preliminary determination by USITC [Petition was withdrawn].		
	Cold-rolled carbon steel sheets	Initiated: 50 FR 186 (Jan. 2, 1985), 731-TA- 227(P).	-

See footnotes at end of table.

**Cold-rolled carbon steel plates and sheets: Past and Pending Title VII investigations from 1981 to the present,
and current import restraints, by countries--Continued**

Product group and source 1/	Action	Federal Register cites/ Investigation Nos./ Publication Nos.	Orders issued/ outstanding agreements/ current status
France-----	Termination after affirmative pre- liminary determination by USITC. Cold-rolled carbon steel plates, sheets, and strip.	Terminated: 47 FR 49058, (Oct. 29, 1982); 731-TA-69(P); and 701-TA-104(P), USITC Publication 1221 (1982).	U.S./EC Steel Arrangement.
German Democratic Republic	Preliminary determination pending by USITC. Cold-rolled carbon steel plates and sheets.	Initiated: 50 FR 186 (Jan. 2, 1985), 731-TA- 226(P).	USITC preliminary pending
Italy-----	Termination after affirmative pre- liminary determination by USITC. Cold-rolled carbon steel plates, sheets, and strip.	Terminated: 47 FR 49058 (Oct. 29, 1982); 731-TA-70(P); and 701-TA-105(P), USITC Publication 1221 (1982).	U.S./EC Steel Arrangement.
Luxembourg-----	Negative preliminary determination by USITC. Cold-rolled carbon steel plates, sheets, and strip.	731-TA-71(P) and 701-TA-106(P), USITC Publication 1221 (1982).	
Mexico-----	Termination after affirmative pre- liminary determination by ITA only. 4/ Cold-rolled carbon steel sheets	Terminated: 49 FR 17790 (Apr. 25, 1984); Initiated: 48 FR 55013 (Dec. 8, 1983).	Mexican agreement.
Netherlands-----	Termination after affirmative pre- liminary determination by USITC [neg. final determin- ation by ITA]. Cold-rolled carbon steel plates, sheets, and strip.	Terminated: 47 FR 40725 (Sept. 15, 1982); 701-TA- 107(P), USITC Publication 1221 (1982).	
	Termination After affirmative pre- liminary determination by USITC. Cold-rolled carbon steel plates, sheets, and strip.	Terminated: 47 FR 49058 (Oct. 29, 1982); 731-TA- 72(P), USITC Publication 1221 (1982).	U.S./EC Steel Arrangement.
Republic of Korea--	Affirmative final determination by USITC. Cold-rolled plates and sheets	701-TA-218(F), USITC Publication 1634 (1985).	USITC notified Commerce of affirmative determination Jan. 15, 1985; counter- vailing duty order issuance pending
	Negative preliminary determination by USITC. Cold-rolled carbon steel sheet	701-TA-172(P), USITC Publication 1261 (1982).	-
Romania-----	Preliminary determination pending by USITC. Cold-rolled carbon steel plates and sheets.	Initiated: 50 FR 186 (Jan. 2, 1985), 731-TA- 228(P).	USITC preliminary pending.

See footnotes at end of table.

**Cold-rolled carbon steel plates and sheets: Past and Pending Title VII investigations from 1981 to the present,
and current import restraints, by countries--Continued**

Product group and source ^{1/}	Action	Federal Register cites/ Investigation Nos./ Publication Nos.	Orders issued/ outstanding agreements/ current status
South Africa-----	Termination after affirmative preliminary determination by USITC.		
	Cold-rolled carbon steel sheets	Terminated: 49 FR 23670 (June 7, 1984): 731-TA-176(P), USITC Publication 1510 (1984).	-
	Affirmative final countervailing duty determination, filed with ITA only ^{5/}		
	Cold-rolled carbon steel sheets and strip.	Final determination: 47 FR 39379 (Sept. 7, 1982); Initiated: 47 FR 5751 (Feb. 8, 1982).	Outstanding countervailing duty order by ITA: 47 FR 39379 (Sept. 7, 1982).
Spain-----	Termination after affirmative preliminary determination by USITC.		
	Cold-rolled carbon steel sheets	Terminated Jan. 22, 1985, publication of notice in Federal Register pending; 731-TA-177(P), USITC Publication 1510 (1984).	-
	Affirmative final determination by USITC.		
	Cold-rolled carbon steel sheets	701-TA-157(F), USITC Publication 1331 (1982).	Outstanding countervailing duty order by ITA: 48 FR 51 (Jan. 3, 1983).
Sweden-----	Preliminary determination pending by USITC.		
	Cold-rolled carbon steel plates and sheets.	Initiated: 50 FR 186 (Jan. 2, 1985), 701-TA-231(P)	USITC preliminary pending.
United Kingdom-----	Negative preliminary determination by USITC.		
	Cold-rolled carbon steel plates, sheets, and strip.	731-TA-73(P) and 701-TA-108(P), USITC Publication 1221 (1982).	-
Venezuela-----	Preliminary determination pending by USITC.		
	Cold-rolled carbon steel plates and sheets.	Initiated: 50 FR 186 (Jan. 2, 1985), 701-TA-232(P) and 731-TA-229(P).	USITC preliminary pending.

^{1/} Each product designation used in this chart is based on the product description used initially in the investigation.

^{2/} This case was filed with ITA only since Argentina is not a "country under the Agreement" within the meaning of section 701(b) of the Tariff Act of 1930.

^{3/} TPM is the abbreviation for Trigger Price Mechanism.

^{4/} This case was filed with ITA only since Mexico is not a "country under the Agreement" within the meaning of sec. 701(b) of the Tariff Act of 1930. The Government of Mexico adopted an export restraint policy whereby steel shipments to the United States are subject to quantitative limitations over the next 3 years. 49 FR 17790 (Apr. 25, 1984).

^{5/} This case was filed with ITA only since South Africa is not a "country under the agreement" within the meaning of sec. 701(b) of the Tariff Act of 1930.

APPENDIX H

MONTHLY AND CUMULATIVE SHIPMENTS, TRADE, AND CONSUMPTION DATA,
JANUARY-DECEMBER 1983 AND JANUARY-OCTOBER 1984

Table H-1.—Cold-rolled carbon steel sheets: U.S. producers' shipments, imports for consumption, exports, and apparent U.S. consumption, by types and by periods, January 1983–October 1984

Period	Shipments 1/	Imports	Exports	Apparent consump- tion	Ratio of imports to—	
					Shipments	Con- sumption
					Percent	
1,000 short tons						
1983:						
January	895	153	1	1,047	17.1	14.6
February	890	97	1	986	10.9	9.8
Jan.-Feb	1,785	250	3	2,032	14.0	12.3
March	1,175	137	2	1,310	11.7	10.5
Jan.-Mar	2,960	387	5	3,342	13.1	11.6
April	1,062	153	2	1,213	14.4	12.6
Jan.-Apr	4,021	540	7	4,554	13.4	11.9
May	1,077	148	2	1,223	13.7	12.1
Jan.-May	5,099	688	9	5,778	13.5	11.9
June	1,154	181	2	1,333	15.7	13.6
Jan.-June	6,256	869	11	7,114	13.9	12.2
July	948	167	3	1,112	17.6	15.0
Jan.-July	7,204	1,036	13	8,227	14.4	12.6
August	1,111	275	2	1,384	24.8	19.9
Jan.-Aug	8,341	1,310	15	9,636	15.7	13.6
September	1,087	2/ 240	2	1,325	22.1	18.1
Jan.-Sept	9,413	2/ 1,550	18	10,945	16.5	14.2
October	1,123	232	2	1,353	20.7	17.1
Jan.-Oct	10,541	2/ 1,783	19	12,305	16.9	14.5
November	1,167	297	2	1,462	25.4	20.3
Jan.-Nov	11,708	2/ 2,080	21	13,767	17.8	15.1
December	1,287	261	1	1,547	20.3	16.9
Jan.-Dec	12,995	2/ 2,341	23	15,313	18.0	15.3
1984:	/					
January	1,078	255	2	1,331	23.7	19.2
February	1,147	287	3	1,431	25.0	20.0
Jan.-Feb	2,225	543	5	2,763	24.4	19.7
March	1,311	346	3	1,654	26.4	20.9
Jan.-Mar	3,537	889	8	4,418	25.1	20.1
April	1,200	337	2	1,535	28.1	22.0
Jan.-Apr	4,737	1,227	10	5,954	25.9	20.6
May	1,222	190	2	1,410	15.5	13.5
Jan.-May	5,960	1,416	12	7,364	23.8	19.2
June	1,180	237	1	1,416	20.1	16.7
Jan.-June	7,139	1,653	14	8,778	23.2	18.8
July	952	365	2	1,315	38.3	27.8
Jan.-July	8,091	2,018	16	10,093	24.9	20.0
August	997	297	2	1,292	29.8	23.0
Jan.-Aug	9,088	2,315	17	11,386	25.5	20.3
September	934	275	2	1,207	29.4	22.8
Jan.-Sept	10,022	2,590	19	12,593	25.8	20.6
October	1,061	228	1	1,288	21.5	17.7
Jan.-Oct	11,083	2,818	20	13,881	25.4	20.3

1/ Cumulative data reflect revisions for previous months.

2/ Estimated by the staff of the U.S. International Trade Commission.

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

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

APPENDIX I

DESCRIPTIONS OF PRODUCTS COVERED IN THE PRICE SECTIONS

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

Product 1: 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.

Product 2: 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 3: 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.

