CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM TAIWAN AND VENEZUELA

Determinations of the Commission in Investigations Nos. 731-TA-211 and 212 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 731-TA-211 and 212 (Preliminary)

CERTAIN WELDED CARBON STEEL PIPES AND TUBES
FROM TAIWAN AND VENEZUELA

Determinations

On the basis of the record 1/ developed in investigation No. 731-TA-211 (Preliminary), the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Taiwan of light-walled rectangular welded carbon steel pipes and tubes 2/ which are alleged to be sold in the United States at less than fair value (LTFV).

In addition, on the basis of the record developed in investigation No. 731-TA-212 (Preliminary), the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Venezuela of standard welded carbon steel pipes and tubes 3/ which are alleged to be sold in the United States at LTFV. 4/

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

2/ The term "light-walled rectangular welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes of rectangular (including square) cross section, having a wall thickness of less than 0.156 inch, provided for in item 610.4928 of the Tariff Schedules of the United States Annotated (TSUSA). Prior to April 1, 1984, these rectangular pipes and tubes were provided for in TSUSA item 610.4975.

3/ The term "standard welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes of circular cross section, 0.375 inch or more but not over 16 inches in outside diameter, provided for in TSUSA items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925. Prior to April 1, 1984, these circular pipes and tubes were provided for in TSUSA items 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247.

4/ Chairwoman Stern determines that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports.

The Commission further determines that there is no reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Venezuela of welded carbon steel line pipes and tubes 1/ which are alleged to be sold in the United States at LTFV. 2/

Background

On December 18, 1984, counsel for the Committee on Pipe & Tube Imports (CPTI) 3/ filed petitions with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is being materially injured or threatened with material injury by reason of imports from Taiwan and Venezuela of certain welded carbon steel pipes and tubes which are allegedly sold at LTFV. Accordingly, effective December 18, 1984, the Commission instituted preliminary antidumping investigations under the provisions of the Tariff Act of 1930. Notice of the institution of the Commission's investigations and of a public conference to

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1/ The term "welded carbon steel line pipes and tubes" covers welded carbon steel pipes and tubes of circular cross section, with walls not thinner than 0.065 inch, 0.375 inch or more but not over 16 inches in outside diameter, conforming to API specifications for line pipe provided for in TSUSA items 610.3208 and 610.3209.

2/ Commissioners Eckes and Lodwick dissenting.

3/ The 23 member producers of the CPTI are Allied Tube and Conduit Corp., American Tube Co., Inc., Bernard Epps and Co., Bock Industries of Elkhart, Indiana, Bull Moose Tube Co., Central Steel Tube Co., Century Tube Corp., Copperweld Tubing Group, Hughes Steel and Tube, Kaiser Steel Corp., LaClede Steel Co., Maruichi American Corp., Maverick Tube Corp., Phoenix Steel Corp., Pittsburgh Tube Co., Sawhill division of Cyclops Corp., Sharon Tube Co., Southwestern Pipe, Inc., Tex-Tube division of Cyclops Corp., UNR-Leavitt, Welded Tube Co. of America, Western Tube and Conduit, and Wheatland Tube Corp.

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 December 27, 1984 (49 F.R. 50316). A public conference was held in Washington, DC on January 8, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of light-walled rectangular (L-WR) pipes and tubes from Taiwan which are allegedly sold at less than fair value (LTFV). We also determine that there is a reasonable indication that an industry in the United States is materially injured by reason of alleged LTFV imports of standard pipes and tubes from Venezuela. 1/ However, we determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of alleged LTFV imports of line pipes and tubes from Venezuela. 2/

The affirmative determination with respect to L-WR pipes and tubes from Taiwan is based on data indicating that the volume and penetration levels of the subject imports have increased greatly during the period of investigation, and some data indicating price undercutting and lost sales attributable to the imported product. 3/

1/ Chairwoman Stern determines that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports.

2/ Commissioners Eckes and Lodwick find a reasonable indication of material injury by reason of imports of line pipes and tubes from Venezuela.

3/ Chairwoman Stern, Vice Chairman Liebeler, and Commissioners Eckes and Lodwick reach this affirmative determination based on an analysis of the effect of the subject imports alone; they therefore do not reach the question of cumulation in this case. Commissioner Rohr bases his
(Continued On Page 6)

The affirmative determination with respect to standard pipes and tubes from Venezuela is based on data indicating a more modest increase in import volume and penetration levels which, when cumulated with imports of the articles subject to investigation from other sources, 4/ provide a reasonable indication of a materially injurious effect on the domestic industry. The investigation also revealed consistent and substantial margins of underselling by imports from Venezuela.

The negative determination with respect to line pipes and tubes from Venezuela 5/ is based primarily on the extraordinarily low response rate by domestic producers to Commission questionnaires dealing with that product.

3/ (Continued From Page 5)
affirmative determination, for purposes only of this preliminary investigation, on cumulation of the subject imports with imports of L-WR pipes and tubes from the Republic of Korea that are subject to an outstanding antidumping duty order imposed on May 7, 1984. See Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-131, 132, and 138 (Final), USITC Pub. No. 1517 (1984).

4/ Commissioner Rohr bases his affirmative determination, for purposes only of this preliminary investigation, on a cumulative assessment of the effect of LTFV imports of standard pipes and tubes from Brazil subject to an affirmative preliminary determination (Welded Carbon Steel Pipes and Tubes from Brazil and Spain, Inv. Nos. 701-TA-220 and 731-TA-197-198 (Preliminary), USITC Pub. 1569 (1984)) and LTFV imports of the product from Korea and Taiwan subject to outstanding dumping duty orders issued on May 7, 1984. See Report of the Commission (Report) at Appendix C. Chairwoman Stern has assessed the cumulative impact of the subject imports with allegedly LTFV imports from Brazil subject to a recent preliminary affirmative finding by the Commission and LTFV imports from Taiwan subject to a recent final affirmative determination. Because the Spanish cases have been terminated before a final determination, imports from Spain may not be cumulated with those that are the subject of this investigation. Vice Chairman Liebeler and Commissioner Lodwick have cumulated the subject imports only with allegedly LTFV imports from Brazil. Commissioner Eckes finds it unnecessary to cumulate in order to reach an affirmative determination in this preliminary investigation.

5/ Commissioners Eckes and Lodwick dissenting.

Petitioners claim to represent manufacturers accounting for 25 percent of domestic production of line pipes and tubes, but timely responses were received from manufacturers accounting for only 8 percent of such production.

Definition of the domestic industry

We adopt the definitions of the like product and domestic industries made in an earlier investigation, except that the standard pipes and tubes under investigation here include those with an outside diameter between 4.5 and 16 inches as well as those with 4.5 inches or less in outside diameter. 6/ The three products under investigation are: (1) light-walled rectangular pipes and tubes; (2) circular standard pipes and tubes no larger than 16 inches in outside diameter; and (3) circular line pipes and tubes no larger than 16 inches in outside diameter. Each category of imported product is generally made to the same specifications and has the same characteristics and uses as its domestically produced counterpart. 7/ Accordingly, there are three domestic industries, each consisting of the producers of each one of the products enumerated.

Condition of the light-walled rectangular and standard pipe and tube industries

We have very recently determined that there is a reasonable indication that these two domestic industries are suffering material injury. For the

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6/ Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-131-132 (Preliminary), USITC Pub. 1389 (1983), affirmed, Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan Inv. Nos. 731-TA-131, 132, and 138 (Final), USITC Pub. 1519 (1984).

7/ Counsel for the Venezuelan respondent has suggested that there is a distinction between standard pipe with 4.5 inches outside diameter or less on the one hand and standard pipe larger than 4.5 inches outside (Continued On Page 8)

sake of brevity, we incorporate those findings by reference. 8/

With respect to producers of L-WR pipes and tubes, further information developed in the course of this investigation indicates modest increases in capacity utilization, 9/ shipments, 10/ and employment 11/ in the interim period ending September 1984, when compared with the corresponding period of 1983. Most of these indicators, however, remain substantially below the levels attained in 1981. Moreover, producers' reported prices for this period did not increase from the levels of the corresponding period of 1983 and remain below the levels achieved in early 1982. 12/ The Commission received very little information about the income and loss experience of domestic producers of L-WR pipes and tubes. 13/ Nevertheless, "the best information available" 14/ at this time, when taken together with data

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7/ (Continued From Page 7)
diameter on the other. Postconference Brief on Behalf of Conduven at 4. However, nothing revealed in these preliminary investigations justifies a distinction based on size rather than use. See Report at A-5-A-6.

8/ See Welded Pipes and Tubes from Brazil and Spain, Inv. Nos. 701-TA-220 and 731-TA-197 and 198 (Preliminary), USITC Pub. No. 1569 (1984)

9/ Report at A-13, Table 4

10/ Id. at A-15, Table 5

11/ Id. at A-17, Table 7

12/ Id. at A-33, Table 17

13/ In order for the Commission to make a determination based on adequate information in any final investigation, it is expected that domestic producers will overcome any obstacles that may exist to presenting accurate and full income and loss data relating to their L-WR pipe and tube operations.

14/ 19 U.S.C. § 1673b(a)

developed in earlier investigations, is sufficient to meet the reasonable indication standard for a preliminary injury determination. 15/

Data developed in this investigation relating to the recent experience of U.S. producers of standard pipes and tubes are more extensive. 16/ Capacity utilization has recently increased, 17/ but shipments 18/ and employment 19/ have declined. Income and loss data indicate a slight increase in net sales but stagnation of operating income. 20/ Taken together

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15/ Vice Chairman Liebeler notes that she voted in the negative with respect to light-walled rectangular pipes and tubes from Spain in Welded Carbon Steel Pipes and Tubes from Brazil and Spain, Inv. Nos. 701-TA-220 and 731-TA-197 and 198, USITC Pub. No. 1569 (1984). She finds that the financial condition of the industry has deteriorated to the point that there is a reasonable indication that it is materially injured. For example, capacity utilization had reached 77 percent by June 1984, continuing a trend upward in the face of increasing imports. This trend was reversed during the June-September quarter: capacity utilization dropped to 69 percent for the January-September period of 1984 as import penetration increased.

16/ We note that this investigation relates to standard pipes and tubes up to an outside diameter of 16 inches, while previous investigations were confined to standard pipes and tubes with an outside diameter of 4.5 inches or less. Because 75 percent of domestic production is of the latter category (see Transcript of the Conference at 28), data from those earlier investigations are appropriately used in this preliminary investigation. It is expected that domestic producers will provide more complete information with respect to their production as a whole of standard pipes and tubes up to 16 inches in outside diameter in the event of a final investigation. Furthermore, it is noted that the like product definition applied in this investigation is fully inclusive of the products covered in the earlier investigations. A cumulative analysis in the present investigation includes only imports like the subject ones.

17/ Report at A-13, Table 4

18/ Id. at A-15, Table 5

19/ Id. at A-17, Table 7

20/ Id. at A-21, Table 10. These data were provided by manufacturers accounting for slightly more than half of domestic shipments of standard pipes and tubes. In any final investigation, it is expected that the response rate will reflect a larger proportion of the domestic industry.

with data developed in earlier investigations, this information is sufficient to establish that there is a reasonable indication that the domestic industry producing standard pipes and tubes is suffering material injury.

Reasonable indication of material injury by reason of alleged LTFV imports

Light-walled rectangular pipes and tubes from Taiwan

The recent modest improvement in economic indicators for this industry is largely attributable to an increase in domestic consumption. At the same time, imports of L-WR pipes and tubes from Taiwan escalated in quantity from 1,115 short tons in 1982 to 6,850 short tons in the first nine months of 1984. 21/ More importantly, the share of domestic consumption claimed by imports from Taiwan grew from 0.8 percent in 1982 to 4.1 percent in the interim 1984 period. 22/

There was some evidence of underselling of the domestic product by imports from Taiwan in 1984, and some confirmed lost sales based on the lower price of L-WR pipes and tubes from Taiwan. U.S. producers' prices generally fell between 1982 and 1984, showing an inability to raise prices to service centers/distributors even when consumption of the product was on the rise. 23/ These findings, taken together, provide a reasonable indication

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21/ Report at A-25, Table 12.
22/ Id. at A-31, Table 16.
23/ Id. at A-33, Table 17.

that imports from Taiwan are causing material injury to the domestic L-WR pipe and tube industry. 24/

Standard pipes and tubes from Venezuela

The recent decline in shipments and employment and the stagnation of operating income in this industry coincided with an increase in volume 25/ and penetration levels 26/ of the subject imports. The import penetration level for the product from Venezuela for the first nine months of 1984 was 1.9 percent, as compared to 0.7 percent for the corresponding period of 1983. 27/ Further, there was some evidence of substantial underselling of the domestic product by imports from Venezuela in 1984. When imports from Venezuela are cumulated with imports from other sources which are also subject to investigation, 28/ there is a reasonable indication that the domestic standard pipe and tube industry is suffering material injury by reason of such imports. 29/

24/ Commissioner Rohr bases his affirmative determination, for purposes only of this preliminary investigation, on cumulation of the subject imports with imports from the Republic of Korea subject to an outstanding antidumping duty order. Supra at n. 3.

25/ Report at A-27, Table 13.

26/ Id. at A-31, Table 16.

27/ Id.

28/ Section 771(7)(C)(iv) of the Trade and Tariff Act of 1984 states: "Cumulation — For purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market.". The Conference Report accompanying the 1984 Act notes that: "The provision requires cumulation of imports from various countries that each account individually for a small percentage of total market penetration but when combined may cause material injury." H.R. Rep. No. 1156, 98th Cong., 2d Sess. 173 (1984).

29/ Chairwoman Stern finds a reasonable indication of material injury or threat thereof by reason of the subject imports.

Commissioner Rohr, for purposes only of this preliminary investigation, has cumulatively assessed the effect of the subject imports with allegedly LTFV imports from Brazil and LTFV imports from Korea and Taiwan, the subject of recent Commission investigations. These latter imports accounted for aggregate market penetration levels during the period of investigation ranging from 25.4 percent in 1982 to a high of 43.9 percent in interim 1983, falling to 34.1 percent in interim 1984. Chairwoman Stern has cumulated with allegedly LTFV imports from Brazil and LTFV imports from Taiwan. Market penetration levels of these imports ranged from 6.9 percent in 1982 to a high of 11.6 percent in interim 1983, falling to 9.3 percent in interim 1984. 30/ Vice Chairman Liebeler and Commissioner Lodwick have cumulated only with allegedly LTFV imports from Brazil. Commissioner Eckes finds it unnecessary to reach the question of cumulation in this preliminary investigation. 31/

Chairwoman Stern and Commissioner Rohr have conducted their cumulative analysis on the basis of their understanding that it is the intent of Congress that imports be cumulated when they compete with other imports and the domestic like product. They must be marketed within a reasonably coincidental time period, and be subject to investigation. They interpret the last

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30/ See Report, Appendix C.
31/ See supra n. 4.

criterion to include those imports already subject to a final order when that order has been imposed in the relatively recent past. 32/

Vice Chairman Liebeler considers the language of the statute, "subject to investigation," to require cumulation of imports only when they are currently under investigation.

No reasonable indication of material injury or threat to the domestic line pipe and tube industry 33/

With respect to the line pipe and tube industry, the Commission has conducted as thorough an investigation as possible. In this case, the conduct of that investigation has been hampered by the lack of cooperation on the part of the domestic industry. Timely questionnaire responses were received from manufacturers representing less than 10 percent of domestic shipments of line pipes and tubes. 34/ The statute requires that the Commission make a preliminary determination "based upon the best information available to it at the time of the determination." 35/ The question at issue is "whether there is a reasonable indication that . . . an industry in the United States . . . is materially injured . . . by reason of imports." 36/ The statute defines

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32/ Chairwoman Stern has not cumulated imports of standard pipes from Korea because she found in that investigation that there was no causal link between those imports and the condition of the domestic industry. See Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-131, 132, and 138 (Final), USITC Pub. No. 1517 (1984). Commissioner Rohr notes that his determination in this investigation is made without prejudice to a reconsideration of this issue during any final investigation. He notes further that manufacturers accounting for only one-third of the domestic production allegedly represented by petitioners cooperated with our investigation.

33/ Commissioners Eckes and Lodwick dissent. See their Views infra.

34/ Supra at 6.

35/ 19 U.S.C. § 1673b(a).

36/ Id.

"industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 37/ It is, of course, true, as a practical matter, that the 45-day time limit established by the statute will sometimes lead to a determination based on incomplete data. This reality is recognized by the "best information available" language already quoted. Further, the legislative history of the Trade Agreements Act of 1979 indicates congressional recognition of the problem: "The time limit provided in the bill for an ITC preliminary determination . . . is still quite brief. It is therefore intended that the ITC will investigate the allegations in the petition in as thorough a manner as possible using the information available within that time period, and will provide interested parties a reasonable opportunity to present their views." 38/ That the Commission does make preliminary determinations on the basis of less than complete information is apparent from our determination with respect to L-WR pipes and tubes. However, even taking account of the difficulties representatives of the domestic line pipe and tube industry may have experienced in providing data within the time required, the response rate was so extraordinarily low that the Commission is justified in finding that the "industry," as defined by the statute, is at best uninterested in the petition.

37/ 19 U.S.C. § 1677(4)(A).
38/ H.R. Rep. No. 317, 96th Cong., 1st Sess. 61 (1979) (emphasis supplied).

The information at issue, namely the economic performance of the domestic line pipe and tube industry, is uniquely within the control of that industry. In these circumstances, failure to provide that information leads to the logical inference that it would be adverse to the interests of the parties concerned. 39/ This is all the more true when, as here, petitioners are aware, before the petition is filed, of the necessity of providing information to the Commission within the statutory time limits. Hence, we determine, on the basis of the best information available at this time, that there is no reasonable indication that the domestic line pipe and tube industry is suffering from, or threatened with, material injury. 40/

39/ See, e.g., International Union (UAW) v. NLRB, 459 F.2d 1329 (D.C. Cir. 1972); Weighing Machinery and Scales from Japan, Inv. No. 701-TA-7 (Final), USITC Pub. No. 1063 (1980) (Views of Vice Chairman Alberger and Commissioner Calhoun).

40/ In view of this finding, there is no need to consider the causal connection between alleged LTFV line pipe and tube imports and the alleged injury.

VIEWS OF COMMISSIONER ECKES ON LINE PIPES AND TUBES

For the Commission to vote negatively with respect to line pipes and tubes from Venezuela in this investigation, it would have to find no reasonable indication of material injury to the domestic industry or else find no reasonable indication of a causal link between perceived injury and the allegedly unfair imports in question. Although the information available to the Commission at the time of the vote on this case was limited, in my view it was sufficient to satisfy the "reasonable indication" standard in a preliminary investigation under Title VII.

The Commission majority, however, reached a negative determination, finding no material injury. This finding apparently was based upon the inference that the petitioner's member firms did not supply adequate and timely data to the Commission because to do so would have hurt their case. Their silence was assumed to be concealing industrial health.

In the past two years the Commission has had numerous cases involving pipes and tubes, two of which included line pipe.1/ In all cases concluded thus far -- including the Section 201 -- the Commission found that the industry was experiencing injury.

1/ Certain Welded Carbon Steel Pipes and Tubes From The Republic of Korea, Inv.No. 701-TA-168,(Final), USITC Pub.No. 1345 (1983) and Carbon Steel And Certain Alloy Steel Products, Inv.No. TA-201-51, USITC Pub.No. 1553 (1984).

Granted, this is the first case coming to the Commission in which we have sought data on line pipes and tubes as a separate product; and I agree with my colleagues that the information collected in this preliminary investigation was less than satisfactory. However, the data collected for the light-walled rectangular pipe and tube industry were not much better and the Commission chose to consider the information available for that product in light of findings in an earlier investigation.

The performance of each segment of the pipe and tube industry has followed a similar pattern during the 1981-1984 period, differing only in the degree of the disaster experienced in 1982 and 1983, and the extent of the modest upturn in 1984. A preliminary finding of no reasonable indication of material injury to the line pipe segment, in my opinion, would require sufficient evidence of exception to that pattern. What information we do have, such as AISI data on line pipe shipments and very limited profit and loss data, reveals conformance to the pattern, not exception. Shipments in 1983 were less than half of 1981 levels, and the improvement in the first nine months of 1984 will still leave shipments for the year far below 1981. The profit and loss data show a sharp drop in operating profits in 1982 and 1983, and only slight recovery in 1984.

One possible explanation for the poor response by line pipe producers to the Commission questionnaire could be the difficulty in responding --separating line and standard pipe

data for the first time -- during the holiday season. The petition was filed on December 18 and questionnaires were due back to the Commission on January 4.

Of course the petitioner does control the filing date and is well aware of the pressures on Commission resources in a 45-day case. However, the Commission's responsibility to conduct a thorough investigation remains the same whether or not the petitioner shows proper consideration of the Commission and other members of its industry in choosing a filing date.

The Court of International Trade pointed out in its decision in the Budd Company case 2/ that the Trade Agreements Act of 1979 makes no reference to the burden of proof being on the petitioner in a Commission investigative proceeding. The Court maintains "...it is clear that all information that is 'accessible or may be obtained,' from whatever its source may be, must be reasonably sought by the Commission." To accomplish this end, "...it is the Commission which has the sole authority to seek both confidential and nonconfidential information from the parties supported by a subpena power granted by statute and provided for in the Commission regulations." The Commission has used that subpena power in a 45-day investigation in the past when information was not forthcoming from an important nonpetitioner producer.

2/ The Budd Company v. United States, 507F. Supp. 997 (C.I.T.1980) 1002, 1003.

3/ Certain Table Wine From France And Italy, Inv. No. 701-TA-210-211 (P).

Commission investigators did not choose to use that power in this investigation.

The petitioner represents firms responsible for only about 25 percent of domestic line pipe and tube production. If all member firms cooperated and no nonpetitioners responded, we would have a 25-percent representation. What we actually have are partial responses from firms representing roughly 20 percent of line pipe and tube shipments, the petitioning firms which responded accounting for about 8 percent of total shipments. One major producer supplying data did not respond in a timely fashion; data were received a week prior to the Commission vote. Apparently there was insufficient time for the Commission staff to confirm the material and check for internal consistency. Nonetheless, the data were in hand and conceivably could have been processed before the vote.

In any event, the <u>extent</u> of the response to our inquiries should not determine how the Commission votes in a preliminary investigation. By statute, the Commission is to examine the best information available at the time of the vote and base its determinations on that information. There is nothing in the information available that justifies a determination of no reasonable indication of material injury to the line pipe industry.

Certainly there are sufficient data to give a reasonable indication of a link between imports of line pipes and tubes from Venezuela and material injury to the domestic industry.

Imports soared from 2,599 short tons in 1982 to 66,110 short tons in the first nine months of 1984. The share of U.S. consumption claimed by imports from Venezuela jumped from 0.3 percent in 1982 to 7.1 percent in the 1984 interim period. The very limited pricing data that we have show underselling by Venezuelan imports and domestic prices that are lower in 1984 than in 1982.

The domestic industry's shipments accounted for only 55.1 percent of U.S. consumption in the 1984 interim period, compared to 69.9 percent in the same period of 1983. In a period when U.S. producers of line pipes and tubes lost market share to foreign imports from a number of sources, it is very likely that an increase in market share of 6.8 percentage points for the allegedly unfair imports from Venezuela resulted in material injury to the domestic industry.

VIEWS OF COMMISSIONER LODWICK

Based upon the best information available to the Commission at the time of the determination, I find that there is a reasonable indication of material injury to the domestic industry by reason of allegedly dumped imports of small circular welded carbon steel line pipes from Venezuela. Thus, though I concur with my colleagues in deploring the low level of response to Commission inquiries by the domestic industry, and particularly by the petitioners, I nonetheless find in the affirmative.

The following paragraphs discuss the indications of injury and causation. I concur with the Commission majority in the like product determination.

Reasonable Indication of Material Injury

Though for most indicators of the condition of the domestic industry the Commission is forced to rely on questionnaire responses which include only a minimal portion of the domestic industry, the Commission does have generally accepted figures on aggregate domestic shipments for the years 1981 through 1983 and partial years January-September 1983 and 1984, and on imports covering the same time periods except for 1981. The data show that domestic shipments over the most recent twelve months ending September, 1984 were only 56 percent, just over one half, of the level reached in 1981. Further, the share of apparent consumption accounted for by domestic shipments fell from roughly 65 percent in 1982 and 1983 to approximately 55 percent during the 1984 interim period.

The limited data obtained from questionnaire responses are consistent with the adverse trends in domestic shipments. In particular, reported prices for domestic production in 1984 remain well below levels reported for early 1982, capacity utilization rates continue to be very low, and financial operating margins remain minimal.

By Reason of Allegedly Dumped Imports

In assessing causation I considered the volume and trend of the subject imports, the effect of imports on prices, and the impact of imports on domestic producers. Imports from Venezuela rose sharply in 1984. The volume of imports during January-September 1984 exceeded the volume during the comparable 1983 period by more than fifteen fold. As a result of this surge in imports, import penetration measured as a share of apparent consumption climbed to 7.1 percent for the 1984 interim period. Turning to price considerations, importer's reported prices show that the Venezuelan material consistently undersold the comparable domestic product by approximately one third.

The surge in imports from Venezuela occurred at a time when domestic shipments were well below levels achieved in 1981 and domestic shipments were declining as a share of apparent consumption. In addition, the consistent and substantial underselling occurred at a time when prices were depressed from early 1982 levels. Based on the evidence previously presented, as well as the overall record, I find that there is a reasonable indication of material injury to the domestic industry by reason of allegedly dumped imports of the subject product from Venezuela.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On December 18, 1984, counsel for the Committee on Pipe and Tube Imports (CPTI) 1/ filed antidumping petitions with the Commission and the U.S. Department of Commerce. The petitions allege that an industry in the United States is materially injured or is threatened with material injury by reason of imports from Taiwan and Venezuela of certain welded carbon steel pipes and tubes 2/ which are allegedly sold at less than fair value (LTFV). Accordingly, effective December 18, 1984, the Commission instituted antidumping investigations Nos. 731-TA-211 and 212 (Preliminary) under section 733 of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States. The statute directs that the Commission make its determinations within 45 days after receipt of the petitions, or in these cases, by February 1, 1984.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of December 27, 1984 (49 F.R. 50316). 3/

On January 7, 1985, the Department of Commerce initiated antidumping investigations to determine whether certain welded pipes and tubes from Taiwan and Venezuela are being or are likely to be sold in the United States at less than fair value. 4/

1/ The 23 member producers of the CPTI are Allied Tube and Conduit Corp., American Tube Co., Inc., Bernard Epps and Co., Bock Industries of Elkhart, Indiana, Bull Moose Tube Co., Central Steel Tube Co., Century Tube Corp., Copperweld Tubing Group, Hughes Steel and Tube, Kaiser Steel Corp., LaClede Steel Co., Maruichi American Corp., Maverick Tube Corp., Phoenix Steel Corp., Pittsburgh Tube Co., Sawhill division of Cyclops Corp., Sharon Tube Co., Southwestern Pipe, Inc., Tex-Tube division of Cyclops Corp., UNR-Leavitt, Welded Tube Co. of America, Western Tube and Conduit, and Wheatland Tube Corp.

2/ With respect to the investigation involving imports from Taiwan, the term "certain welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes of rectangular (including square) cross section, having a wall thickness of less than 0.156 inch, provided for in item 610.4928 of the Tariff Schedules of the United States Annotated (TSUSA) (item 610.4975 prior to Apr. 1, 1984). For purposes of the investigation involving imports from Venezuela, the term "certain welded carbon steel pipes and tubes" refers to welded carbon steel pipes and tubes of circular cross section, over 0.375 inch but not over 16 inches in outside diameter, provided for in TSUSA items 610.3208, 610.3209, 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925 (items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247 prior to Apr. 1, 1984).

3/ A copy of the Commission's Federal Register notice is presented in app. A.

4/ A copy of the Department of Commerce's notice is presented in app. A.

On January 8, 1985, the Commission held a public conference in connection with these investigations. 1/ The briefing and vote was held on January 28, 1985.

Previous Commission Investigations

Several previous Commission investigations have dealt with some or all of the pipes and tubes currently under investigation. 2/ Most recently, on August 22, 1984, the Commission made a preliminary determination in investigation No. 701-TA-220 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of allegedly subsidized imports of small circular and light-walled rectangular pipes and tubes from Spain. 3/ In addition, in investigations Nos. 731-TA-197 and 198 (Preliminary), 4/ the Commission found that there was a reasonable indication that an industry in the United States was materially injured by reason of imports from Spain of small circular and light-walled rectangular pipes and tubes allegedly sold at LTFV, 5/ and by reason of imports from Brazil of small circular pipes and tubes allegedly sold at LTFV. 6/ The light-walled rectangular pipes and tubes covered in these previous investigations are the same as those currently under investigation. However, the circular pipes and tubes in the present investigation involving Venezuela cover a wider range of products than was included in the investigations involving Spain and Brazil. On January 18, 1985, the petitioner withdrew the petitions relating to imports from Spain and requested that the Commission's final investigations be terminated (investigation No. 701-TA-220 (Final) and investigation No. 731-TA-198 (Final)).

On June 12, 1984, the Commission found in investigation No. TA-201-51 (Carbon and certain alloy steel products) that, under section 201 of the Trade Act of 1974, the domestic steel pipe and tube industry was experiencing serious injury. 7/ However, the Commission determined that imports of certain steel pipes and tubes were not being imported into the United States in such

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1/ A list of witnesses appearing at the conference is presented in app. B.

2/ A summary of pending Title VII investigations and outstanding dumping and countervailing orders covering pipe and tube products is presented in app. C.

3/ Chairwoman Stern determined that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports. Vice Chairman Liebeler dissented in the determination on light-walled rectangular pipes and tubes.

4/ Certain Welded Carbon Steel Pipes and Tubes from Brazil and Spain: Determinations of the Commission in Investigations Nos. 701-TA-220 and 731-TA-197 and 198 (Preliminary). . ., USITC Publication 1569, August 1984.

5/ Chairwoman Stern determined that there was a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports. Vice Chairman Liebeler dissented in the determination on light-walled rectangular pipes and tubes.

6/ Chairwoman Stern determined that there was a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports.

7/ Carbon and Certain Alloy Steel Products: Report to the President on Investigation No. TA-201-51. . ., USITC Publication 1553, July 1984.

increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. 1/ The steel pipes and tubes that were the subject of the section 201 investigation included the welded carbon steel pipes and tubes that are the subject of the instant investigations, as well as other pipes and tubes that are not the subject of these investigations.

On April 17, 1984, the Commission determined in investigations Nos. 731-TA-131 and 132 (Final) 2/ that an industry in the United States was materially injured by reason of imports from Korea and Taiwan of small circular pipes and tubes that had been found by Commerce to be sold in the United States at LTFV. 3/ In addition, on the same date, the Commission determined in investigation No. 731-TA-138 (Final) that an industry in the United States was materially injured by reason of LTFV imports of light-walled rectangular pipes and tubes from Korea. 4/ The light-walled rectangular pipes and tubes which were the subject of the previous investigation are the same products which are the subject of the current investigation involving Taiwan. The investigation involving Venezuela covers other circular pipes and tubes, as well as those covered in the previous investigations.

On February 8, 1983, the Commission determined that an industry in the United States was materially injured by reason of imports of certain welded carbon steel pipes and tubes that were found by Commerce to be subsidized by the Government of Korea. 5/ 6/ That investigation covered certain circular pipes and tubes (including American Petroleum Institute (API) line pipe) up to 16 inches in outside diameter, which includes most of the circular pipes and tubes in the current investigation. 7/

The Product

Description and uses

For the most part, the terms "pipes," "tubes," and "tubular products" can be used interchangeably. In some industry publications, however, a distinction is made between pipes and tubes. According to these publications, pipes are produced in large quantities in a few standard sizes, whereas tubes are made to customers' specifications regarding dimension, finish, chemical

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1/ Commissioners Eckes and Rohr dissenting.

2/ Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan: Determinations of the Commission in Investigations Nos. 731-TA-131, 132, and 138 (Final). . ., USITC Publication 1519, April 1984.

3/ Chairwoman Stern dissented in the determination on Korea. Vice Chairman Liebeler and Commissioner Rohr did not participate in either of these determinations.

4/ Chairwoman Stern dissented. Vice Chairman Liebeler and Commissioner Rohr did not participate.

5/ Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea: Determination of the Commission in Investigation No. 701-TA-168 (Final) . . ., USITC Publication 1345, February 1983.

6/ Chairwoman Stern dissented.

7/ Unlike this or any of the other previous investigations, the current investigation involving Veneuzela includes circular pipes and tubes with walls thinner than 0.065 inch.

composition, and mechanical properties. Pipes are normally used as conduits for liquids or gases, whereas tubes are generally used for load-bearing or mechanical purposes. Nevertheless there is apparently no clear line of demarcation in many cases between pipes and tubes.

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

The American Iron & Steel Institute (AISI) distinguishes among the various types of pipes and tubes according to six end uses: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods 1/

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

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

(1) Rectangular (including square) welded carbon steel pipes and tubes having a wall thickness of less than 0.156 inch, hereinafter referred to as light-walled rectangular pipes and tubes. This product is the subject of the investigation on Taiwan and is supplied in rectangles ranging from 0.375 x 0.625 inch to 4 x 8 inches and in 0.375 to 6-inch squares. It is employed in a variety of end uses not involving the conveyance of liquid or gas, such as agricultural equipment frames and parts and furniture parts. The product is generally produced to ASTM specification A-513 or specification A-500, Grade A, and is commonly referred to in the industry as mechanical or ornamental tubing.

(2) Circular welded carbon steel pipes and tubes over 0.375 inch but not over 16 inches in outside diameter, which are the subject of the investigation on Venezuela, are known in the industry as standard and line pipes and tubes. (a) Standard pipes and tubes are intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating

1/ For a full description of these items, see Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea. Determination of the Commission in Investigation No. 701-TA 168 (Final) ., USITC Publication 1345, February 1983.

systems, air-conditioning units, automatic sprinkler systems, and other related uses. They may also be used for light load-bearing or mechanical applications, such as for fence tubing. These steel pipes and tubes may carry fluids at elevated temperatures and pressures but may not be subjected to the application of external heat. They are most commonly produced to ASTM specifications A-120, A-53, and A-135. (b) Line pipes and tubes are used for the transportation of gas, oil, or water, generally in pipeline or utility distribution systems. They are most commonly produced to API specification 5L.

Manufacturing processes

Welded steel pipes and tubes are made by forming flat-rolled steel into a tubular configuration and welding it along the joint axis. There are various ways to weld pipes and tubes: the most popular are the electric resistance weld (ERW), the continuous weld (butt weld) (CW), the submerged-arc weld, and the spiral weld. Submerged-arc weld and spiral weld are normally used to produce pipes and tubes of relatively large diameter. The circular pipes and tubes presently under investigation are generally produced either by the ERW or CW processes, whereas the rectangular pipes and tubes are produced only by the ERW process. 1/ All pipes and tubes are formed and welded in a cylindrical configuration. Immediately after welding, the product may be reduced in diameter by rolling or stretch reducing or may be further formed into squares, rectangles, or other shapes by using forming rolls.

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

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

The advantage of the CW process lies in its ability to produce pipe at speeds up to 1,200 feet per minute compared with the ERW process maximum of approximately 110 feet per minute. Thus, economies associated with high-volume production may make CW pipe cheaper to produce than ERW pipe of

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1/ Transcript of the public conference in investigations Nos. 731-TA-131 and 132 (Preliminary), pp. 52 and 53.

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

the same grade and specification. 1/ The CW process is especially suited for the manufacture of standardized, high-volume, small-diameter pipe products, such as the ASTM A-120 circular pipe now under investigation.

Standard and line pipe can be produced on the same equipment. The principal differences between the two are that line pipe is made from a higher grade steel and requires additional testing. 2/ Line pipe may have a higher content of carbon and manganese than is permissible for standard pipe, whereas standard pipe may have a higher content of phosphorus and sulfur than is permissible for line pipe. Requirements concerning chemical and mechanical properties for API line pipe and ASTM standard pipe differ for the various specifications and grades of each. There are at least 10 grades of API 5L line pipe compared with 2 grades of ASTM A-53 and A-135 standard pipe and 1 grade of ASTM A-120 standard pipe. Of the circular pipe and tube products covered by the investigation on Venezuela, API 5L line pipe must undergo the greatest amount of testing, followed by ASTM A-53, A-135, and A-120 standard pipe. With respect to pipe sizes, wall thicknesses for standard and line pipe are similar in the smaller diameters but are more divergent in the larger diameters. 3/

U.S. tariff treatment

Imports of the subject light-walled rectangular pipes and tubes from Taiwan are covered by TSUSA item 610.4928, which includes welded nonalloy steel pipes and tubes of cross sections other than circular, having a wall thickness less than 0.156 inch. As of January 1, 1985, the most-favored-nation (MFN) (column 1) rate of duty for TSUS item 610.49 was 8.8 percent ad valorem. 4/ As a result of tariff concessions granted in the Tokyo round, this rate is to be reduced in stages until January 1, 1987, when it will reach its final negotiated rate of 8 percent ad valorem.

Imports of the circular pipes and tubes covered by the investigation on Venezuela are classified under TSUSA items 610.3208, 610.3209, 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925, which cover welded pipes and tubes (and blanks therefor 5/) of iron (except cast iron) or of nonalloy (carbon) steel, of

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1/ On the other hand, the ERW process has gained increased popularity with U.S. producers of small-diameter pipe and tube products in recent years because it requires significantly less energy per pipe produced, as only the joining edges of the product are heated, creating a weld of comparatively high integrity within the product specification. Also, it can be used to produce pipes in sizes up to 24 inches in outside diameter, compared with the 4.5-inch maximum outside diameter usually attainable in the CW process.

2/ Transcript of the public conference, p. 17.

3/ Transcript of the public conference, p. 31.

4/ Column 1 rates of duty are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA. The column 2 duty rate is 25 percent ad valorem and the Least Developed Developing Countries (LDDC) rate is 8 percent ad valorem. Imports from beneficiary countries are not eligible for duty-free entry under the Generalized System of Preferences (GSP) or the Caribbean Basin Initiative (CBI).

5/ Blanks are semifinished pipe or tube hollows which are purchased by producers and further processed.

circular cross section, having an outside diameter over 0.375 inch but not more than 16 inches. During the Tokyo round of the Multilateral Trade Negotiations (MTN), the MFN rate of duty for TSUS item 610.32 was changed from 0.3 cent per pound to 1.9 percent ad valorem, effective January 1, 1982. 1/ This MFN rate of duty is the final rate negotiated in the Tokyo round, with no further changes or reductions scheduled.

Nature and Extent of Alleged Sales at LTFV

The petitioner alleges that imports of light-walled rectangular pipes and tubes from Taiwan and imports of standard and line pipes and tubes from Venezuela are being sold in the United States at LTFV. In calculating the LTFV margins from Taiwan, the petition updated home-market pricing information obtained in the earlier pipe and tube investigations involving Korea and Taiwan. This information was updated on the basis of wholesale price indices published by the Taiwan Government. An average home market price of $517 per short ton was calculated. This price was then compared to the U.S. purchase price, which was determined by using the average unit value of imports from Taiwan as derived from Department of Commerce statistics. This results in an alleged dumping margin of 58.6 percent.

In order to calculate the dumping margins for circular pipes and tubes imported from Venezuela, the petitioner obtained home-market pricing information for two major Venezuelan exporters and compared this with the U.S. purchase price, which was determined from import statistics of the Department of Commerce. The average home-market price of standard pipes and tubes was calculated at $388.56 per short ton, resulting in an estimated dumping margin of 22.7 percent. API line pipe up to 4.5 inches in outside diameter was calculated to have an average home-market price of $510.22 and an alleged dumping margin of 65.5 percent. API line pipe over 4.5 inches and up to 16 inches in outside diameter, with an estimated average home-market price of $495.25, is alleged to have a 77.2 percent dumping margin.

The Domestic Market

U.S. consumption

U.S. consumption of light-walled rectangular, standard, and line pipes and tubes generally followed the same pattern during the period covered by the investigations. Consumption of light-walled rectangular pipes and tubes increased from 146,289 short tons in 1981 to 178,736 short tons in 1983, or by 22.2 percent (table 1). Data for January-September 1984 show a 33.7 percent increase over the corresponding period of 1983. Standard pipes and tubes showed an 11 percent increase in consumption between 1982 and 1983, rising from 1.8 million short tons to almost 2.0 million short tons. During January-September 1984, consumption was 1.8 million short tons, 24.7 percent higher than during January-September 1983. Consumption of line pipes and tubes, which declined 10.9 percent between 1982 and 1983, rose 59.4 percent to

1/ The column 2 rate of duty is 5.5 percent ad valorem. There is no LDDC rate or duty-free entry under the GSP. These articles are, however, eligible for duty-free entry under the CBI.

Table 1.--Certain welded carbon steel pipes and tubes: U.S. producers' domestic shipments, imports for consumption, and apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

(In short tons)

Item and period	Shipments	Imports	Consumption
Light-walled rectangular:			
1981	101,917	44,372	146,289
1982	85,766	54,064	139,830
1983	98,354	80,382	178,736
January-September--			
1983	68,534	56,474	125,008
1984	80,868	86,235	167,103
Standard:			
1981	1,823,363	1/	1/
1982	937,120	843,919	1,781,039
1983	795,099	1,181,652	1,976,751
January-September--			
1983	592,982	826,664	1,419,646
1984	563,958	1,206,515	1,770,473
Line:			
1981	1,166,991	1/	1/
1982	593,384	334,362	927,746
1983	549,355	277,077	826,432
January-September--			
1983	407,943	175,448	583,391
1984	512,058	417,598	929,656

1/ Import data for these product lines for 1981 are not available because these items were included in basket categories of the TSUSA prior to January 1982.

Source: Domestic shipments for light-walled rectangular pipes and tubes were compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; domestic shipments for standard and line pipes and tubes were compiled from AISI data; imports were compiled from official statistics of the U.S. Department of Commerce.

929,656 short tons in January-September 1984, compared with 583,391 short tons in the corresponding period of 1983.

Channels of distribution

In the U.S. market, sales of the pipes and tubes that are the subject of these investigations are made directly to end users or to steel service centers/distributors, which in turn sell to end users. The bulk of shipments are typically sold to service centers/distributors; 1/ however, line pipe over

1/ Transcript of the public conference in investigations Nos. 731-TA-131 and 132 (Preliminary), pp. 79 and 86.

4 inches in outside diameter is often sold directly to end users. Service centers/distributors are middlemen that buy large quantities of pipes and tubes, usually from both domestic producers and importers, warehouse the product, and sell smaller quantities to end users. The service centers/distributors may also have some simple finishing equipment, such as equipment to cut pipe to lengths or to thread and couple it. According to AISI data for 1983, service centers/distributors accounted for 68 percent of domestic shipments of standard pipe, 28 percent of shipments of line pipe, and 19 percent of mechanical tubing shipments. 1/ Major markets in which shipments were made directly to end users in 1983 were the oil and gas and electrical equipment industries for standard pipe, the oil and gas industry for line pipe, and the machinery, industrial equipment, and tools industry for mechanical tubing.

In the public conference on these investigations, an industry representative reported that during the last 10 years, imported pipe has been sold through a distribution system distinct from that used for the sale of domestic pipe. Foreign pipe is sold by a separate group of distributors that maintain multi-location stocking depots and carry pipe imported from various foreign sources. This imported pipe is then sold to wholesale plumbing and heating jobbers and pipe valves and fittings jobbers, the same customers (end users) to which the domestic product is sold. 2/

U.S. Producers

Welded carbon steel pipe and tube producers may be divided into two types: large, fully integrated producers, which make raw steel and produce a variety of steel products, and smaller, nonintegrated or partially integrated producers, which concentrate on fewer product lines. The integrated producers, which include LTV Steel Corp., United States Steel Corp., and Armco, Inc., 3/ concentrate production in the high-volume standardized pipe products. Armco is the only integrated producer of light-walled rectangular pipes and tubes. The nonintegrated producers manufacture the low-volume, more specialized tubular products as well as the high-volume products.

There are approximately 24 domestic producers of light-walled rectangular pipes and tubes, 50 producers of standard pipes and tubes, and 15 producers of line pipes and tubes. Production is concentrated in the East, where the integrated producers are located. The largest U.S producers of the welded carbon steel pipes and tubes that are the subject of these investigations, as compiled from questionnaires submitted to the Commission during these investigations, are shown in table 2.

1/ AISI data are not available on the basis of size or shape.

2/ Transcript of the public conference, pp. 17-18.

3/ Another integrated producer, Bethlehem, permanently closed its pipe and tube operations, which were located at Sparrows Point, MD, effective Apr. 30, 1983. A nonintegrated producer, Merchants Metals, Inc., ceased producing the small circular and light-walled rectangular pipes and tubes in January-March 1984. LTV Steel recently announced that it was closing indefinitely two pipe mills at Aliquippa, PA.

Table 2.--Certain welded carbon steel pipes and tubes: Selected producers' shares of domestic shipments, by product lines, 1983

(In percent)

Producers	Light-walled rectangular pipes and tubes	Standard pipes and tubes	Line pipes and tubes
CPTI member firms:			
* * *----------	***	***	***
* * *----------	***	***	1/ ***
* * *----------	***	***	***
* * *----------	***	***	***
* * *----------	***	***	***
* * * 2/----------	***	***	***
* * *----------	***	***	***
* * *----------	***	***	***
All other----------	***	***	***
Subtotal----------	86.8	67.5	8.0
Non CPTI firms:			
* * *----------	***	***	***
All other----------	***	***	***
Total----------	3/ 100.0	4/ 100.0	4/ 100.0

1/ * * *.

2/ * * *.

3/ Total domestic shipments are based on questionnaire data from the previous investigations involving Korea and Taiwan.

4/ Total domestic shipments are based on AISI data.

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

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

U.S. Importers

The net import file maintained by the U.S. Customs Service identified 32 importers of light-walled rectangular pipes and tubes from Taiwan during the period October 1982 to September 1984. The largest importer during January-September 1984, with * * * percent of total imports, was * * *. * * * is * * *. * * * (* * * percent) and * * * (* * * percent) were the second and third largest importers during this period.

The net import file showed 11 importers of circular pipes and tubes from Venezuela between October 1982 and September 1984. * * *, 1/ was the major importer during the 1984 period, accounting for * * * percent of imports. The only other sizable importer was * * *, which took a * * * percent share of total imports during January-September 1984.

1/ * * *.

The Taiwan Industry

According to data obtained during the course of these investigations, at least one major Taiwan steel producer, Yieh Hsing Enterprise Co., is currently producing light-walled rectangular pipes and tubes. 1/ There are also two small producers, Vulcan Industrial Corp. and Far East Machinery Corp. (FEMCO). 2/ Yieh Hsing is reported to account for the largest share of Taiwan's exports of these products, estimated to be less than 10,000 short tons at present. 3/ Counsel for Yieh Hsing was asked to provide data on Taiwan's production, capacity, capacity utilization, and home-market and export sales of light-walled rectangular pipes and tubes, but such data have not as yet been provided.

The Venezuelan Industry

According to counsel for the Venezuelan producer CA Conduven, this company was the sole exporter of the standard and line pipes and tubes under investigation. 4/ Conduven's capacity for producing these products * * * percent from * * * short tons in 1981 to * * * short tons in 1983, while production * * * percent from * * * short tons in 1982 to * * * short tons in 1983, before * * * to * * * short tons during January-September 1984 (table 3). Conduven's capacity utilization rate * * * from * * * percent in 1982 to * * * percent in 1983 before * * * to * * * percent during January-September 1984. Domestic shipments * * * from * * * short tons in 1981 to * * * short tons in 1982, before * * * to * * * short tons in 1983 and * * * short tons during January-September 1984. Exports to the United States * * * percent from * * * short tons in 1981 to * * * short tons in 1983, and then * * * short tons during January-September 1984. Exports to South America * * * after 1982, from * * * short tons to * * * short tons in January-September 1984.

1/ According to the petitioner, Kao Hsing Chang Iron and Steel Corp. (KHC), a major Taiwan producer of circular pipes and tubes, is also producing the light-walled rectangular product (petition at p. 12). However, counsel for Yieh Hsing told the Commission staff that KHC advised that it does not make rectangular pipes and tubes. Post-conference brief for Yieh Hsing at p. 4 states that KHC has no exports of the subject pipes and tubes.

2/ Based on discussions with Department of Commerce staff.

3/ Post-conference brief of Yieh Hsing at p. 3.

4/ Counsel for Conduven reports that Union Industrial Venezolana SA, named by the petitioners as a Venezuelan producer and exporter of the products under investigation, does not export pipes and tubes to the United States (Transcript at p. 41).

Table 3.--Standard and line pipes and tubes: Conduven's capacity, production, export sales, and home-market sales, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September	
				1983	1984
Capacity----------short tons--	***	***	***	***	***
Production----------do----	***	***	***	***	***
Capacity utilization----percent--	***	***	***	***	***
Domestic shipments---short tons--	***	***	***	***	***
Exports to--					
United States----------do----	***	***	***	***	***
South America----------do----	***	***	***	***	***
Total----------	***	***	***	***	***

Source: Compiled from data provided by counsel for CA Conduven.

The Question of Material Injury

The Commission sent questionnaires to 25 producers of the pipes and tubes subject to these investigations. Of the 17 CPTI members that were sent questionnaires, 12 submitted usable information. 1/ Only two non-CPTI-member firms returned their questionnaires in time to be included in this report. The firms responding to the questionnaires are estimated to account for 86.8, 67.5, and * * * percent of domestic shipments of light-walled rectangular, standard, and line pipes and tubes, respectively. 2/

Because few producers reported production of pipes and tubes over 4.5 inches in outside diameter, and because most who did were unable to separate their data by size, there are no size groupings for most of the data on standard and line pipes and tubes presented in this report. Only * * * reported production of both standard and line pipe. 3/ Only * * * reporting production of * * * was able to break out its data by size (over and under 4.5 inches). Of the 12 companies reporting production of standard pipes and tubes, only * * *, and only three manufactured standard pipes and tubes with an outside diameter greater than 4.5 inches and not more 16 inches.

Several respondents were unable to provide usable employment and income-and-loss data, largely because of an inability to provide data by

1/ Much of the information concerning light-walled rectangular pipes and tubes in this section was obtained during the course of investigation No. 701-TA-220 on certain welded carbon steel pipes and tubes from Spain. Seven producers, all CPTI members, provided data on light-walled rectangular pipes and tubes in that investigation. Additional information was requested from these producers in the current investigation to supplement the data already available. * * *.

2/ The figure for line pipes and tubes * * *.

3/ * * *.

product lines. As a result, the data in those sections of the report are understated relative to data contained in other sections.

U.S. production, capacity, and capacity utilization

As shown in table 4, U.S. production of light-walled rectangular pipes and tubes declined 18.7 percent from 101,812 short tons in 1981 to 82,804 short tons in 1982, then rose 18.5 percent to 98,109 short tons in 1983. Capacity utilization fell from 68.2 percent in 1981 to 53.4 percent in 1982, then climbed to 61.3 percent in 1983. Capacity utilization was 69.0 percent during January-September 1984, versus 63.7 percent in the corresponding period of 1983.

Table 4.--Certain welded carbon steel pipes and tubes: U.S. production, capacity, 1/ and capacity utilization, 2/ by product lines, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September	
				1983	1984
Light-walled rectangular:					
Production----------short tons--	101,812	82,804	98,109	70,010	84,411
Capacity----------do----	149,254	155,054	160,124	109,851	122,291
Capacity utilization--percent--	68.2	53.4	61.3	63.7	69.0
Standard:					
Production----------short tons--	597,219	474,880	535,886	411,625	447,870
Capacity----------do----	806,956	815,932	877,002	658,954	689,229
Capacity utilization--percent--	78.9	62.0	64.8	66.5	70.1
Line: 3/					
Production----------short tons--	***	***	***	***	***
Capacity----------do----	***	***	***	***	***
Capacity utilization--percent--	***	***	***	***	***

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/ Production by firms which could not provide data on capacity is excluded from the calculations. Capacity of firms unable to provide production data is also excluded.

3/ * * *.

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

Reported U.S. production of standard pipes and tubes, over 99 percent of which was not over 4.5 inches in outside diameter, declined overall between 1981 and 1983, from 597,219 short tons to 535,886 short tons, or by 10.3 percent. Data for the first nine months of 1984 showed an 8.8 percent increase over the first nine months of 1983. However, capacity to produce standard pipes and tubes showed a steady increase during the period, from 806,956 short tons in 1981 to 877,002 short tons in 1983. This rising trend continued during January-September 1984. Capacity utilization, which peaked during the investigative period at 78.9 percent in 1981, was 64.8 percent in 1983. This improved to 70.1 percent during January-September 1984.

Although production of line pipe * * * by slightly more than * * * percent from 1981 to 1982, it * * * percent in 1983. The level of production in January-September 1984, at * * * short tons, was * * * percent * * * the * * * short tons produced during full year 1983. Capacity utilization for the 1984 interim period was * * * percent * * * than the * * * percent for all of 1983 but still * * * the 1981 level of * * * percent.

The tabulation which follows was compiled from questionnaire data, and shows * * *.

* * * * * * *

Item	1981	1982	1983	January-September	
				1983	1984
Capacity----------short tons--	***	***	***	***	***
Production----------do----	***	***	***	***	***
Domestic shipments---------do----	***	***	***	***	***
Export shipments----------do----	***	***	***	***	***

U.S. producers' shipments and exports

U.S. producers' shipments of all three product lines declined overall from 1981 to 1983 (table 5). Domestic shipments of light-walled rectangular pipes and tubes fell 3.5 percent from 1981 to 1983, from 101,917 short tons in 1981 to 85,766 short tons in 1982 before rising to 98,354 short tons in 1983. Standard pipe and tube shipments fell 56.4 percent, from 1.8 million short tons to 795,099 short tons over the same period. Line pipe also experienced a steady decline in shipments, from 1.2 million short tons in 1981 to 549,355 short tons in 1983, a 52.9 percent drop. January-September 1984 data for light-walled rectangular and line pipes and tubes show higher shipment levels than do those for the corresponding period of 1983. Shipments of standard pipes and tubes through September 1984 were 4.9 percent lower than shipments through September 1983.

Only * * * reported exports during the period of investigation. These exports * * * during the period, from * * * short tons in 1981 to * * * short tons in January-September 1984. Exports of * * *, * * * percent, from * * *

Table 5.--Certain welded carbon steel pipes and tubes: U.S. producers' domestic shipments and exports, by product lines, 1981-83, January-September 1983, and January-September 1984

(In short tons)

Item	1981	1982	1983	January-September	
				1983	1984
Domestic shipments:					
Light-walled rectangular	101,917	85,766	98,354	68,534	80,868
Standard	1,823,363	937,120	795,099	592,982	563,958
Line	1,166,991	593,384	549,355	407,943	512,058
Exports:					
* * *	***	***	***	***	***
* * *	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, with the exception of domestic shipments of standard and line pipes and tubes, which were compiled from AISI data.

short tons in 1981 to * * * short tons in 1983. Exports for the first nine months of 1984 were * * * percent * * * the comparable period of 1983. There were * * *.

U.S. producers' inventories

End-of-period inventories reported by producers of light-walled rectangular pipes and tubes declined in each year from 1981 to 1983, in contrast to inventories of standard and line pipes and tubes, which declined in 1982 and then rose in 1983 (table 6). All three product lines showed lower inventories at yearend 1983 than at yearend 1981, with inventories of light-walled rectangular and line pipes and tubes both * * * their 1981 levels, and inventories of standard pipes and tubes 7.3 percent lower in 1983 than in 1981. Inventories of light-walled rectangular, standard, and line pipes and tubes increased from September 30, 1983, to September 30, 1984, by 28.9 percent, 11.4 percent, and * * * percent, respectively.

Inventories of light-walled rectangular pipes and tubes as a percentage of domestic shipments decreased from 8.9 percent in 1981 to 5.7 percent in 1983, and then increased to 7.2 percent for January-September 1984. The ratio of inventories to shipments for standard pipes and tubes was slightly higher in 1983 at 13.0 percent than in 1981, when it was 12.6 percent. By January-September 1984, inventories were 12.0 percent of shipments. For line pipes and tubes, the ratio of inventories to shipments was * * * percent in 1983, * * * than the 1981 ratio of * * * percent. During January-September 1984, inventories of line pipes and tubes as a percentage of domestic shipments were * * * percent, somewhat * * * than the * * * percent reported for the corresponding period of 1983.

Table 6.--Certain welded carbon steel pipes and tubes: U.S. producers' inventories, by product lines, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September	
				1983	1984
Light-walled rectangular:					
Inventories--------short tons--	9,045	5,969	5,590	6,052	7,799
Ratio of inventories to shipments 1/--------percent--	8.9	7.0	5.7	2/ 6.6	2/ 7.2
Standard:					
Inventories--------short tons--	75,332	67,279	69,833	54,551	60,795
Ratio of inventories to shipments 1/--------percent--	12.6	14.1	13.0	2/ 11.8	2/ 12.0
Line:					
Inventories--------short tons--	***	***	***	***	***
Ratio of inventories to shipments 1/--------percent--	***	***	***	2/ ***	2/ ***

1/ Based on shipments data submitted by questionnaire respondents.
2/ Annualized.

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

U.S. employment

Because of the low questionnaire response rate, table 7 presents employment data for only light-walled rectangular and standard pipes and tubes. 1/ Employment of production and related workers producing light-walled rectangular pipes and tubes rose 62.7 percent from 51 in 1981 to 83 in 1983. In contrast, over the same period, employment of such workers in the production of standard pipes and tubes fell 20.2 percent, from 905 to 722 workers. 2/

Hours worked by production and related workers in the production of light-walled rectangular pipes and tubes were up 52.2 percent between 1981 and 1983. Total wages paid and total compensation increased by 40.9 percent and 42.3 percent, respectively, during the same period. In the January-September periods, hours worked, wages paid, and total compensation were all at least 25 percent higher in 1984 than in 1983. Productivity, which declined from 1981 to 1983, remained at the 1983 level of 0.26 tons per hour in January-September 1984.

1/ A number of firms that produced more than one of the products covered by these investigations could not provide separate employment data by product line. These include * * * producers accounting for 55.9 percent of domestic shipments of the light-walled rectangular product in 1983, * * * producers accounting for 14.7 percent of 1983 shipments of the standard product, and * * * producers accounting for 8.0 percent of shipments of the line product in 1983.
2/ The only firm * * *.

Table 7.--Average number of production and related workers engaged in the manufacture of certain welded carbon steel pipes and tubes, hours worked by such workers, 1/ wages paid, total compensation, and output per hour, by product lines, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September	
				1983	1984
Light-walled rectangular:					
Number of workers	51	57	83	82	91
Hours worked------1,000 hours--	92	101	140	105	134
Wages paid------1,000 dollars--	900	1,046	1,268	948	1,266
Total compensation-------do----	1,098	1,290	1,562	1,186	1,563
Output per hour----short tons--	0.335	0.259	0.255	0.261	0.255
Standard:					
Number of workers	905	776	722	669	649
Hours worked------1,000 hours--	2,861	2,243	2,341	1,827	1,860
Wages paid------1,000 dollars--	30,894	26,529	26,614	20,433	21,285
Total compensation-------do----	38,188	39,586	34,259	26,389	27,722
Output per hour----short tons--	0.162	0.161	0.176	0.178	0.192

1/ Excludes data for firms which accounted for 55.9 and 14.7 percent of reported domestic shipments of light-walled rectangular and standard pipes and tubes, respectively, in 1983.

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

For workers engaged in the production of standard pipes and tubes, hours worked declined 21.6 percent between 1981 and 1982, then rose by 4.4 percent in 1983. Only slight improvement was shown during January-September 1984. Wages paid to such workers followed a similar pattern. Total compensation, however, did the reverse, rising 3.7 percent between 1981 and 1982, and declining 13.5 percent in 1983. Output per hour increased through September 1984 after a small decline in 1982.

Financial experience of U.S. producers

Nine U.S. concerns furnished usable income-and-loss data concerning their operations producing various types of welded carbon steel pipes and tubes. Three of these nine producers accounted for * * * percent of industry shipments of light-walled rectangular welded carbon steel pipes and tubes in 1983, five of the nine concerns accounted for 50.9 percent of domestic shipments of standard circular welded carbon steel pipes and tubes in 1983, and two of the nine concerns accounted for * * * percent of domestic shipments of welded carbon steel line pipes and tubes in 1983. 1/

1/ * * *. However, * * * is included in the data presented for that product.

Overall establishment operations.--Eight of the nine responding producers furnished usable income-and-loss data relative to their overall establishment operations. 1/ Total establishment net sales declined from $756 million in 1981 to $620 million and $622 million in 1982 and 1983, respectively (table 8). During the interim periods ending September 30, net sales increased from $499 million in 1983 to $595 million in 1984, a gain of 19 percent. The eight firms reported operating income margins of 6.9 percent, 3.6 percent, and 4.8 percent in 1981, 1982, and 1983, respectively. The interim 1983 operating income margin was equal to 4.3 percent of net sales, compared with 5.0 percent in interim 1984.

Light-walled rectangular pipes and tubes.--Three of the reporting firms supplied income-and-loss data relative to their light-walled rectangular pipe and tube operations (table 9). The three firms accounted for * * * percent of domestic shipments of this product in 1983. Net sales * * * from * * * in 1981 to * * * in 1983, a * * * of * * * percent. During the interim periods ended September 30, net sales * * * from * * * in 1983 to * * * in 1984, * * * percent. 2/ The reporting firms * * *, or * * * percent of net sales, in 1981, but * * * in subsequent periods. The 1982 * * * amounted to * * *, or * * * percent of net sales, and the 1983 * * * was * * *, or * * * percent of net sales. The interim 1983 * * * was * * * or * * * percent of net sales, compared with * * *, or * * * percent of net sales, in interim 1984.

Standard pipes and tubes.--Five producers furnished usable income-and-loss data concerning their standard pipe and tube operations (table 10). The five firms accounted for 50.9 percent of domestic shipments of this product in 1983. Net sales declined irregularly from $278 million in 1981 to $256 million in 1983, a drop of 8 percent. During the interim periods, net sales grew from $219 million in 1983 to $249 million in 1984, a 14 percent increase. Operating income fell from $26.3 million in 1981 to $14.4 million in 1982 but then rebounded to $20.2 million in 1983. Operating income margins in 1981, 1982, and 1983 were 9.5 percent, 6.2 percent, and 7.9 percent, respectively. Operating income continued to climb during interim 1984, rising to $18.0 million, or 7.3 percent of net sales, compared with an operating income of $15.9 million, or 7.3 percent of net sales, in the corresponding period of 1983. All five of the responding firms operated profitably in each of the reporting periods.

Line pipes and tubes.--* * * of the * * * line pipe and tube producers which furnished usable income-and-loss data accounted for * * * percent of the domestic shipments of this product in 1983. Net sales of line pipes and tubes * * * annually from * * * in 1981 to * * * in 1983, * * * percent (table 11). During the interim periods ending September 30, sales * * * from * * * in 1983 to * * * in 1984, a * * * of * * * percent. In the aggregate, the * * * reporting producers operated * * * in each of the reporting periods. However, * * * from 1981 to 1983, * * * from * * * in 1981 to * * * in 1982, and to

---

1/ One other concern supplied income-and-loss data concerning its total company operations. However, sales of carbon steel pipes and tubes accounted for an insignificant share of its total company net sales in each year during 1981-83.

2/ Only 2 of the 3 firms supplied interim income-and-loss data.

Table. 8--Income-and-loss experience of 8 U.S. producers 1/ on the overall operations of their establishments within which light-walled rectangular, standard, and line pipes and tubes are produced, 1981-83, and interim periods ending Sept. 30, 1983, and Sept. 30, 1984

Item	1981	1982	1983	Interim period to Sept. 30.-- 2/	
				1983	1984
Net sales----------1,000 dollars--	756,395	620,430	621,576	499,432	595,143
Cost of goods sold----------do----	648,207	540,695	531,343	425,386	509,725
Gross income----------do----	108,188	79,735	90,233	74,046	85,418
General, selling, and administrative expenses----------do----	55,769	57,662	60,143	52,342	55,958
Operating income----------do----	52,419	22,073	30,090	21,704	29,460
Depreciation and amortization----------do----	6,372	6,763	7,995	6,690	7,199
Cash flow from operations----------do----	58,791	28,836	38,085	28,394	36,659
Ratio to net sales:					
Gross income----------percent--	14.3	12.9	14.5	14.8	14.4
Operating income----------do----	6.9	3.6	4.8	4.3	5.0
Cost of goods sold----------do----	85.7	87.1	85.5	85.2	85.6
General, selling, and administrative expenses----------do----	7.4	9.3	9.7	10.5	9.4
Standard pipes and tubes net sales----------do----	36.8	37.4	41.1	43.8	41.8
Line pipes and tubes net sales----------do----	10.8	6.3	4.8	3.9	7.1
Light-walled rectangular pipes and tubes net sales----------do----	1.7	1.0	0.8	0.5	0.9

1/ Excludes data of 2 large firms which reported data on their total company operations.
2/ Seven firms supplied interim data.

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

Table. 9--Income-and-loss experience of 3 U.S. producers 1/ on their operations producing light-walled rectangular pipes and tubes, 1981-83, and interim periods ending Sept. 30, 1983 and Sept. 30, 1984

Item	1981	1982	1983	Interim period to Sept. 30.-- 2/	
				1983	1984
Net sales----------1,000 dollars--	***	***	***	***	***
Cost of goods sold----------do----	***	***	***	***	***
Gross income or (loss)----------do----	***	***	***	***	***
General, selling, and administrative expenses----------do----	***	***	***	***	***
Operating income or (loss)----------do----	***	***	***	***	***
Depreciation and amortization 3/----------do----	***	***	***	***	***
Cash flow from operations----------do----	***	***	***	***	***
Ratio to net sales:					
Gross income or (loss)----------percent--	***	***	***	***	***
Operating income or (loss)----------do----	***	***	***	***	***
Cost of goods sold----------do----	***	***	***	***	***
General, selling, and administrative expenses----------do----	***	***	***	***	***
Number of firms reporting operating losses----------	***	***	***	***	***

1/ Accounting for * * * percent of domestic shipments of light-walled rectangular welded carbon steel pipes and tubes in 1983.

2/ Interim data are for 2 firms.

3/ Depreciation and amortization data are for 2 firms.

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

Table. 10--Income-and-loss experience of 5 U.S. producers 1/ on their operations producing standard pipes and tubes, 1981-83, and interim periods ending Sept. 30, 1983 and Sept. 30, 1984

Item	1981	1982	1983	Interim period to Sept. 30.--	
				1983	1984
Net sales----------1,000 dollars--	278,083	232,306	255,506	218,630	248,755
Cost of goods sold----------do----	226,552	191,805	206,927	176,884	203,958
Gross income----------do----	51,531	40,501	48,579	41,746	44,797
General, selling, and administrative expenses----------do----	25,206	26,106	28,368	25,850	26,753
Operating income----------do----	26,325	14,395	20,211	15,896	18,044
Depreciation and amortization----------do----	2,589	2,850	3,360	2,935	3,240
Cash flow from operations----------do----	28,914	17,245	23,571	18,831	21,284
Ratio to net sales:					
Gross income----------percent----	18.5	17.4	19.0	19.1	18.0
Operating income----------do----	9.5	6.2	7.8	7.3	7.3
Cost of goods sold----------do----	81.5	82.6	81.0	80.9	82.0
General, selling, and administrative expenses----------do----	9.0	11.2	11.1	11.8	10.7
Number of firms reporting operating losses----------	-	-	-	-	-

1/ Accounting for 50.9 percent of domestic shipments of standard welded carbon steel pipes and tubes in 1983.

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

Table. 11--Income-and-loss experience of 3 U.S. producers on their operations producing line pipes and tubes, 1981-83, and interim periods ending Sept. 30, 1983 and Sept. 30, 1984

Item	1981	1982	1983	Interim period to Sept. 30.--	
				1983	1984
Net sales----------1,000 dollars--	***	***	***	***	***
Cost of goods sold----------do----	***	***	***	***	***
Gross income----------do----	***	***	***	***	***
General, selling, and administrative expenses----------do----	***	***	***	***	***
Operating income----------do----	***	***	***	***	***
Depreciation and amortization----------do----	***	***	***	***	***
Cash flow from operations----------do----	***	***	***	***	***
Ratio to net sales:					
Gross income----------percent----	***	***	***	***	***
Operating income----------do----	***	***	***	***	***
Cost of goods sold----------do----	***	***	***	***	***
General, selling, and administrative expenses----------do----	***	***	***	***	***
Number of producers reporting operating losses----------	***	***	***	***	***

1/ * * * accounting for * * * percent of domestic shipments of welded carbon steel line pipes and tubes in 1983.

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

* * * in 1983. Operating * * * margins for 1981, 1982, and 1983 were * * * percent, * * * percent, and * * * percent, respectively. During the interim periods, operating * * * from * * * in 1983 to * * * in 1984. Interim period operating * * * margins were * * * percent in 1983 and * * * percent in 1984.

* * * * * * *

* * * * * * *

The Question of the Threat of Material Injury

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

Trends in imports and U.S. market penetration are discussed in the section of this report that addresses the causal relationship between the alleged injury and the allegedly LTFV imports. Information regarding the capacity of the Taiwanese producers to generate exports is not yet available; limited information on the capacity of the Venezuelan producers to generate exports is contained in the Venezuelan industry section of this report.

Importers of light-walled rectangular pipes and tubes from Taiwan reported inventories of 1,661 short tons on September 30, 1984, or 18.2 percent of imports during January-September 1984. No inventories were reported prior to the January-September 1984 period. There were no inventories reported by importers of standard and line pipes and tubes from Venezuela.

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

U.S. imports

Data in this section of the report were obtained from questionnaire responses submitted by importers of the products subject to the

investigations, as well as from official statistics of the U.S. Department of Commerce. Questionnaires were sent to 16 firms, which, according to the U.S. Customs Service's net import file, accounted for close to two-thirds of U.S. imports of light-walled rectangular pipes and tubes from Taiwan, and more than 90 percent of all imports of circular welded pipes and tubes from Venezuela during October 1982-September 1984.

Import data for 1981 are not available because of the low questionnaire response rate and because the pipes and tubes covered in these investigations were then classified in TSUSA "basket" items containing other steel pipes and tubes which are not under investigation. The 1981 data presented here for light-walled rectangular pipes and tubes and standard pipes and tubes not over 4.5 inches in outside diameter are based on questionnaire responses submitted during investigations Nos. 731-TA-131, 132, and 138 (Final) on certain welded carbon steel pipes and tubes from Korea and Taiwan. In those investigations, the Commission was able to estimate 1981 imports by multiplying the official import statistics for 1982 by the ratio of imports reported by questionnaire respondents in 1981 to imports reported by respondents in 1982. As a consequence, in this report, 1981 data for light-walled rectangular pipes and tubes show only imports from Korea and total imports since these earlier investigations covered just light-walled rectangular pipes and tubes from Korea. Data for 1981 imports of standard pipes and tubes not over 4.5 inches in outside diameter are presented only for total imports.

Light-walled rectangular pipes and tubes.--Total U.S. imports of light-walled rectangular pipes and tubes increased steadily from 44,372 short tons in 1981 to 80,382 short tons in 1983, an increase of 81.2 percent (table 12). Total imports increased further, by 52.7 percent, in January-September 1984 when compared with the level of imports in the corresponding period of 1983. Japan, Spain, and Canada were the largest exporters of these pipes and tubes to the United States in January-September 1984, accounting for 45 percent, 23 percent, and 9 percent of total imports, respectively.

Imports from Taiwan of light-walled rectangular pipes and tubes more than tripled from 1,115 short tons in 1982 to 3,812 short tons in 1983. These imports then increased from 2,426 short tons in January-September 1983 to 6,850 short tons in the corresponding period of 1984. Taiwan's share of total imports rose from 2 percent in 1982 to 5 percent in 1983, and then reached 8 percent in January-September 1984.

Table 12.--Light-walled rectangular pipes and tubes: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Source	1981	1982	1983	Jan.-Sept.-- 1983	Jan.-Sept.-- 1984
	Quantity (short tons)				
Taiwan	2/	1,115	3,812	2,426	6,850
Japan	2/	16,001	37,640	24,639	38,894
Canada	2/	18,359	14,194	10,856	7,431
Korea	2/ 633	821	10,373	8,574	2,408
Spain	2/	2,549	5,547	2,387	19,604
South Africa	2/	5,836	4,218	4,186	944
Mexico	2/	558	1,819	1,511	2,784
West Germany	2/	2,630	1,102	765	1,188
All other	2/ 43,739	6,195	1,677	1,129	6,130
Total	2/ 44,372	54,064	80,382	56,474	86,235
	Percent of total quantity				
Taiwan	2/	2	5	4	8
Japan	2/	30	47	44	45
Canada	2/	34	18	19	9
Korea	2/ 1	2	13	15	3
Spain	2/	5	7	4	23
South Africa	2/	11	5	7	1
Mexico	2/	1	2	3	3
West Germany	2/	5	1	1	1
All other	2/ 99	11	2	2	7
Total	100	100	100	100	100

1/ The light-walled rectangular welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report. Data for January 1982-March 1984 may be slightly overstated to the extent they contain small quantities of pipes and tubes not under investigation.

2/ Data for 1981 for imports from Korea and for "all other" imports were derived by multiplying the official import statistics for 1982 by the ratio of imports reported by questionnaire respondents in 1981 to imports reported by respondents in 1982. Import data for individual countries other than Korea are not available and have been included in the category for "all other" imports.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from data submitted in response to questionnaires of the U.S. International Trade Commission.

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

Standard pipes and tubes.--Total imports of standard pipes and tubes increased from 843,919 short tons in 1982 to 1.2 million short tons in 1983, or by 40.0 percent (table 13). An increase of 45.9 percent occurred in January-September 1984, when imports of this product line reached 1.2 million short tons versus 826,664 short tons in January-September 1983. Korea was the major source of U.S. imports throughout the period.

U.S. imports of standard pipes and tubes from Venezuela more than tripled between 1982 and 1983, rising from 3,790 short tons to 12,911 short tons. During January-September 1984, imports of these products from Venezuela amounted to 33,518 short tons, compared with 9,400 short tons in the corresponding period of 1983. Venezuela's share of the total quantity of imports rose from under 0.5 percent in 1982 to 3 percent in January-September 1984.

Table 14, which uses 1981 import data from the previous investigations on small circular (standard) pipes and tubes from Korea and Taiwan, compares imports of standard circular pipes and tubes with outside diameter not over 4.5 inches from Venezuela with those from Brazil. The petitioner has requested that the Commission cumulate imports of small standard (not over 4.5 inches in outside diameter) pipes and tubes from Venezuela with those from Brazil, the only other country for which this product is the subject of a current investigation. 1/ Imports of small standard pipes and tubes from these countries nearly tripled from 13,649 short tons in 1982 to 39,615 short tons in 1983 and increased from 15,348 short tons in January-September 1983 to 112,107 short tons in January-September 1984.

Line pipes and tubes.--U.S. imports of line pipes and tubes from all sources fell 17.1 percent from 334,362 short tons in 1982 to 277,077 short tons in 1983 (table 15). However, during January-September 1984, imports climbed to 417,598 short tons, compared with 175,448 short tons during the corresponding period of 1983. Korea and Japan, with 36 and 27 percent shares, respectively, of all U.S. imports of these products in 1983, were the leading sources of imports during the period covered by these investigations.

U.S. imports of this product grouping from Venezuela jumped from 2,599 short tons in 1982 to 66,110 short tons in January-September 1984. Venezuela's share of total imports rose from less than 1 percent to 16 percent over the same period.

1/ Petitioner's post-conference brief, p. 1. The petitioner had also requested cumulation with imports of these products from Spain; subsequently, however, the petitions relating to imports from Spain were withdrawn.

Table 13.--Standard pipes and tubes: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Source	1981	1982	1983	Jan.-Sept.--	
				1983	1984
	Quantity (short tons)				
Venezuela	2/	3,790	12,911	9,400	33,518
Korea	2/	356,084	575,008	417,397	412,464
Taiwan	2/	95,626	141,199	108,638	17,161
Mexico	2/	22,180	97,095	64,444	82,440
Canada	2/	74,336	88,660	61,528	112,799
Japan	2/	135,904	69,212	46,365	91,889
Brazil	2/	20,265	52,174	22,032	138,708
South Africa	2/	36,575	27,827	20,241	34,051
All other	2/	99,158	117,564	76,619	283,484
Total	2/	843,919	1,181,652	826,664	1,206,515
	Percent of total quantity				
Venezuela	2/	3/	1	1	3
Korea	2/	42	49	50	34
Taiwan	2/	11	12	13	1
Mexico	2/	3	8	8	7
Canada	2/	9	8	7	9
Japan	2/	16	6	6	8
Brazil	2/	2	4	3	11
South Africa	2/	4	2	3	3
All other	2/	12	10	9	23
Total	2/	100	100	100	100

1/ The standard pipes and tubes for which data are presented are defined in the description and uses section of this report. Data for January 1982-September 1984 may be slightly overstated to the extent they contain small quantities of imports of pipes and tubes not under investigation.

2/ Import data for 1981 for these products are not available because these items were included in basket categories of the TSUSA prior to January 1982.

3/ Less than 0.5 percent.

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

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

Table 14.--Standard pipes and tubes not over 4.5 inches in outside diameter: U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Source	1981	1982	1983	Jan.-Sept.--	
				1983	1984
	Quantity (short tons)				
Venezuela	1/	2,656	3,938	2,763	10,879
Brazil	1/	10,993	35,677	12,585	101,228
Subtotal	1/	13,649	39,615	15,348	112,107
All other	1/	559,485	869,004	629,220	631,878
Total	1/662,332	573,134	908,619	644,568	743,985
	Percent of total quantity				
Venezuela	1/	0.5	0.4	0.4	1.5
Brazil	1/	1.9	3.9	2.0	13.6
Subtotal	1/	2.4	4.3	2.4	15.1
All other	1/	97.6	95.7	97.6	84.9
Total	100.0	100.0	100.0	100.0	100.0

1/ Data for total 1981 imports are from the previous investigations on pipes and tubes from Korea and Taiwan; individual country data are available only for those two countries. Data for January 1982-September 1984 may be slightly overstated to the extent they contain imports of pipes and tubes not under investigation.

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

Table 15.--Line pipes and tubes: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Source	1981	1982	1983	Jan.-Sept.--	
				1983	1984
	Quantity (short tons)				
Venezuela	2/	2,599	11,524	4,258	66,110
Korea	2/	85,629	98,504	55,714	119,148
Japan	2/	157,221	73,591	50,162	91,345
Mexico	2/	13,191	43,503	27,545	66,484
Brazil	2/	17,492	27,006	24,193	12,409
United Kingdom	2/	1,893	9,312	6,644	5,655
Canada	2/	2,901	5,067	1,150	4,989
France	2/	745	2,965	1,757	8,666
All other	2/	52,692	5,604	4,026	42,792
Total	2/	334,362	277,077	175,448	417,598
	Percent of total quantity				
Venezuela	2/	1	4	2	16
Korea	2/	26	36	32	29
Japan	2/	47	27	28	22
Mexico	2/	4	16	16	16
Brazil	2/	5	10	14	3
United Kingdom	2/	1	3	4	1
Canada	2/	1	2	1	1
France	2/	3/	1	1	2
All other	2/	16	2	2	10
Total	100	100	100	100	100

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

2/ Import data for 1981 for these products are not available because these items were included in basket categories of the TSUSA prior to January 1982.

3/ Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from data submitted in response to questionnaires of the U.S. International Trade Commission.

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

Market penetration of imports

Light-walled rectangular pipes and tubes.--Market penetration of light-walled rectangular pipes and tubes from Taiwan increased from 0.8 percent in 1982 to 4.1 percent in January-September 1984 (table 16). Imports from all other countries increased their market share from 37.8 percent in 1982 to 42.8 percent in 1983 and 47.5 percent during January-September 1984. Conversely, U.S. producers' domestic shipments as a share of consumption fell steadily, from 69.7 percent in 1981 to 48.4 percent during January-September 1984.

Standard pipes and tubes.--Imports of standard pipes and tubes from Venezuela rose from 0.2 percent of the U.S. market in 1982 to 1.9 percent of the market during January-September 1984. Market penetration for all other imports increased from 47.2 percent in 1982 to 66.2 percent in January-September 1984. The market share held by U.S. producers fell from 52.6 percent to 31.9 percent over the same period.

The tabulation which follows shows the market penetration of imports of standard pipes and tubes not over 4.5 inches in outside diameter from Venezuela and Brazil. 1/

(In percent)

Source	1981	1982	1983	Jan.-Sept.--	
				1983	1984
Venezuela	1/	0.3	0.3	0.3	1.0
Brazil	1/	1.0	2.5	1.3	9.0
Subtotal	1/	1.3	2.8	1.6	10.0
All other imports	52.8	53.5	60.2	63.6	56.2
U.S. producers' domestic shipments	47.2	45.3	37.0	34.9	33.8
Total	100.0	100.0	100.0	100.0	100.0

1/ Separate data for imports of these products from Venezuela, Brazil, and Spain for 1981 are not available. These data are included in the category "all other imports."

Imports of standard pipes and tubes not over 4.5 inches in outside diameter from Venezuela and Brazil increased their market share from 1.3 percent in 1982 to 10.0 percent in January-September 1984. Imports from all other countries as a percent of consumption rose from 53.5 percent in 1982 to 60.2 percent in 1983, then dropped to 56.2 percent in January-September 1984. U.S. producers' share of this market fell from 47.2 percent in 1981 to 33.8 percent in January-September 1984.

1/ Consumption data based on shipments of standard pipes and tubes not over 4.5 inches in outside diameter as compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 16.--Certain welded carbon steel pipes and tubes: Ratios of imports and U.S. producers' domestic shipments to consumption, 1/ 1981-83, January-September 1983, and January-September 1984

(In percent)

Product and source	1981	1982	1983	Jan.-Sept.--	
				1983	1984
Light-walled rectangular:					
Taiwan	1/	0.8	2.1	1.9	4.1
All other imports	30.3	37.8	42.8	43.2	47.5
U.S. producers' domestic shipments	69.7	61.3	55.0	54.8	48.4
Total	100.0	100.0	100.0	100.0	100.0
Standard:					
Venezuela	1/	0.2	0.6	0.7	1.9
All other imports	1/	47.2	59.1	57.6	66.2
U.S. producers' domestic shipments	1/	52.6	40.2	41.8	31.9
Total	100.0	100.0	100.0	100.0	100.0
Line:					
Venezuela	1/	0.3	1.4	0.7	7.1
All other imports	1/	35.8	32.1	29.3	37.8
U.S. producers' domestic shipments	1/	63.9	66.5	69.9	55.1
Total	100.0	100.0	100.0	100.0	100.0

1/ Data for imports of light-walled rectangular pipes and tubes from Taiwan in 1981 are not available. These data have been included in the category "all other imports." Data for 1981 for imports and consumption of standard and line pipes and tubes are not available.

Source: Compiled from official statistics of the U.S. Department of Commerce, from AISI data, and from data submitted in response to questionnaires of the U.S. International Trade Commission.

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

Line pipes and tubes.--Imports of line pipes and tubes from Venezuela grew as a percentage of U.S. consumption from 0.3 percent in 1982 to 1.4 percent in 1983. A large jump occurred in January-September 1984, when the market share held by these imports reached 7.1 percent. The share of the U.S. market held by all other foreign sources fell from 35.8 percent in 1982 to 32.1 percent in 1983, then rose to 37.8 percent during January-September 1984. U.S. producers' shipments as a percent of consumption increased from 63.9 percent in 1982 to 66.5 percent in 1983. This share fell to 55.1 percent during January-September 1984.

The European Community pipe and tube agreement.--On January 11, 1985, the Office of the United States Trade Representative announced an agreement with the European Community (EC) on imports of steel pipes and tubes. The agreement, effective from January 1, 1985, through December 31, 1986, will reduce the EC share of the U.S. pipe and tube market from the 14.6 percent share held during January-October 1984 to 7.6 percent in 1985 and 1986. This agreement followed an embargo on pipe and tube imports from the EC from November 29, 1984, through December 31, 1984.

Prices

The pipes and tubes included in these investigations are generally priced on a per-hundred-feet basis. Several U.S. producers publish confidential price lists. List prices are often discounted to meet competitive offers. Formal bidding is not the usual means of price competition, unlike the market for pipe and tube with outside diameter over 16 inches. 1/

The Commission requested U.S. producers and importers to provide price data on their largest sale of five product specifications to both a service center/distributor and end-user customer in each quarter from January 1982 through September 1984. The five product specifications are as follows: 2/

PRODUCT 1.--ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 1-inch square, 16-gauge wall thickness, 20-24 foot mill lengths.

PRODUCT 2.--ASTM A-120 schedule 40 standard pipe, carbon welded, black, plain end, 1.315-inch outside diameter (1-inch nominal), 0.133-inch wall thickness.

PRODUCT 3.--ASTM A-53 standard pipe, carbon welded, black, plain end, 6.625-inch outside diameter (6-inch nominal), 0.188-inch wall thickness.

PRODUCT 4.--API 5L line pipe, carbon welded, black, plain end, 4.5-inch diameter, 0.188-inch wall thickness.

PRODUCT 5.--API 5L line pipe, carbon welded, black, plain end, 8.625-inch diameter, 0.291-inch wall thickness.

Light-walled rectangular pipes and tubes.--Five producers reported some selling price data for light-walled rectangular pipes and tubes (product 1). The average net selling prices of 16-gauge, 1-inch square tubing based on price data reported by these respondents are shown, by type of customer, in table 17. * * *, the largest importer of light-walled rectangular pipes and tubes from Taiwan, submitted several sales invoices from which extremely

1/ Transcript of the public conference, pp. 25-26, and telephone inquiries to U.S. producers.

2/ The imports under investigation from Taiwan are light-walled rectangular pipes and tubes (product 1), whereas those from Venezuela are standard and line pipes and tubes (products 2-5).

limited price data could be extracted. Another importer reported the requested price data for one quarter in 1984.

Table 17.--Light-walled rectangular pipes and tubes: 1/ Average net selling prices of 5 U.S. producers' largest sales to service centers/distributors and end users, by quarters, January 1982 to September 1984

Period	Price to service centers/distributors	Price to end users
	Per 100 feet	
1982:		
January-March	$21.92	$22.23
April-June	21.93	22.13
July-September	21.32	21.76
October-December	21.55	21.76
1983:		
January-March	21.53	21.67
April-June	21.49	22.18
July-September	21.18	22.27
October-December	21.08	21.98
1984:		
January-March	21.39	20.93
April-June	21.13	20.75
July-September	2/	21.82

1/ ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 1-inch square, 16-gauge wall thickness.
2/ Not available.

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

U.S. producers' quarterly selling prices of domestically produced light-walled rectangular pipes and tubes fluctuated but generally fell from January-March 1982 to July-September 1984. Net selling prices per hundred feet of 16-gauge, 1-inch square tubing (product 1) to service centers/distributors decreased from $21.92 in January-March 1982 to $21.13 in April-June 1984, or by 4 percent. Selling prices to end users of this product decreased irregularly by 2 percent over the period January-March 1982 to July-September 1984.

The price of competing Taiwan-produced light-walled rectangular tube was determined * * *. This price for product 1 was * * * in April-June 1984 and * * * in July-September 1984. The import price was approximately * * * percent * * * the average net selling price of domestically produced light-walled rectangular pipes and tubes in April-June 1984, the only period in which a direct comparison could be made. Another importer of Taiwan-produced product 1 reported a single price for its largest shipment to a service center/distributor in July-September 1984. The reported price per hundred feet was * * *.

Standard pipes and tubes.--Six U.S. producers reported some selling price data on sales to service centers/distributors of product 2, one of the two standard pipe products for which information was requested. 1/ The six U.S. producers accounted for approximately 60 percent of total U.S. shipments of standard pipes and tubes in 1983. The major importer of this product from Venezuela also provided price data. This importer accounted for approximately * * * percent of the tonnage of imports under investigation from Venezuela in January-September 1984, according to the U.S. Customs Service's net import file. 2/ The average net selling prices reported by U.S. producers and the converted Venezuelan import prices for 1-inch nominal diameter standard pipe are shown in table 18.

Table 18.--Standard pipes and tubes: 1/ U.S. producers' and importer's weighted-average prices to service centers/distributors, by quarters, January 1982-September 1984

Period	U.S. product price	Venezuelan product		
		Price	Margin of underselling	
			Amount	Percent
	Per 100 feet			
1982:				
January-March	***	2/	-	-
April-June	***	2/	-	-
July-September	***	2/	-	-
October-December	***	2/	-	-
1983:				
January-March	***	2/	-	-
April-June	***	2/	-	-
July-September	***	***	***	***
October-December	***	2/	-	-
1984:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***

1/ ASTM-A120 schedule 40 standard pipe, carbon welded, black, plain end, 1.315-inch outside diameter, 0.133-inch wall thickness.
2/ Not available.

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

1/ No price comparisons could be made on the other representative standard pipe product (number 3), or on sales of product 2 to end users.
2/ No other importers of pipe and tube from Venezuela responded to the questionnaire. The responding importer provided price data on a metric ton basis in lieu of the requested per-hundred-feet prices. The Commission's staff converted the metric ton prices to a per-hundred-feet basis using conversion factors reported by U.S. producers (the importer did not report the requested conversion factor).

U.S. producers' quarterly selling prices per hundred feet of domestically produced 1-inch nominal diameter schedule 40 standard pipe (product 2) * * * from * * * in January-March 1982 to * * * in July-September 1983, or by * * * percent. Reversing this trend, the price then * * * to * * * in July-September 1984, yielding a * * * percent * * * over the period July-September 1983 to July-September 1984.

The selling price of Venezuelan-produced product 2 * * * from * * * in July-September 1983 (the first period for which imported prices were reported) to * * * in July-September 1984, or by * * * percent. The imported standard pipe * * * the competing domestically produced pipe in each quarter in which comparable prices were available. Margins of underselling ranged from * * * percent (* * *) in July-September 1983 to * * * percent (* * *) in April-June 1984 and averaged * * * percent.

Line pipes and tubes.--One U.S. producer and the responding importer of Venezuelan-produced pipe reported usable net selling price data for sales to service centers/distributors of one of the two line pipe product specifications (product 4). 1/ The metric ton prices provided by the major importer of this product from Venezuela were converted to a per-hundred-feet basis. The average net selling prices reported by the U.S. producer and the converted Venezuelan import prices for 4.5-inch diameter API 5L line pipe are shown in table 19.

The responding U.S. producer's quarterly selling price per hundred feet of domestically produced 4.5-inch diameter API 5L line pipe (product 4) fluctuated * * * from * * * in January-March 1982 to * * * in October-December 1983, or by * * * percent. Reversing this trend, the price then * * * to * * * in July-September 1984, or by * * * percent over the period October-December 1983 to July-September 1984.

The quarterly selling price per hundred feet of imported Venezuelan-produced line pipe * * * from * * * in April-June 1983 (the first period for which imported prices were reported) to * * * in July-September 1984, or by * * * percent. In comparison, the reported price of domestically produced product 4 * * * by approximately * * * percent over the same period. The imported line pipe undersold the competing U.S. product in each quarter for which comparable prices were available. Margins of underselling ranged from * * * percent (* * *) in April-June 1983 to approximately * * * percent (* * *) in January-March 1984, and averaged * * * percent.

1/ No data were reported for the other representative line pipe product (product 5).

Table 19.--Line pipes and tubes: 1/ U.S. producer's and importer's weighted-average prices to service centers/distributors, by quarters, January 1982-September 1984

Period	U.S. product price	Venezuelan product		
		Price	Margin of underselling	
			Amount	Percent
	Per 100 feet			
1982:				
January-March	***	2/	-	-
April-June	***	2/	-	-
July-September	***	2/	-	-
October-December	***	2/	-	-
1983:				
January-March	***	2/	-	-
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1984:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***

1/ API 5L line pipe, carbon welded, black, plain end, 4.5-inch diameter, 0.188-inch wall thickness.

2/ Not available.

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

Transportation costs

Domestic producers of welded carbon steel pipes and tubes are concentrated along the eastern seaboard, the west coast, and in the Midwest. The pipes and tubes under investigation from Venezuela enter the United States mainly through the ports of Houston, TX, and New Orleans, LA. However, many other major U.S. ports are also utilized to a lesser extent for this purpose. The pipes and tubes under investigation from Taiwan enter the United States for the most part through Los Angeles, CA.

The paucity of response from U.S. producers and importers to a section of the questionnaire concerning inland transportation costs precludes drawing any conclusions from information received during the current investigation. However, some information can be gleaned from recent investigations concerning welded carbon steel pipes and tubes. 1/

1/ Investigations Nos. 731-TA-131, 132, and 138 (Final) and No. 701-TA-220 (Final).

The Venezuelan imports enjoy a distinct advantage in the Houston/New Orleans market because of the substantial inland transportation costs required to deliver the competing U.S.-produced pipe and tube from most U.S. mills. * * *, one of the largest U.S. producers of pipes and tubes with plants in * * * and * * *, estimated transportation costs to be * * * percent of the delivered price of its products in the Houston/New Orleans market. 1/ * * *, a major producer of the * * * covered by these investigations, estimated transportation costs to the Houston/New Orleans market area to be 10 percent of the delivered price of pipes and tubes produced at its * * * mill (13 percent from its * * * mill). On the other hand, * * * stated that the Chicago area (* * *) was significantly insulated from import competition because of prohibitive inland transportation costs confronting importers.

In the Los Angeles/San Francisco market area, Taiwan-produced light-walled rectangular pipes and tubes enjoy a certain inland freight advantage over most U.S. mills. * * * estimated transportation costs to be 23 percent of its delivered price in the Los Angeles/San Francisco market area. * * *'s mills are located in * * *, * * *, and * * *. However, several U.S. producers of light-walled rectangular tube are located on the west coast. * * * and * * * in * * *, and * * *, with a mill in * * *, both estimated transportation costs to be 2 percent of the delivered price of their pipes and tubes sold in the Los Angeles/San Francisco area. Together, * * * and * * * produced approximately 8 percent of the total U.S. shipments of light-walled rectangular tube produced in the United States in 1983.

Exchange rates

Indexes of the nominal and real exchange rates of the Venezuelan bolivar and the new Taiwan dollar relative to the U.S. dollar are shown in table 20. These indexes are based on rates expressed in U.S. dollars per foreign currency unit. The real exchange rate is determined by adjusting the nominal exchange rate for differences in the rates of inflation in Venezuela and Taiwan relative to the inflation rate in the United States.

In nominal terms, the Venezuelan bolivar held essentially constant over the period January-March 1981 to October-December 1983. In real terms, however, the bolivar appreciated by 18 percent over the same period. The nominal value of the bolivar vis-a-vis the U.S. dollar then depreciated by 43 percent over the period October-December 1983 to July-September 1984. Reversing the trend of appreciation noted above, the real value of the bolivar depreciated by 38 percent over the period October-December 1983 to April-June 1984.

1/ Examining the Houston/New Orleans market in 1983, * * * shipped * * * tons by truck with freight charges estimated to be 14 percent (* * */ton) of the delivered price, and * * * tons by rail with freight charges estimated to be 10 percent (* * */ton) of the delivered price.

Table 20.--Nominal and real exchange rate indexes between the U.S. dollar and the Venezuelan bolivar and the new Taiwan dollar, by quarters, January 1981-September 1984

(January-March 1981=100.0)

Period	Venezuelan bolivar		New Taiwan dollar	
	Nominal	Real	Nominal	Real
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	100.0	101.7	100.0	98.2
July-September	100.0	105.2	95.9	88.0
October-December	100.0	103.9	96.1	90.8
1982:				
January-March	100.0	106.9	95.3	91.9
April-June	100.0	108.6	92.3	89.1
July-September	100.0	109.4	91.2	87.3
October-December	100.0	108.7	91.1	86.9
1983:				
January-March	100.0	115.8	90.8	85.2
April-June	99.9	114.2	90.4	85.0
July-September	99.8	116.5	90.4	84.4
October-December	99.8	118.0	90.3	84.0
1984:				
January-March	77.1	93.9	1/	1/
April-June	57.2	72.8	1/	1/
July-September	57.2	1/	1/	1/

1/ Not available.

Source: International Monetary Fund, International Financial Statistics; American Institute for Taiwan.

The new Taiwan dollar depreciated steadily, by 10 percent, in nominal terms vis-a-vis the U.S. dollar over the period January-March 1981 to October-December 1983 (the last period for which the U.S. dollar/new Taiwan dollar open market exchange rates could be obtained). In real terms, the new Taiwan dollar depreciated by 16 percent over the same period.

Lost sales

The Commission received lost sales allegations from only two domestic producers. An industry representative indicated at the public conference that lost sales information is virtually impossible to obtain because their customers do not inform them when they buy pipe from foreign producers and, in

fact, often do not know the origin of the pipe, except that it may be imported. 1/

One U.S. pipe and tube producer reported 15 specific instances in which it had allegedly lost sales to imports from Venezuela. The allegations amounted to 2,060 short tons of fence tube and covered the period June through September 1984. Another U.S. producer of pipe and tube submitted a list of six firms to which it had allegedly lost sales of light-walled rectangular tube to Taiwan during October-December 1984, but was unable to provide the requested specific information with regard to the product, quantity, and relative prices involved. 2/ The Commission investigated all 21 allegations.

In 14 of the 15 allegations concerning imports from Venezuela, which amounted to 1,810 short tons, the purchasers stated that they had not purchased the Venezuelan product. In one allegation involving 250 short tons of Venezuelan fence tube, the buyer stated that he had purchased approximately 70 tons of the Venezuelan product. This buyer cited the Venezuelan tube's lower price as his primary reason for purchasing the imported product.

Of the six firms to which sales were allegedly lost to competition from Taiwan, three reported they had not purchased the Taiwan product. Two purchasers stated they had purchased Taiwan light-walled rectangular tube during the period alleged, but had not increased their purchases of Taiwan tube as a percentage of total purchases of this product from all sources. These two purchasers cited the lower price of the Taiwan tube as the reason for buying the imported product. The remaining firm could not be contacted. Details of the allegations are discussed below.

* * * in * * * was cited in four allegations totaling * * * tons of Venezuelan fence tube during June through September 1984. * * *, a purchaser for the firm, reported having purchased approximately * * * tons of Venezuelan fence tube during September 1984. He cited the Venezuelan product's lower price as his principal reason for buying the imported product. * * * denied the remaining allegations, stating that the above referenced purchase was "a one-shot deal."

* * * in * * * was cited in three allegations totaling * * * short tons of Venezuelen fence tube during July-September 1984. * * *, a purchaser for the firm, denied the allegation. * * * stated that his firm had purchased approximately * * * tons of Venezuelan pipe about a year ago, reporting availability as his primary reason for purchasing the imported product.

* * * in * * * was cited in three allegations totaling * * * short tons of Venezuelan fence tube during July-September 1984. * * *, purchaser for the firm, denied the allegations. * * * stated that his firm had purchased Venezuelan pipe approximately 5 years ago, but has purchased none since then.

1/ Transcript of the public conference, p. 17.

2/ A list of numerous purchasers was submitted by Counsel for the petitioner in its post-conference brief, but no specific allegations with regard to country of origin, product, time period, or quantity involved were included.

* * * in * * * was cited in three allegations totaling * * * tons of Venezuelan fence tube during June through September 1984. * * *, a purchaser for the firm, denied the allegations, stating that his firm has never purchased Venezuelan pipe or tube.

* * * in * * * was cited in two allegations totaling * * * tons of Venezuelan fence tube during August and September 1984. * * *, a purchaser for the firm, denied the allegations, stating that his firm has never purchased Venezuelan pipe or tube.

* * * in * * * was cited in an unitemized aggregation of sales involving unspecified quantities of Taiwan light-walled rectangular tube during October-December 1984. * * *, a purchaser for the firm, stated that his firm had purchased the Taiwan product during this period. He reported that * * * purchases mainly Taiwan pipe and tube, which he estimated to be 4 percent lower in price than competing domestically produced pipe and tube. * * * stated that his firm's purchases of Taiwan-produced light-walled rectangular tube had not increased as a percentage of its purchases of this product from all sources during October-December 1984.

* * * in * * * was cited in an unitemized aggregation of sales involving unspecified quantities of Taiwan light-walled rectangular tube during October-December 1984. * * *, a purchaser for the firm, confirmed purchasing some light-walled rectangular tube from Taiwan during this period, but noted that his firm purchased mainly * * * pipe and tube. * * * cited the imported product's lower price as his principal reason for purchasing Taiwan tube. He estimated the Taiwan tube price to be 20 percent lower than that of competing domestically produced tube. * * * stated that his firm's purchases of Taiwan-produced light-walled rectangular tube had not increased as a percentage of its purchases of this product from all sources during October-December 1984.

* * * in * * * was cited in an unitemized aggregation of sales involving unspecified quantities of Taiwan light-walled rectangular tube during October-December 1984. * * *, a purchaser for the firm, denied the allegation, stating that his firm had not purchased light-walled rectangular tube of Taiwan origin during this period.

* * * in * * * was cited in an unitemized aggregation of sales involving unspecified quantities of Taiwan light-walled rectangular tube during October-December 1984. * * *, a purchaser for the firm, denied the allegation, stating that his firm has never purchased pipe or tube produced in Taiwan.

* * * in * * * was cited in an unitemized aggregation of sales involving unspecified quantities of Taiwan light-walled rectangular tube during October-December 1984. * * *, a purchaser for the firm, denied the allegation, stating that his firm had not purchased pipe or tube of Taiwan origin during this period. He stated that his firm had last purchased Taiwan tube approximately one year ago, citing the imported product's lower price as his primary reason.

APPENDIX A

FEDERAL REGISTER NOTICES

[Investigations Nos. 731-TA-211 and 212 (Preliminary)]

Certain Welded Carbon Steel Pipes and Tubes From Taiwan and Venezuela

AGENCY: International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Taiwan (investigation No. 731-TA-211 (Preliminary)) of certain

rectangular welded carbon steel pipes and tubes [1] and by reason of imports from Venezuela (investigation No. 731-TA-212 (Preliminary)) of certain circular welded carbon steel pipes and tubes,[2] which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by February 1, 1985.

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

EFFECTIVE DATE: December 18, 1984.

FOR FURTHER INFORMATION CONTACT: Cynthia Wilson (202-523-0291), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436.

SUPPLEMENTARY INFORMATION:

Background. These investigations are being instituted in response to a petition filed on December 18, 1984, by counsel for the Committee on Pipe and Tube Imports.

Participation in the investigation. 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 (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

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

Conference. The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on January 8, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in conference should contact Cynthia Wilson (202-523-0291) not later than January 4, 1985, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written submissions. Any person may submit to the Commission on or before January 10, 1985, a written statement of information pertinent to the subject of the investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the 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 must 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, as amended by 49 FR 32569, August 15, 1984).

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12)

By order of the Commission.

Issued: December 20, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-33651 Filed 12-26-84; 8:45 am]

BILLING CODE 7020-02-M

[1] For purposes of this investigation, the term "certain retangular welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes of rectangular (including square) cross section, having a wall thickness of less than 0.156 inch, provided for in item 610.4928 of the Tariff Schedules of the United States Annotated (1984) (TSUSA). Prior to Apr. 1, 1984, these rectangular pipes and tubes were provided for in TSUSA item 610.4975.

[2] For purposes of this investigation, the term "certain circular-welded carbon steel tubes" covers welded carbon steel pipels and tubes of circular cross section, 0.375 inch or more but not over 16 inches in outside diameter, provided for in TSUSA items 610.3208, 610.3209, 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925. Prior to Apr. 1, 1984, the circular pipes and tubes were provided for in TSUSA items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247.

[A-583-403]

Certain Welded Carbon Steel Rectangular Pipes and Tubes From Taiwan; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain welded carbon steel rectangular pipes and tubes from Taiwan are being, or are likely to be, sold in the United States at less than fair value. Critical circumstances have been alleged. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before February 1, 1985, and the Department of Commerce will make its preliminary determination on or before May 27, 1985.

EFFECTIVE DATE: January 11, 1985.

FOR FURTHER INFORMATION CONTACT: Karen L. Sackett, 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) 377-3798.

SUPPLEMENTARY INFORMATION:

The Petition

On December 18, 1984, we received a petition in proper form filed by the Mechanical Tubing Subcommittee of the Committee on Pipe and Tube Imports. This subcommittee is comprised of domestic producers of welded carbon steel rectangular pipes and tubes, who represent approximately 75 percent of the domestic production of the subject merchandise. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Taiwan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry. Critical circumstances have also been alleged under section 733(e) of the Tariff Act of 1930, as amended (19 U.S.C. 1673b(e)) (the Act).

The petitioner based the United States price on the average unit value of U.S. imports of carbon steel pipes and tubes from Taiwan as reported by the U.S. Department of Commerce, Bureau of Census, IM 145X.

The petitioner based foreign market value on the average home market price for carbon steel pipes and tubes in Taiwan. Petitioner used information obtained from the American Institute in Taiwan for 1982 prices, and updated these prices according to official Taiwan commodity price indices for 1984, a representative year.

By comparing the prices calculated using the information obtained from these sources, the petitioner alleged a dumping margin of 58.6 percent.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on certain welded carbon steel rectangular pipes and tubes and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether certain welded carbon steel rectangular pipes and tubes from Taiwan are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally we will make our preliminary determination by May 27, 1985.

Scope of Investigation

The products under investigation are rectangular (including square) welded carbon steel pipes and tubes having a wall thickness of less than 0.156 inch, as currently classified in the *Tariff Schedules of the United States, Annotated* (TSUSA), under item 610.4928.

Notification of the ITC

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

Preliminary Determination by the ITC

The ITC will determine by February 1, 1985, whether there is a reasonable indication that imports of certain welded carbon steel rectangular pipes and tubes from Taiwan are causing material injury, or threaten material injury, to a United States industry. If the ITC determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

January 7, 1985.

[FR Doc. 85-932 Filed 1-10-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-307-401]

Certain Circular Welded Pipes and Tubes of Carbon Steel From Venezuela; Initiation of Antidumping Duty Investigations

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating antidumping duty investigations to determine whether certain circular welded pipes and tubes of carbon steel from Venezuela are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products are causing material injury, or threaten material injury, to a United States industry. If these investigations proceed normally, the ITC will make its preliminary determination on or before February 1, 1985, and we will make ours on or before May 28, 1985.

EFFECTIVE DATE: January 11, 1985.

FOR FURTHER INFORMATION CONTACT: Kenneth G. Shimabukuro, 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) 377-5332.

SUPPLEMENTARY INFORMATION:

The Petition

On December 18, 1984, we received a petition in proper form filed by the Subcommittee of the Committee on Pipe & Tube Imports (CPTI) who produce standard pipe (defined in "Scope of Investigation") and its member companies, and the Subcommittee of CPTI who produce API line pipe (defined in "Scope of Investigation") and its member companies. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Venezuela 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 causing material injury, or threaten material injury, to a United States industry.

The petitioner based by the Bureau of Census, Department of Commerce, for the month of October, 1984 (IM 145X).

The petitioner based foreign market values on home market price list prices of the two named foreign manufacturers. The price lists were in effect on October 1, 1984.

By comparing the values calculated by the foregoing methods the petitioner alleged dumping margins as follows:

	Percent
API line pipe up to 4½ inches in outside diameter	65.5
API line pipe up to 16 inches in outside diameter	77.2
Standard pipe	22.7

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on certain circular welded pipes and tubes of carbon steel from Venezuela and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating antidumping duty investigations to determine whether certain circular welded pipes and tubes of carbon steel from Venezuela are being, or are likely to be, sold in the United States at less than fair value. If our investigations proceed normally we will make our preliminary determinations by May 28, 1985.

Scope of Investigations

The products under investigations are:

(1) Small diameter circular welded carbon steel pipes and tubes, with an outside diameter of .375 inch or more but not over 16 inches, of any wall thickness, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925.

(2) Small diameter circular welded carbon steel line pipe with an outside diameter of .375 inch or more but not over 16 inches, and with a wall thickness of not less than .065 inch, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3208 and 610.3209. These products are produced to various API specifications for line pipe, most notably API-5L or API-5LX.

Notification of ITC

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

Preliminary Determinations by ITC

The ITC will determine by February 1, 1985, whether there is a reasonable indication that imports of certain welded pipes and tubes of carbon steel from Venezuela are causing material injury, or threaten material injury, to a United States industry. If its determinations are negative the investigations will terminate; otherwise, it will proceed according to the statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary, for Import Administration.

[FR Doc. 85-633 Filed 1-10-85; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 731-TA-211 and 212 (Preliminary)

CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM TAIWAN AND VENEZUELA

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on January 8, 1985, in the hearing room of the USITC Building, 701 E Street, NW., Washington, D.C.

In support of the imposition of antidumping duties

Roger B. Shagrin--Counsel
Washington, D.C.
on behalf of

The Committee on Pipe and Tube Imports

Manfred Eickholz, Vice President, Hughes Steel and Tube Inc.

C. Malcolm Hamblen, Vice President of Marketing and Sales, Sawhill Tubular Division of Cyclops Corporation

Roger B. Shagrin)
Paul W.Jameson) --OF COUNSEL

In opposition to the imposition of antidumping duties

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

Venezuelan Steel Producers and Exporters

Donald Cameron)
Jeffrey Neeley) --OF COUNSEL

APPENDIX C

SUMMARY OF PAST AND CURRENT PIPE AND TUBE INVESTIGATIONS

Table C-1.--Certain welded carbon steel pipes and tubes: Pending title VII investigations and outstanding dumping/countervailing orders, most recent dumping/subsidy margins, by countries, 1981-83, January-September 1983, and January-September 1984

Product/ investigation/ order/country	Weighted-average margin	Date of bond or order 1/	Ratio of imports to apparent U.S. consumption				
			1981	1982	1983	Jan.-Sept.-- 1983	Jan.-Sept.-- 1984
Standard pipes and tubes not over 16 inches in outside diameter:							
Pending antidumping investigation:							
Venezuela	2/	2/	3/	0.2	0.6	0.7	1.9
Outstanding countervailing order:							
Korea	1.88	Feb. 15, 1983	14.0	20.0	29.1	29.4	23.3
Line pipes and tubes not over 16 inches in outside diameter:							
Pending antidumping investigation:							
Venezuela	2/	2/	3/	0.3	1.4	0.7	7.1
Outstanding countervailing order:							
Korea	1.88	Feb. 15, 1983	3/	9.2	11.9	9.6	12.8
Standard pipes and tubes not over 4.5 inches in outside diameter:							
Pending antidumping investigations:							
Brazil	3.23	Dec. 31, 1984	3/	1.0	2.5	1.3	9.0
Spain 4/	40.75	Dec. 31, 1984	3/	0.3	0.9	1.2	5.1
Venezuela	2/	2/	3/	0.3	0.3	0.3	1.0
Pending countervailing duty investigation:							
Spain 4/	1.14	Oct. 10, 1984	3/	0.3	0.9	1.2	5.1
Outstanding antidumping orders:							
Korea	0.9	May 7, 1984	13.4	18.5	22.9	32.3	24.8
Taiwan	9.7	May 7, 1984	4.6	5.9	6.9	10.3	0.3
Light-walled rectangular pipes and tubes:							
Pending antidumping investigations:							
Spain 4/	49.69	Dec. 31, 1984	3/	1.8	3.1	1.9	11.7
Taiwan	2/	2/	3/	0.8	2.1	1.9	4.1
Pending countervailing duty investigation:							
Spain 4/	1.14	Oct. 10, 1984	3/	1.8	3.1	1.9	11.7
Outstanding antidumping order:							
Korea	1.47	May 7, 1984	0.5	0.5	5.3	6.8	1.4

1/ Date posting of bond required or date order issued.
2/ This is one of the instant investigations. To date, there is no determination of sales at less than fair value by Commerce nor requirement for the posting of bond.
3/ Import data for 1981 for this product are not available because the product was included in a basket category of the TSUSA prior to January 1982.
4/ This investigation is currently in progress; however, the petition has been withdrawn and the staff has recommended that the Commission terminate the investigation.

Source: Compiled from data contained in various reports of the U.S. International Trade Commission.