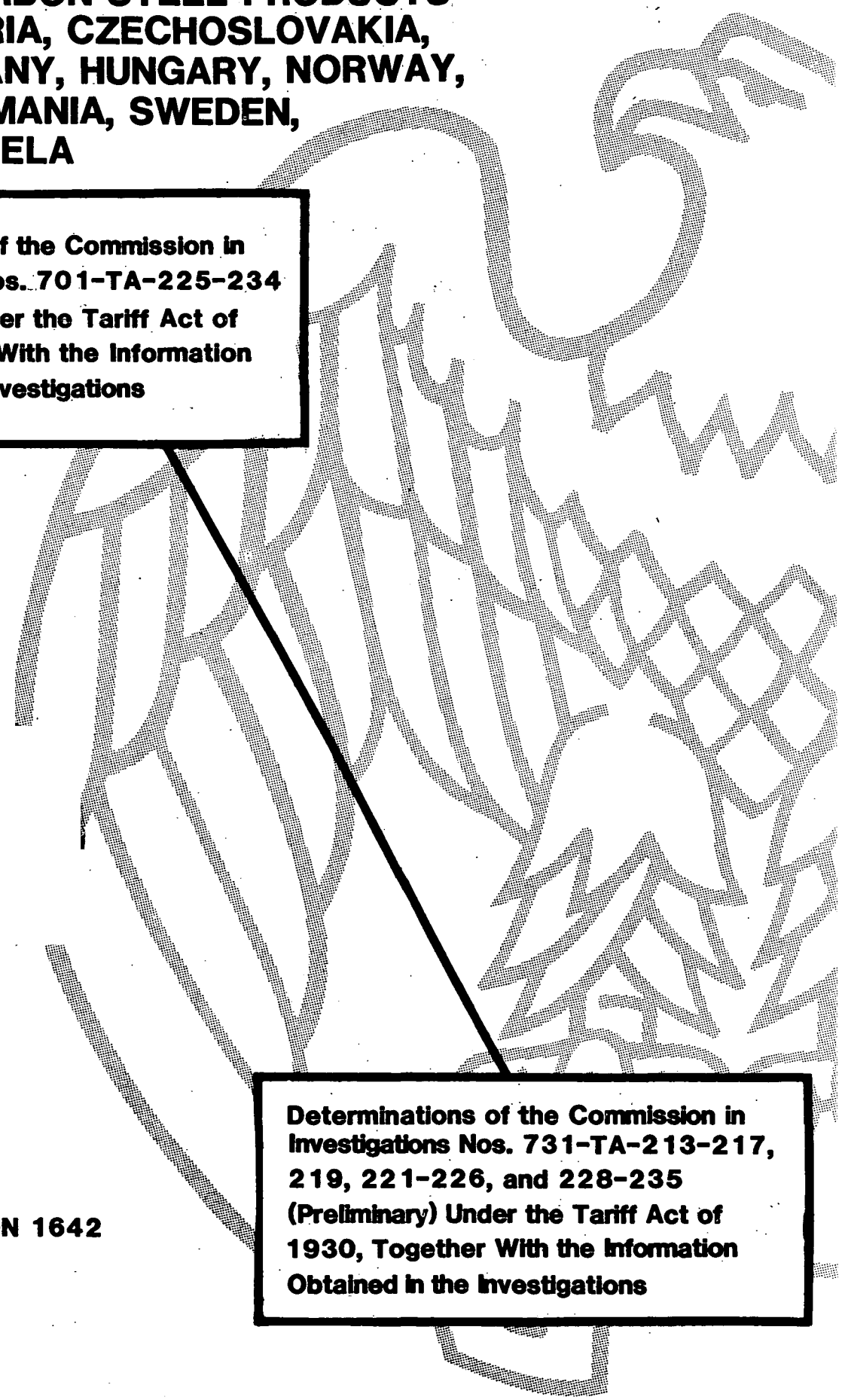
CERTAIN CARBON STEEL PRODUCTS FROM AUSTRIA, CZECHOSLOVAKIA, EAST GERMANY, HUNGARY, NORWAY, POLAND, ROMANIA, SWEDEN, AND VENEZUELA

Determinations of the Commission in Investigations Nos. 701-TA-225-234 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations



Determinations of the Commission in Investigations Nos. 731-TA-213-217, 219, 221-226, and 228-235 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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Note.--Information that would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 701-TA-225 through 234, 731-TA-213 through 217, 731-TA-219, 731-TA-221 through 226, and 731-TA-228 through 234 (Preliminary)

CERTAIN CARBON STEEL PRODUCTS FROM AUSTRIA, CZECHOSLOVAKIA, EAST GERMANY, HUNGARY, NORWAY, POLAND, ROMANIA, SWEDEN, AND VENEZUELA

Determinations

On the basis of the record 1/ developed in its countervailing duty investigations involving certain carbon steel products from Austria, Sweden, and Venezuela, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the following products which are alleged to be subsidized by the Governments of the cited countries:

Carbon steel plates, whether or not in coils, provided for in item 607.66 of the Tariff Schedules of the United States (TSUS), from--

Sweden [investigation No. 701 TA-225 (Preliminary)] 2/ and
Venezuela [investigation No. 701-TA-226 (Preliminary)]; 2/

Hot-rolled carbon steel sheets, provided for in TSUS items 607.67 and 607.83, from--

Austria [investigation No. 701 TA-227 (Preliminary)], 3/
Sweden [investigation No. 701-TA-228 (Preliminary)], 3/ and
Venezuela [investigation No. 701-TA-229 (Preliminary)]; 3/ and

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

2/ Chairwoman Stern and Commissioner Rohr determine that there is a reasonable indication that the domestic industry is materially injured. Commissioners Eckes and Lodwick determine that there is a reasonable indication that the domestic industry is threatened with material injury. Vice Chairman Liebeler made a negative determination.

3/ Commissioners Eckes and Lodwick determine that there is a reasonable indication that the domestic industry is threatened with material injury. Chairwoman Stern determines that there is a reasonable indication that the domestic industry is materially injured. Commissioner Rohr determines that there is a reasonable indication that the domestic industry is materially injured or threatened with material injury. Vice Chairman Liebeler made a negative determination.

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

Austria [investigation No. 701-TA-230 (Preliminary)], 1/
Sweden [investigation No. 701-TA-231 (Preliminary)], 1/ and
Venezuela [investigation No. 701-TA-232 (Preliminary)]. 1/

The Commission 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 of the following products which are alleged to be subsidized by the Governments of the cited countries:

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

Austria [investigation No. 701-TA-233 (Preliminary)] and
Venezuela [investigation No. 701-TA-234 (Preliminary)].

On the basis of the record developed in its antidumping investigations involving certain carbon steel products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, and Venezuela, 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 or threatened with material injury by reason of imports of the following products which are alleged to be sold in the United States at less than fair value (LTFV):

1/ Commissioners Eckes and Lodwick determine that there is a reasonable indication that the domestic industry is threatened with material injury. Chairwoman Stern determines that there is a reasonable indication that the domestic industry is materially injured. Commissioner Rohr determines that there is a reasonable indication that the domestic industry is materially injured or threatened with material injury. Vice Chairman Liebeler made a negative determination.

Carbon steel plates, whether or not in coils, provided for in TSUS item 607.66, from--

Czechoslovakia [investigation No. 731 TA-213 (Preliminary)], 1/
East Germany [investigation No. 731-TA-214 (Preliminary)], 1/
Hungary [investigation No. 731 TA-215 (Preliminary)], 1/
Poland [investigation No. 731-TA-216 (Preliminary)], 1/ and
Venezuela [investigation No. 731-TA-217 (Preliminary)]; 1/

Hot-rolled carbon steel sheets, provided for in TSUS items 607.67 and 607.83, from--

Austria [investigation No. 731 TA-219 (Preliminary)], 2/
Hungary [investigation No. 731-TA-221 (Preliminary)], 2/
Romania [investigation No. 731-TA-222 (Preliminary)], 2/and
Venezuela [investigation No. 731-TA-223 (Preliminary)]; 2/

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

Austria [investigation No. 731-TA-224 (Preliminary)], 3/
Czechoslovakia [investigation No. 731-TA-225 (Preliminary)], 3/
East Germany [investigation No. 731-TA-226 (Preliminary)], 3/
Romania [investigation No. 731-TA-228 (Preliminary)], 3/ and
Venezuela [investigation No. 731-TA-229 (Preliminary)]; 3/ and

Carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80, from--

Norway [investigation No. 731-TA-234 (Preliminary)] 4/ and
Poland [investigation No. 731-TA-235 (Preliminary)]. 4/

1/ Chairwoman Stern and Commissioner Rohr determine that there is a reasonable indication that the domestic industry is materially injured. Commissioners Eckes and Lodwick determine that there is a reasonable indication that the domestic industry is threatened with material injury. Vice Chairman Liebeler made a negative determination.

2/ Commissioners Eckes and Lodwick determine that there is a reasonable indication that the domestic industry is threatened with material injury. Chairwoman Stern determines that there is a reasonable indication that the domestic industry is materially injured. Commissioner Rohr determines that there is a reasonable indication that the domestic industry is materially injured or threatened with material injury. Vice Chairman Liebeler made a negative determination.

3/ Commissioners Eckes, Lodwick, and Rohr determine that there is a reasonable indication that the domestic industry is threatened with material injury. Chairwoman Stern and Vice Chairman Liebeler made negative determinations.

4/ Commissioners Eckes, Lodwick, and Rohr determine that there is a reasonable indication that the domestic industry is threatened with material injury. Chairwoman Stern and Vice Chairman Liebeler made negative determinations.

The Commission 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 of the following products which are alleged to be sold in the United States at less than fair value:

> Galvanized carbon steel sheets, provided for in TSUS items 608.07 and 608.13, from--
>
> > Austria [investigation No. 731-TA-230 (Preliminary)],
> > East Germany [investigation No. 731-TA-231 (Preliminary)],
> > Romania [investigation No. 731-TA-232 (Preliminary)], and
> > Venezuela [investigation No. 731-TA-233 (Preliminary)].

Background

These investigations were instituted in response to petitions filed with the Commission and the Department of Commerce by the United States Steel Corp., Pittsburgh, PA, and Chaparral Steel Co., Midlothian, TX, on December 19, 1984, and by Bethlehem Steel Corp., Bethlehem, PA, on December 20, 1984. The petitions allege that imports of certain carbon steel products from Austria, Czechoslovakia, East Germany, Finland, Hungary, Norway, Poland, Romania, Sweden, and Venezuela are being subsidized by the respective foreign Governments (countervailing duty petitions) and/or sold in the United States at less than fair value (antidumping petitions) and that industries in the United States are materially injured or threatened with material injury by reason of such imports.

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 January 2, 1985 (50 FR 186). The conference was held in

Washington, DC, on January 9, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

On January 18, 1985, Bethlehem Steel Corp., the petitioner in all of the Commission's antidumping investigations concerning imports of certain carbon steel products from Finland, withdrew its petitions. On January 25, 1985, the Commission was notified by the Department of Commerce that, based on the withdrawl of the petitions, it was terminating its investigations concerning imports of such merchandise from Finland. Accordingly, pursuant to section 207.40(a) of the Commission's Rules of Practice and Procedure (19 CFR § 207.40(a)), the following investigations were terminated:

Carbon steel plates in coils from Finland (investigation No. 731-TA-218 (Preliminary));

Hot-rolled carbon steel sheets from Finland (investigation No. 731-TA-220 (Preliminary)); and

Cold-rolled carbon steel plates and sheets from Finland (investigation No. 731-TA-227 (Preliminary)).

VIEWS OF CHAIRWOMAN STERN, COMMISSIONER ECKES, COMMISSIONER LODWICK AND COMMISSIONER ROHR

On the basis of the record in these preliminary investigations we determine that there is a reasonable indication that industries in the United States are materially injured or are threatened with material injury 1/ by reason of allegedly subsidized imports of: (1) carbon steel plates (whether or not in coils) 2/; (2) hot-rolled carbon steel sheets 3/; and (3) cold-rolled carbon steel sheets (including cold-rolled plates) 4/.

On the basis of the record in these preliminary investigations we further determine that there is a reasonable indication that industries in the United States are materially injured or are threatened with material injury 5/ by reason of allegedly less than fair value (LTFV) imports of: (1) carbon steel

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1/ Material retardation is not an issue in these investigations and will not be further discussed.

2/ Chairwoman Stern and Commissioner Rohr determine that there is a reasonable indication that the domestic industry is materially injured by reason of the subject imports, and therefore do not reach the issue of threat of material injury. Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports.

3/ Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports. Chairwoman Stern determines that there is a reasonable indication that the domestic industry is materially injured by reason of the subject imports, and therefore does not reach the issue of threat of material injury. Commissioner Rohr determines that there is a reasonable indication that the domestic industry is injured or threatened with material injury by reason of the subject imports.

4/ Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports. Chairwoman Stern determines that there is a reasonable indication that the domestic industry is materially injured by reason of the subject imports, and therefore does not reach the issue of threat of material injury. Commissioner Rohr determines that there is a reasonable indication that the domestic industry is injured or threatened with material injury by reason of the subject imports.

5/ Material retardation is not an issue in these investigations and will not be further discussed.

plates (whether or not in coils) 6/; (2) hot-rolled carbon steel sheets 7/; (3) cold-rolled carbon steel sheets (including cold-rolled plates) 8/ 9/; and (4) carbon steel structural shapes. 10/ 11/

On the basis of the record in these investigations, we further 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 allegedly LTFV or subsidized imports of galvanized carbon steel sheet.

The like products and the domestic industries 12/

Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of

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6/ Chairwoman Stern and Commissioner Rohr determine that there is a reasonable indication that the domestic industry is materially injured by reason of the subject imports, and therefore do not reach the issue of threat of material injury. Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports.

7/ Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports. Chairwoman Stern determines that there is a reasonable indication that the domestic industry is materially injured by reason of the subject imports, and therefore does not reach the issue of threat of material injury. Commissioner Rohr determines that there is a reasonable indication that the domestic industry is injured or threatened with material injury by reason of the subject imports.

8/ Commissioner Eckes, Commissioner Lodwick and Commissioner Rohr determine only that there is a reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports.

9/ Chairwoman Stern determines that there is no reasonable indication that the industry is materially injured or threatened with material injury by reason of the subject imports.

10/ Commissioner Eckes, Commissioner Lodwick, and Commissioner Rohr determine only that there is a reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports.

11/ Chairwoman Stern determines that there is no reasonable indication that the industry is materially injured or threatened with material injury by reason of the subject imports.

12/ Vice Chairman Liebeler joins in this opinion solely for the discussion of the like products and the domestic industries. See her Separate Views, which follow.

the total domestic production of that product." 13/ Section 771(10) defines "like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation." 14/

The imported products which are the subject of these investigations are carbon steel plate cut-to-length and in coils, hot-rolled carbon steel sheets, cold-rolled carbon steel plates and sheets, galvanized carbon steel sheets, and carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of three inches or more (structural shapes). These products have been the subject of numerous Commission countervailing duty and antidumping investigations. 15/ In those investigations the like products were defined as follows:

Imported Product	Like Product
carbon steel plate cut-to-length	carbon steel plate (both coiled and cut-to-length)
carbon steel plate in coils	carbon steel plate (both coiled and cut-to-length)
cold-rolled carbon steel sheet	cold-rolled carbon steel sheet
cold-rolled carbon steel plate	cold-rolled carbon steel sheet 16/
hot-rolled carbon steel sheet	hot-rolled carbon steel sheet
galvanized carbon steel sheet	galvanized carbon steel sheet
structural shapes	structural shapes

13/ 19 U.S.C. § 1677(4)(A).
14/ 19 U.S.C. § 1677(10).
15/ See Report of the Commission ("Report") at Appendix C for a list of prior Commission investigations.
16/ Examples of cases where the Commission has previously defined the like product for cold-rolled plate as cold-rolled sheet are Cold-Rolled Carbon Steel Sheet from Brazil, Inv. No. 731-TA-154 (Final), USITC Pub. 1579 (1984); Certain Carbon Steel Products from Brazil, Invs. Nos. 701-TA-205-207 (Final), USITC Pub. 1538 (1984); Certain Carbon Steel Products from Spain, Inv. Nos. 701-TA-155, 157-160 and 162 (Final), USITC Pub. 1331 (1982).

Each of these five product categories has been the subject of previous Commission investigations. The Commission has consistently determined that each product category constitutes a separate like product. 17/ Thus, we determine that there are five like products in these investigations: (1) carbon steel plates (whether or not in coils); (2) hot-rolled carbon steel sheets; (3) cold-rolled carbon steel sheets (including cold-rolled plates); (4) galvanized carbon steel sheets; and (5) carbon steel structural shapes. No party has argued in favor of a different definition of the like products in these investigations. Therefore, the domestic industries in these investigations are, respectively, the domestic producers of carbon steel plates 18/, the domestic producers of hot-rolled carbon steel sheets 19/, the domestic producers of cold-rolled carbon steel sheets (including cold-rolled plates) 20/, the domestic producers of galvanized carbon steel sheets 21/, and the domestic producers of carbon steel structural shapes 22/.

17/ For a discussion of the definitions of like products for the five product categories see Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, The Netherlands, Romania, The United Kingdom, and West Germany, Invs. Nos. 701-TA-86 through 144, 701-TA-146, and 701-TA-147 (Preliminary) and Invs. Nos. 731-TA-53 through 86 (Preliminary), USITC Pub. 1221 (1982). In more recent investigations the Commission has continued to determine that there is a separate industry corresponding to each of the product groups. See Certain Carbon Steel Products from the Republic of Korea, Invs. Nos. 701-TA-170, 701-TA-171, and 701-TA-173 (Final), USITC Pub. 1346 at 4 (1983); Certain Carbson Steel Products from Argentina, Australia, Finland, South Africa, and Spain, Invs. Nos. 701-TA-212 (Preliminary) and 731-TA-169 through 182 (Preliminary), USITC Pub. 1510 at 6; Certain Carbon Steel Products from Brazil, Invs. Nos. 701-TA-205-207 (Preliminary), USITC Pub. 1470 at 5 (1983).

18/ See Report at I-9 for a list of the domestic producers.

19/ See Report at II-5 for a list of the domestic producers.

20/ See Report at III-5 for a list of the domestic producers.

21/ See Report at IV-4 for a list of the domestic producers.

22/ See Report at V-4 for a list of the domestic producers.

Cumulation 23/ 24/

On October 30, 1984, the Trade and Tariff Act of 1984, (the "Act"), entered into force. The Act makes several changes in the provisions of title VII of the Tariff Act of 1930, in particular by adding specific provisions regarding cumulation of imports and threat of material injury. 25/ Since these investigations were initiated after the effective date of the Act, the issues are governed by the provisions of the Act. 26/

These investigations are the first in which the Commission is required to apply the provisions of the Act. Section 612(a)(2)(A) of the Act amends title VII of the Tariff Act of 1930 by adding a new subsection, § 771(7)(C)(iv):

> 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 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. The conferees do intend, however, that the marketing of imports that are accumulated [sic] be reasonably coincident. Of course,

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23/ Commissioner Eckes joins this section of the opinion for the limited purpose of discussion of the issues regarding cumulation in these preliminary investigations.

24/ Commissioner Lodwick has applied the provisions of the Trade and Tariff Act of 1984 in reaching his determinations in these preliminary investigations. The bases for his determinations in these particular investigations, as well as the areas in which he does not reach a definitive interpretation, are sufficiently detailed where appropriate. He therefore does not join the general discussion of the cumulation issue on pages 11-14.

25/ See text infra p. 15 for a discussion of the threat of material injury standard as set forth in the Act.

26/ Section 626(b)(2) of the Act provides that the amendment made by section 612 shall apply "with respect to investigations initiated by petition or by the administering authority . . . on or after [the date of the enactment of this Act.]"

> imports of like products from countries, not subject to investigation would not be included in the cumulation. 27/

In order to warrant a cumulative analysis under the Act, imports must satisfy three requirements. They must be subject to investigation, they must compete both with the other imports to be cumulated and with the domestic like product, and they must be marketed within a reasonably coincident time period. 28/ The report on the original House bill specifically eliminates the consideration of whether imports from a particular country are a "contributing cause" of the injury to the domestic industry. 29/ The Conference Committee adopted the House provision rather than the Senate provision. We interpret this as prohibiting the consideration of volume and trend of imports on an individual country basis in determining whether or not to cumulate. Thus, there can be no exception to the requirement of cumulation based on a notion of de minimis volumes of imports from any particular country. The Commission, however, may exercise its judgment in determining whether imports compete with each other and with the domestic like product, and whether the marketing of imports is reasonably coincident.

In determining whether the imported products "compete with each other and with like products of the domestic industry in the United States market" and whether the marketing of the imports is reasonably coincident, we have

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27/ H.R. Rep. No. 1156, 98th Cong., 2d Sess. 173 (1984).

28/ The original House bill had required the Commission to cumulate "if the imports compete with each other and with like products of the domestic industry in the U.S. market." Trade Remedies Reform Act of 1984, H.R. Rep. No. 725, 98th Cong., 2d Sess. 36-37 (1984). The original Senate bill had required the Commission to cumulate "imports from countries subject to final orders, as well as countries under investigation, if the ITC determine[d] (1) the marketing of such imports is reasonably coincident, and (2) imports from each source have contributed to the overall material injury." Id.

29/ Trade Remedies Reform Act of 1984, H.R. Rep. No. 725, 98th Cong., 2d Sess. 36-37 (1984).

considered several factors similar to those which have previously been applied in making cumulation determinations, including:

- the degree of fungibility between imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

- the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;

- the existence of common or similar channels of distribution for imports from different countries and the domestic like product;

- whether the prices of imports and the domestic like product are within a reasonable range

- whether the imports are simultaneously present in the market.

No single factor is determinative. This analysis is intended to give the Commission a basis on which to decide whether cumulation is required.

The five carbon steel product categories under investigation in these proceedings have been before the Commission on a number of occasions. We have generally concluded that the imports and the domestic product, within each product category, are fungible and compete with each other. There is nothing on the record before us which would lead us to a different conclusion in this instance. Therefore, we have determined that, within each product category, the imports compete with each other and with the domestic like product.

In these investigations, the parties have made a number of arguments as to the proper interpretation of the term "subject to investigation" as used in the Act to identify imports which are to be cumulated. Petitioners have, on the whole, urged us to adopt a very broad interpretation of the language, and the cumulation it mandates. Respondents, by contrast, have argued that the cumulation required by the Act should be applied in a more limited fashion.

Chairwoman Stern and Commissioner Rohr have not cumulated allegedly subsidized imports with allegedly LTFV imports, but have, in certain cases, cumulated imports subject to recent final orders. 30/ For the purposes of these preliminary investigations, Commissioner Eckes and Commissioner Lodwick do not reach a definitive interpretation of the term "subject to investigation." 31/ Even the most restrictive approach towards cumulation, that is, cumulating only those imports currently before the Commission in these investigations, and not cumulating allegedly subsidized imports with allegedly LTFV imports, yields affirmative determinations in all but one product category, galvanized carbon steel sheet. With regard to that product, even the broadest approach yields a negative determination. 32/

Reasonable indication of material injury or threat thereof 33/

The Tariff Act of 1930 directs the Commission to make a determination on the basis of the best information available to it at the time of the determination as to whether there is a reasonable indication of material injury by considering, among other factors, (1) the volume of imports of the

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30/ See infra., notes 47, 53, 70, 76, and 92.

31/ Commissioner Eckes and Commissioner Lodwick specifically reserve any determination based on the cumulative assessment of allegedly LTFV and subsidized imports and of imports subject to a final antidumping or countervailing duty order.

32/ See infra., page 33 note 114.

33/ Commissioner Eckes notes that each of the producing countries in these investigations is a new entrant into the U.S. market particularly within the most recent period of 1984. His determinations in these preliminary investigations are in accordance with the "Conditions of Trade" discussion in "Certain Carbon Steel Products from Spain" which has served as the framework for his determinations in the various steel product investigations under title VII. Certain Carbon Steel Products from Spain, Invs. Nos. 701-TA-155, 157-160, and 162 (Final), USITC Pub. 1331 (December 1982). That framework implicitly rejects as inappropriate any "mechanistic analysis" which gives undue emphasis to threshold import penetrations in assessing the impact of imports.

product which is the subject of the investigation, (2) the effect of the imports of such product on prices in the United States for the like product, and (3) the impact of imports of such product on domestic producers of the like product. 34/

The "threat of material injury" standard "is intended to permit import relief under the countervailing and antidumping laws before actual material injury occurs." 35/ Section 612(a)(2)(B) of the Trade and Tariff Act of 1984 amends title VII of the Tariff Act of 1930 by adding a new subparagraph, § 771(7)(F), which lists a series of factors which "the Commission shall consider, among other relevant economic factors" in making a determination of threat of material injury. In addition, the Act provides that a determination of threat of material injury "shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition." 36/

In determining whether there is a reasonable indication of a threat of material injury to a domestic industry by reason of subsidized imports, the Act directs the Commission to consider the nature of the subsidy, the capacity of producers in the exporting country subject to investigation to generate exports, rapid increase in U.S. market penetration by subsidized imports, the probability that imports entering the U.S. market will have a price depressing or suppressing effect, increased inventories of the imports in the U.S., and the potential for product shifting in production facilities owned or

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34/ Section 771(7)(A), (B), and (C); 19 U.S.C. § 1677(A), (B), and (C).
35/ S. Rep. No. 249, 96th Cong. 1st Sess. 89 (1979); H.R. Rep. No. 317, 96th Cong. 1st Sess. 47 (1979).
36/ Section 612(a)(2)(B)(ii), Pub. L. No. 98-573 (October 30, 1984); to be codified at 19 U.S.C. § 771(7)(F).

controlled by the foreign manufacturers. These factors are to be considered in conjunction with other relevant economic factors. The factors set forth in the Act are generally those which the Commission has traditionally considered in making determinations on threat of material injury. 37/

I. Carbon steel plates

Condition of the domestic industry

Throughout the period under investigation the domestic carbon steel plate industry has experienced difficulties. Despite recent improvements, the indicators of performance in the domestic industry have not returned to 1981 levels, and the industry continues to suffer material injury. Production fell dramatically from 7.6 million short tons in 1981 to 3.9 million short tons in 1982. Production then increased in 1983 to 4.2 million short tons. 38/ Data for the most recent period showed a continued improvement over the corresponding period of 1983. Plate production during January-June 1983 was 2.7 million short tons, representing a 38 percent increase over the corresponding period of 1983. Domestic shipments of carbon steel plate have followed the same pattern as production. Shipments declined by 45 percent from 1981 to 1982, then rose by 7 percent in 1983. During January-June 1984,

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37/ Several of the factors, such as consideration of the nature of the subsidy and the real and imminent standard, are already codified or in the legislative history of the Trade Agreements Act of 1979. See 19 U.S.C. § 771(7)(E)(i); S. Rep. No. 249, 96th Cong. 1st Sess. 88-89 (1979). The remaining provisions, with the exception of subsection (VIII), essentially codify current Commission practice in making determinations on threat of material injury. See, e.g., Leather Wearing Apparel From Uruguay, Inv. No. 701-TA-68 (Preliminary), USITC Pub. No. 1114 (1980) at 7-9; Sodium Gluconate from the European Community, 701-TA-79 (Preliminary), USITC Pub. No. 1169 (1981) at 7; Carbon Steel Wire Rod From Brazil, Belgium, France and Venezuela, Invs. Nos. 701-TA-148-150, 731-TA-88 (Preliminary), USITC Pub. No. 1230 (1982) at 12-16.

38/ Report at I-11, Table I-4.

domestic shipments were 35 percent higher than during the corresponding period of 1983. 39/ Capacity utilization declined from 64 percent in 1981 to 33 percent in 1982, then improved to 35 percent in 1983. Capacity utilization during January-June 1984 increased to 50 percent, as compared with 33 percent during the corresponding period of 1983. 40/

Both employment and hours worked declined substantially from 1981 to 1982, and declined further in 1983, before improving somewhat during January-June 1984. Employment dropped from 19,114 workers in 1981 to 10,392 workers in 1982, then declined further to 9,104 workers in 1983, and hours worked fell from 38 million in 1981 to 20 million in 1982, then declined further to 18 million in 1983. 41/ Data for January-June 1984 show an improvement over the corresponding period of 1983. Employment in January-June 1984 increased to 12,032 workers, as compared with 8,891 workers during the corresponding period in 1983, while hours worked increased to 13 million in January-June 1984 as compared with 9 million during the corresponding period in 1983. 42/

The financial experience of the U.S. producers substantiates the view that the domestic industry is still experiencing material injury. Net sales declined by 47 percent, from 1981 to 1982, and then declined by a further 14 percent in 1983. 43/ During the most recent period, January-June 1984, net sales increased by 43 percent to $958 million as compared with $627 million during the corresponding period of 1983. Despite the increase in sales,

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39/ Id. at I-13.
40/ Id. at I-11.
41/ Id. at I-26, Table I-7.
42/ Id.
43/ Report at I-24. The exact figures for the period 1981 to 1983 are confidential.

however, the industry is continuing to suffer losses. The domestic industry reported an operating income in 1981, which turned to an operating loss in 1982, and an even greater loss in 1983. The reported operating loss declined by 42 percent to $80 million (8.4 percent of sales) in the interim period ended June 30, 1984, from a loss of $138 million (20.5 percent of sales) during the corresponding period ending June 30, 1983. 44/

Although the industry's performance, as measured by the economic indicators discussed above, is improving, it continues to be materially injured. The improvement seen in the first six months of 1984 was not sufficient to eliminate the domestic industry's losses. Although there was an increase in U.S. consumption in the first nine months of 1984 as compared with the same period in 1983, from 4.0 million tons to 5.0 million tons, 45/ there was a concurrent increase in the market share for all imports. Thus, the benefit to the domestic industry of increasing consumption was lessened.

Reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports from Sweden and Venezuela 46/

Imports of carbon steel plate from Sweden and Venezuela declined from

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44/ Report at I-24. Five firms, accounting for about 46 percent of U.S. production, were able to provide information concerning their financial experience with carbon steel plates during the period January-September 1984. Net sales and the financial performance of these firms continued the same trends as those exhibited by the industry during the period January-June 1984. Id. at I-25.

45/ Id. at I-9, Table I-3.

46/ Chairwoman Stern and Commissioner Rohr determine that there is a reasonable indication that the industry is materially injured by reason of allegedly subsidized imports from Sweden and Venezuela, and therefore do not reach the issue of threat of material injury. Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the industry is threatened with material injury by reason of allegedly subsidized imports from Sweden and Venezuela.

90,000 tons in 1981 to 49,000 tons in 1983. 47/ Data for the most recent period, January-September 1984, however, demonstrate a surge in imports to 100,000 tons, as compared with 37,000 tons during the corresponding period of 1983. 48/ As a share of apparent U.S. consumption, imports from these two countries rose from 0.9 percent in 1981 to 1.4 percent in 1982, and then dropped to 0.8 percent in 1983, before increasing dramatically to 2.0 percent during the interim period January-September 1984, as compared with 0.9 percent during the corresponding period of 1983. 49/

The pricing data collected in these investigations are not sufficient for a complete comparison of the price levels of domestic and imported products. Where comparisons were possible, the prices of the imports tended to be lower than domestic products. 50/ While the Commission was able to confirm only one sale lost to Swedish or Venezuelan imports, 51/ we have concluded that the rapidly rising import penetration level and the apparent underselling by the imported carbon steel plate support our determination that there is a reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports from Sweden and Venezuela.

47/ Report at I-27. Chairwoman Stern and Commissioner Rohr have also considered the cumulative impact of the imports currently under investigation with subsidized imports of carbon steel plate from Brazil, which the Commission determined were a cause of material injury to the domestic industry. Certain Carbon Steel Products from Brazil, 701-TA-205-207 (Final), USITC Pub. 1538 (June 1984). The import penetration ratio for Brazilian imports was 3.1 percent in 1981, 3.0 in 1982, and 3.9 in 1983. Id. at I-36.
48/ Report at I-28.
49/ Id. at I-29.
50/ Id. at I-38 - I-39.
51/ Id. at I-42.

Reasonable indication of material injury or threat thereof by reason of allegedly LTFV imports from Czechoslovakia, the German Democratic Republic (GDR), Hungary, Poland, and Venezuela 52/

Imports of carbon steel plate from Czechoslovakia, the GDR, Hungary, Poland, and Venezuela declined from 133,000 tons in 1981 to 23,000 tons in 1983. 53/ Data for the most recent period, January-September 1984, however, demonstrate a surge in imports to 106,000 tons, as compared with 14,000 tons during the corresponding period of 1983. 54/ As a share of apparent U.S. consumption, imports from these five countries declined from 1.3 percent in 1981 to 0.4 percent in 1983, before increasing dramatically to 2.2 percent during the interim period January-September 1984, as compared with 0.3 percent during the corresponding period of 1983. 55/

52/ Chairwoman Stern and Commissioner Rohr determine that there is a reasonable indication that the industry is materially injured by reason of allegedly subsidized imports from Czechoslovakia, the GDR, Hungary, Poland, and Venezuela, and therefore do not reach the issue of threat of material injury. Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the industry is threatened with material injury by reason of allegedly subsidized imports from Czechoslovakia, the GDR, Hungary, Poland, and Venezuela.

53/ Report at I-27. Chairwoman Stern also considered the cumulative impact of the imports currently under investigation with LTFV imports of carbon steel plate from Brazil, which the Commission determined were a cause of material injury to the domestic industry. Certain Flat-Rolled Carbon Steel Products from Brazil, 731-TA-123 (Final) USITC Pub. 1499 (March 1984). The import penetration ratio for Brazilian imports was 3.4 percent in 1980, 3.1 percent in 1981, 3.0 percent in 1982, and 4.9 percent during the interim period January-September 1983. Id. at A-41.

Chairwoman Stern and Commissioner Rohr have also cumulated with imports of carbon steel plate from Korea, which the Commission determined were a cause of material injury to the domestic industry. Certain Hot-Rolled Carbon Steel Plate from Korea, Inv. No. 731-TA-151 (Final) USITC Pub. 1561 (August 1984). The import penetration ratio for Korean imports was 1.3 percent in 1981, 2.3 percent in 1982 and 1983, and 0.9 percent during the interim period January-March 1984. Id. at A-29.

54/ Report at I-28.

55/ Id. at I-29.

Again, the pricing data collected in these investigations are not sufficient for a complete comparison of the price levels of domestic and imported products. Where comparisons were possible, the prices of the imports tended to be lower than those of the domestic products. 56/ The Commission was able to confirm several sales lost to the imports under investigation. 57/ We have concluded that the rapidly rising import penetration level, the apparent underselling by the imported carbon steel plate, and the confirmed lost sales, support our determination that there is a reasonable indication of material injury or threat thereof by reason of allegedly LTFV imports from Czechoslovakia, the GDR, Hungary, Poland, and Venezuela.

II. Hot-rolled carbon steel sheets

Condition of the domestic industry

The U.S. industry producing hot-rolled carbon steel sheet experienced difficulties throughout the period covered by the investigation. Production fell from 9.7 million tons in 1981 to 6.5 million tons in 1982, but increased in 1983 to 9.3 million tons. During January-March 1984 production increased 23 percent when compared to the corresponding period of 1983. 58/ However, the most recent data from the six producers reporting reflect a 4 percent decline in production in the period January-September 1984 when compared with the corresponding period in 1983. 59/

Shipments of hot-rolled carbon steel sheet declined from 8.9 million tons in 1981, to 6.0 million tons in 1982. 60/ Shipments totaled 8.0 million tons

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56/ Id. at I-38 - I-39.
57/ Id. at I-41 - I-42.
58/ Id. at II-6.
59/ Id. at II-6.
60/ Id. at II-7.

in 1983, and increased 26 percent in the January-March 1984 period as compared with the corresponding period of 1983. 61/ Recent data from six producers reflect that shipments rose slightly to 3.1 million tons in the January-September 1984 as compared with 3.0 million tons in the same period of 1983. 62/ Employment improved in 1983 and in the first quarter of 1984, but was still 9 percent below the 1981 level. 63/

Net sales declined from $3.5 billion in 1981 to $2.3 billion in 1982. 64/ In 1983, net sales increased to $3.1 billion, and by 32 percent during January-March 1984 as compared with the comparable period in 1983, but the reporting hot-rolled carbon steel sheet producers continued to suffer operating losses. 65/ These losses amounted to 2.3 percent of net sales in 1981, 17.4 percent in 1982, 10.1 percent in 1983, and 5.1 percent in the interim period January-March 1984. 66/

Although the industry's performance, as measured by many indicators, has been improving, this Commission has recently found that it remains materially injured. 67/ We note that although domestic shipments increased from the depressed levels of 1982, the rebound is weaker than the upturn in consumption. As a result, U.S. producers' share of the market declined. 68/

61/ Id.
62/ Id.
63/ Id. at II-9. Data supplied by six producers for January-September 1984 show employment remaining steady at approximately 9,400 workers as compared with the corresponding period in 1983.
64/ Id. at II-12.
65/ Id. at II-13.
66/ Id. at II-12 - II-13. Three firms providing information for the interim period January-September 1984 continued to show operating losses, although smaller losses than during the corresponding period of 1983. Id. at II-13.
67/ See Hot-Rolled Carbon Steel Sheet from Brazil, Inv. No. 731-TA-153 (Final), USITC Pub. 1568 (1984); Certain Carbon Steel Products from Brazil, Invs. Nos. 701-TA-205-207 (Final), USITC Pub. 1538 (1984).
68/ Report at II-17.

Reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports from Austria, Sweden, and Venezuela 69/

Imports of hot-rolled carbon steel sheet from Austria, Sweden and Venezuela increased from 23,000 tons in 1981 to 83,000 tons in 1983. 70/ Data for the most recent period, January-September 1984, demonstrate a further surge in imports to 183,000 tons, as compared with 41,000 tons during the corresponding period of 1983. 71/ As a share of apparent U.S. consumption, imports from these three countries rose from 0.2 percent in 1981 to 0.8 percent in 1983, before increasing sharply to 1.8 percent during the interim period January-September 1984, as compared with 0.5 percent during the corresponding period of 1983. 72/

The limited pricing data collected in these investigations are not sufficient for a complete comparison of the price levels of domestic and imported products. Where comparisons were possible, the prices of the imports tended to be lower than domestic products. 73/ While the Commission was

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69/ Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the industry is threatened with material injury by reason of allegedly subsidized imports from Austria, Sweden, and Venezuela.

Chairwoman Stern determines that there is a reasonable indication that the industry is materially injured by reason of allegedly subsidized imports from Austria, Sweden and Venezuela, and therefore does not reach the issue of threat of material injury.

Commissioner Rohr determines that there is a reasonable indication that the industry is materially injured or is threatened with material injury by reason of allegedly subsidized imports from Austria, Sweden and Venezuela.

70/ Report at II-17. Chairwoman Stern and Commissioner Rohr have also considered the cumulative impact of the imports currently under investigation with subsidized imports of hot-rolled carbon steel sheet from Brazil, which the Commission determined were a cause of material injury to the domestic industry. Certain Carbon Steel Products from Brazil, Inv. No. 701-TA-205-207 (Final), USITC Pub. 1538 (June 1984). The import penetration ratios for Brazilian imports were less than 0.05 percent in 1981, 0.5 percent in 1982, 2.3 percent in 1983, and 4.3 percent during the interim period January-March 1984. Id. at I-36.

71/ Report at II-16.

72/ Id. at II-17.

73/ Id. at II-21 - II-24.

unable to confirm any sales lost to Austrian, Swedish or Venezuelan imports, 74/ we have concluded that the rapidly rising import penetration level and the apparent underselling by the imported hot-rolled carbon steel sheet support our determination that there is a reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports from Austria, Sweden and Venezuela.

Reasonable indication of material injury or threat thereof by reason of allegedly LTFV imports from Austria, Hungary, Romania, and Venezuela 75/

Imports of hot-rolled carbon steel sheet from Austria, Hungary, Romania, and Venezuela declined from 23,000 tons in 1981 to 18,000 tons in 1982, but rose to 65,000 tons in 1983. 76/ Data for the most recent period, January-September 1984, however, demonstrate a surge in imports to 149,000 tons, as compared with 33,000 tons during the corresponding period of 1983. 77/ As a share of apparent U.S. consumption, imports from these four countries increased from 0.2 percent in 1981 to 0.6 percent in 1983, before

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74/ Id. at II-26.

75/ Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that the industry is threatened with material injury by reason of allegedly LTFV imports from Austria, Hungary, Romania, and Venezuela.

Chairwoman Stern determines that there is a reasonable indication that the industry is materially injured by reason of allegedly LTFV imports from Austria, Hungary, Romania, and Venezuela, and therefore does not reach the issue of threat of material injury.

Commissioner Rohr determines that there is a reasonable indication that the industry is materially injured or is threatened with material injury by reason of allegedly LTFV imports from Austria, Hungary, Romania, and Venezuela.

76/ Report at II-16. Chairwoman Stern and Commissioner Rohr have also considered the cumulative impact of the imports currently under investigation with LTFV imports of hot-rolled carbon steel sheet from Brazil, which the Commission determined were a cause of material injury to the domestic industry. Hot-Rolled Carbon Steel Sheet from Brazil, Inv. No. 731-TA-153 (Final), USITC Pub. 1568 (August 1984). The import penetration ratio for imports from Brazil was less than 0.05 percent in 1981, 0.5 percent in 1982, 2.3 percent in 1983, and 4.3 percent during the interim period January-March 1984. Id. at A-24.

77/ Report at II-16.

rising sharply to 1.4 percent during the interim period January-September 1984, as compared with 0.4 percent during the corresponding period of 1983. 78/

Again, the pricing data collected in these investigations are insufficient for a complete comparison of the price levels of domestic and imported products. Where comparisons were possible, the prices of the imports tended to be lower than domestic products. 79/ While the Commission was unable to confirm any sales lost to the imports under investigation, 80/ we have concluded that the rapidly rising import penetration level and the apparent underselling by the imported hot-rolled carbon steel sheet support our determination that there is a reasonable indication of material injury or threat thereof by reason of allegedly LTFV imports from Austria, Hungary, Romania, and Venezuela.

III. Cold-rolled carbon steel plates and sheet

Condition of the domestic industry

The domestic industry producing cold-rolled carbon steel sheet experienced problems during the period covered by the investigation. As recently as January 1985, the Commission determined that the domestic industry was experiencing material injury based upon data through September 1984. 81/ With an improvement in the economy, there has been a consequential improvement in the cold-rolled sheet industry during 1983 and the first nine months of 1984. However, despite this improvement, the industry continues to experience difficulties.

78/ Id. at II-17.
79/ Id. at II-21 - II-24.
80/ Id. at II-26.
81/ See, e.g., Cold-Rolled Carbon Steel Sheet from Korea, Inv. No. 701-TA-218 (Final), USITC Pub. 1634 (1985). See also Cold-Rolled Carbon Steel Sheet from Brazil, Inv. No. 731-TA 154 (Final), USITC Pub. 1579 (1984); Certain Carbon Steel Products from Brazil, Invs. Nos. 701-TA-205-207 (Final), USITC Pub. 1538 (1984).

Domestic production of cold-rolled carbon steel sheet fell from 12.8 million tons in 1981 to 9.2 million short tons in 1982 before recovering to 12.1 million short tons in 1983. In January-September 1984, there was an increase in production to 9.6 million short tons from 9.0 million short tons during the same period in 1983. 82/ Production capacity for domestic cold-rolled carbon steel sheet producers declined slightly from 18.1 million short tons in 1981 to 17.3 million short tons in 1983. 83/ Capacity utilization declined from 70.6 percent in 1981 to 51.5 percent in 1982. Capacity utilization then increased to 70.0 percent in 1983 and then to 77.7 percent in January-September 1984, as compared with 69.1 percent during the same period in 1983. 84/ U.S producers' shipments followed the same trends as production and capacity utilization at a slightly less accelerated pace. 85/

Apparent U.S. consumption of cold-rolled carbon steel sheet was 15.2 million short tons in 1981, but declined to 12.1 million short tons in 1982. Consumption then recovered to 15.3 million short tons in 1983. Consumption was 12.6 million tons in January-September 1984, an increase from 10.9 million tons during the same period in 1983. 86/

Employment also declined substantially between 1981 and 1982 and then improved, but it failed to return to 1981 levels in 1983. There was further slight improvement in 1984, but employment remains at levels significantly below those of 1981. 87/ Hourly compensation decreased from 1981 to 1983, although there was some improvement in 1984. 88/

82/ Report at III-7.
83/ Id.
84/ Id.
85/ Id. at III-7 - III-8.
86/ Id. at III-6.
87/ Id. at III-10.
88/ Id. at III-12.

Despite improvement in production, capacity utilization, total U.S. consumption, and net sales, operating losses continued in 1983 and 1984. 89/ Although operating losses did substantially decrease in January-September 1984 when compared with the same period in 1983, the industry continues to report losses. 90/

Reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports from Austria, Sweden and Venezuela 91/

Imports of cold-rolled carbon steel sheet from Austria, Sweden and Venezuela increased from 2,000 tons in 1981 to 62,000 tons in 1983. 92/ Data for the most recent period, January-September 1984 demonstrate a surge in imports to 188,000 tons, six-and-one-half times the level of

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89/ Id. at III-13. The exact figures for the period 1981-1983 are confidential.

90/ Report at III-13.

91/ Commissioner Eckes and Commissioner Lodwick determine only that there is a reasonable indication that that the industry is threatened with material injury by reason of allegedly subsidized imports Austria, Sweden and Venezuela.

Chairwoman Stern determines that there is a reasonable indication that the industry is materially injured by reason of allegedly subsidized imports from Austria, Sweden, and Venezuela, and therefore does not reach the issue of threat of material injury.

Commissioner Rohr determines that there is a reasonable indication that the industry is materially injured or is threatened with material injury by reason of allegedly subsidized imports from Austria, Sweden and Venezuela.

92/ Report at III-16. Chairwoman Stern and Commissioner Rohr have also considered the cumulative impact of the imports currently under investigation with subsidized imports of cold-rolled carbon steel sheet from Brazil, which the Commission determined were a cause of material injury to the domestic industry. Certain Carbon Steel Products from Brazil, Inv. No. 701-TA-205-207 (Final), USITC Pub. 1538 (June 1984). The import penetration ratio for Brazilian imports was 0.1 percent in 1981, 0.4 percent in 1982, 2.2 percent in 1983, and 2.4 percent during the interim period January-March 1984. Id. at II-16. Chairwoman Stern and Commissioner Rohr have further assessed the cumulative impact of the imports currently under investigation with subsidized imports of cold rolled carbon steel sheet from Korea which the Commission determined to be a cause of material injury or threat thereof to the domestic industry. Certain Cold-Rolled Carbon Steel Products from Korea, Inv. No. 701-TA-218 (Final), USITC Pub. 1634 (January 1985). The import penetration ratio for Korean imports was 0.7 percent in 1981, 0.5 percent in 1982, 1.2 percent in 1983, and 2.5 percent during the interim period January-September 1984. Id. at A-30.

imports during the corresponding period of 1983. 93/ As a share of apparent U.S. consumption, imports from these three countries increased from 0.05 percent in 1981 to 0.5 percent in 1983, before quadrupling, to 1.4 percent during the interim period January-September 1984, as compared with 0.3 percent during the corresponding period of 1983. 94/

The pricing data collected in these investigations are not sufficient for a complete comparison of the price levels of domestic and imported products. Where comparisons were possible, the prices of the imports tended to be lower than domestic products. 95/ While there are no allegations of lost sales to Austrian, Swedish or Venezuelan imports, 96/ we have concluded that the rapidly rising import penetration level and the apparent underselling by the imported cold-rolled carbon steel sheet support our determination that there is a reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports from Austria, Sweden and Venezuela.

93/ Imports during the interim period January-September 1983 were 28,500 tons. Report at III-16.
94/ Id. at III-17.
95/ Id. at III-21 - III-22.
96/ Id. at III-24.

Reasonable indication of threat of material injury by reason of allegedly LTFV imports from Austria, Venezuela, Czechoslovakia, the German Democratic Republic, and Romania 97/ 98/

Imports of cold-rolled carbon steel sheet from Austria, Venezuela Czechoslovakia, the German Democratic Republic, and Romania have decreased from 2,000 tons in 1981 to less than 500 tons in 1982, but increased sharply to 56,000 tons in 1983. 99/ Data for the most recent period, January-September 1984 demonstrate a continued surge in imports to 219,000 tons, as compared with 23,000 tons during the corresponding period of 1983. As a share of apparent U.S. consumption, imports from these five countries increased from a negligible level in 1981 to 0.4 percent in 1983, before increasing to 1.7 percent during the interim period January-September 1984, as compared with 0.2 percent during the corresponding period of 1983. 100/ The pricing data were again not sufficient for a complete comparison of the price levels of domestic and imported products. Where comparisons were possible, the prices of the imports tended to be lower than those of the domestic products. 101/ Based upon this sharp rise in volume and levels of import

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97/ Commissioner Eckes, Commissioner Lodwick and Commissioner Rohr have determined that there is a reasonable indication that the domestic industry is threatened with material injury by reason of allegedly LTFV imports of cold-rolled carbon steel sheet. In reaching this determination they have considered the cumulative effect of allegedly LTFV imports subject to this investigation.

98/ Chairwoman Stern has made a negative determination in these cases. In reaching her conclusions, she has considered the cumulative impact of all the subject allegedly LTFV imports. Aggregation of allegedly subsidized and allegedly LTFV imports is not appropriate. See Additional Views of Chairwoman Stern in Certain Cold-Rolled Carbon Steel Plates and Sheets from Argentina, Inv. No. 731-TA-175 (Final), USITC Pub. No. ____ (January 1985). Largely due to the relatively low total level of import penetration, she has not found a reasonable indication of material injury. Nor when the relevant threat factors are considered does she find a reasonable indication of threat of material injury.

99/ Report at III-16.

100/ Id. at III-16 - III-17.

101/ Id. at III-21 - III-22.

penetration, we determine that there is a reasonable indication of threat of material injury by reason of allegedly LTFV imports of cold rolled carbon steel sheet from Austria, Venezuela, Czechoslovakia, the German Democratic Republic and Romania.

IV. Galvanized carbon steel sheet

Condition of the domestic industry

The domestic galvanized sheet industry has experienced a strong improvement in 1983 and the interim period January-June 1984, especially as compared with the other domestic carbon steel products industries. Apparent consumption of galvanized carbon steel sheet declined from 7 million tons in 1981 to 6.3 million tons in 1982, but then increased in 1983 to 7.9 million tons, above the 1981 level. Data for the most recent period January-September 1984 indicate a continued increase in consumption to 7.0 million tons, as compared with 5.7 million tons during the corresponding period of 1983. 102/ Domestic production and shipments followed similar trends. Domestic production declined from 5.2 million tons in 1981 to 4.2 million tons in 1982, but then increased to 5.3 million tons in 1983. Data for the interim period January-June 1984 show a continued improvement to 3.0 million tons, as compared with 2.5 million tons during the corresponding period of 1983. 103/ Similarly, domestic shipments declined from 4.5 million tons in 1981 to 3.9 million tons in 1982, but then improved sharply to 4.7 million tons in 1983. Data for the interim period January-June 1984 show a continued improvement to 2.7 million tons as compared with 2.2 million tons during the corresponding period of 1984. 104/ Capacity utilization has also improved since 1982,

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102/ Id. at IV-7.
103/ Id.
104/ Id. at IV-8.

increasing to 72.8 percent in 1983, as compared with 70.3 percent in 1981 and 57.5 percent in 1982. Data for the interim period January-June 1984 show continued improvement, to 81.8 percent as compared with 69.3 percent during the corresponding period of 1983. 105/

Both employment and hours worked declined from 1981 to 1982, improved somewhat in 1983, and then improved further during January-June 1984. Employment dropped from 14,568 workers in 1981 to 12,837 workers in 1982, then increased to 13,556 workers in 1983, and hours worked fell from 28 million in 1981 to 25 million in 1982, then increased to 27 million in 1983. 106/ Data for January-June 1984 show a continued improvement over the corresponding period of 1983. Employment in January-June 1984 increased to 14,686 workers, as compared with 13,087 workers during the corresponding period in 1983, while hours worked increased to 15 million in January-June 1984 as compared with 13 million during the corresponding period in 1983. 107/

Based on the improvement in the performance indicators of the domestic industry, we determine that the industry, while suffering during the beginning of the period under investigation, has been recovering rapidly since 1983. 108/

105/ Id. at IV-7.
106/ Id. at IV-11.
107/ Id.
108/ Commissioner Eckes determines that there is a reasonable indication of material injury to this industry. Despite an upturn in the indicators of the industry's performance for the most recent six-month period, this improvement does not offset the sustained period of significant operating losses for each of the last three years. See "Views of Commissioner Eckes," Stainless Steel Sheet and Strip from Spain, Inv. No. 731-TA-164 (Final), USITC Pub. 1593 (October 1984), regarding the inappropriateness of "an isolated 'snapshot' approach which focuses only on the performance of this industry in recent months . . . ."

No reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports from Austria and Venezuela or by reason of allegedly LTFV imports from Austria, the German Democratic Republic, Romania and Venezuela

The allegedly subsidized imports from Austria and Venezuela were negligible until the most recent period under investigation, January-September 1984. During that interim period, there were imports of 38,000 tons of galvanized carbon steel sheet from these two countries, accounting for only 0.5 percent of U.S. apparent consumption. 109/ Available information on importers' inventories indicates that there are no Austrian imports held in U.S. importers' inventories, and only a minimal amount of Venezuelan imports. 110/ Domestic prices for galvanized carbon steel sheet have been generally steady during the period under investigation, and have increased during the most recent periods on three of the four products for which the Commission gathered information. 111/ The petitioners did not make any allegations of sales lost to Austrian imports. 112/ There was a single allegation of a sale lost to Venezuelan imports, which was confirmed. However, the purchaser indicated that due to late delivery, there have been no further orders placed for the Venezuelan product. No instances of price suppression/depression by imports from Austria were alleged. The single allegation of price suppression/depression made against the Venezuelan product was not confirmed. The data on lost sales and lost revenue indicated that

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109/ Report at IV-18 - IV-19.
110/ Id. at IV-17.
111/ Id. at IV-22 - IV-26. The pricing data collected in these investigations are not sufficient for a comparison of the price levels of domestic and imported products. The Commission was able to gather only isolated prices for the imported products, which were insufficient to even develop trends which would provide an indication of a pattern of under- or over-selling. In the few isolated instances where a price comparison was possible, the imported product generally undersold the domestic product. Id. at IV-22.
112/ Id. at IV-27.

galvanized sheet from Venezuela has a reputation for poor quality and late delivery, which has limited or eliminated further orders for the Venezuelan product. 113/

Based on the low levels of import penetration, and the significantly improved performance of the domestic industry, we determine that there is no reasonable indication of material injury or threat thereof by reason of allegedly subsidized imports of galvanized carbon steel sheet from Austria and Venezuela.

We reach the same conclusion when we consider the impact of allegedly LTFV imports from Austria, the GDR, Romania, and Venezuela. 114/ The imports from these four countries together were negligible prior to the most recent period, January-September 1984. During that nine month period, imports increased to 63,000 tons. 115/ This level of imports still represents less than 1 percent of apparent domestic consumption.

Our analysis of the pricing information is again inconclusive, in view of the isolated instances in which comparable data are available. One additional lost sale and two instances of price suppression/depression involving imports from the GDR were confirmed. The alleged sale lost to Romanian imports was not confirmed, and no price suppression/depression was alleged against Romania.

Based on the low levels of import penetration and the significantly improved performance of the domestic industry, we determine that there is no

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113/ Id. at IV-27 - IV-28.
114/ Commissioner Eckes and Commissioner Lodwick note that even if they had applied a broad approach to cumulation, cumulating allegedly subsidized imports with allegedly LTFV imports, and with imports subject to recent final antidumping or countervailing duty orders, the result would still have been a negative determination. See also supra, page 14 note 32.
115/ Id. at IV-18.

reasonable indication of material injury or threat thereof to the domestic galvanized carbon steel sheet industry by reason of allegedly LTFV imports from Austria, the GDR, Romania, and Venezuela.

V. Carbon steel structural shapes

Condition of the domestic industry

Throughout the period under investigation the domestic carbon steel structural shapes industry has experienced difficulties. Production fell dramatically from 3.9 million short tons in 1981 to 2.6 million short tons in 1982. Production then declined further in 1983 to 2.5 million short tons. 116/ Structural shapes production during January-June 1984 was 1.6 million short tons, representing a 37 percent increase over the corresponding period of 1983. Domestic shipments of carbon steel structural shapes have followed the same pattern as production. Shipments declined by 35 percent from 1981 to 1983. During January-June 1984, domestic shipments were 32 percent higher than during the corresponding period of 1983. 117/ Capacity utilization declined from 60 percent in 1981 to 40.2 percent in 1982, then improved marginally to 40.6 percent in 1983. Capacity utilization during January-June 1984 increased to 56.4 percent, as compared with 37.4 percent during the corresponding period of 1983. 118/

Both employment and hours worked declined substantially from 1981 to 1982, and declined further in 1983, before improving somewhat during January-June 1984. Employment dropped from 10,787 workers in 1981 to 7,063 workers in 1982, then declined further to 6,385 workers in 1983, and hours worked fell from 21 million in 1981 to 14 million in 1982, then declined

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116/ Id. at V-7.
117/ Id. at V-8.
118/ Id. at V-7.

further to 13 million in 1983. 119/ Data for January-June 1984 show an improvement over the corresponding period of 1983. Employment in January-June 1984 increased to 6,806 workers, as compared with 5,743 workers during the corresponding period in 1983, while hours worked increased to 7 million in January-June 1984 as compared with 5.8 million during the corresponding period in 1983. 120/ Despite these recent improvements, the indicators of performance in the domestic industry have not returned to 1981 levels, and the industry continues to suffer material injury.

The financial experience of the U.S. producers substantiates the view that the domestic industry is still experiencing material injury. Income and loss data were received from seven firms, accounting for 73 percent of total shipments of carbon steel structural shapes. Net sales declined by 31 percent from 1981 to 1982, and then declined by a further 20 percent in 1983. 121/ During the most recent interim period, ending June 30, 1984, net sales increased by 25 percent to $476 million as compared with $382 million during the corresponding period of 1983. The seven firms reported ever increasing operating losses during the period 1981 through 1983. The reported operating loss declined to $72 million in the interim period ended June 30, 1984, from a loss of $88 million during the corresponding period ending June 30, 1983. 122/

Although the industry's performance, as measured by the economic indicators discussed above, is improving, it continues to be materially

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119/ Id. at V-11.
120/ Id.
121/ Report at V-14. The exact figures for the period 1981 through 1983 are confidential.
122/ Report at V-14. Five firms, accounting for about 52 percent of U.S. production, were able to provide information concerning their financial experience with carbon steel structural shapes during the period January-September 1984. Net sales and the financial performance of these firms continued the same trends. Id. at V-16.

injured. The recovery seen in the first six months of 1984 was not sufficient to mitigate the domestic industry's losses. Although there was an increase in U.S. consumption in the first six months of 1984 compared to the same period in 1983, there was a concurrent increase in the market share for imports. Thus, the benefit to the domestic industry of the increase in consumption was lessened.

Reasonable indication of threat of material injury by reason of allegedly LTFV imports from Norway and Poland 123/

Imports of carbon steel structural shapes from Norway and Poland declined from 17,000 tons in 1981 to 10,000 tons in 1983. Data for the most recent period, January-September 1984, however, demonstrate a surge in imports to 75,000 tons, as compared with 4,000 tons during the corresponding period of 1983. 124/ As a share of apparent U.S. consumption, imports from these two countries declined from 0.3 percent in 1981 to 0.2 percent in 1983, before increasing dramatically to 1.8 percent during the interim period January-September 1984, as compared with 0.1 percent during the corresponding period of 1983. 125/

Importers of carbon steel structural shapes were unable to provide the Commission with data concerning the prices of imports from either Norway or

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123/ Commissioner Eckes, Commissioner Lodwick and Commissioner Rohr determine only that there is a reasonable indication that the industry is threatened with material injury by reason of allegedly LTFV imports from Norway and Poland.

Chairwoman Stern determines that there is no reasonable indication that the industry is materially injured or threatened with material injury by reason of allegedly LTFV imports from Norway and Poland. In reaching this negative determination, she has relied on the same body of data as the majority. Her findings rest in large part on the relatively small cumulative volumes and import penetrations of the subject imports which do not provide a reasonable indication of material injury or threat thereof.

124/ Report at V-18.

125/ Id. at V-18.

Poland. Domestic prices for carbon steel structural shapes have continued to decline, in contrast with other carbon steel product prices. 126/ The Commission was able to confirm several instances of sales lost to Norwegian imports. 127/ While no specific allegations of sales lost to Polish imports were made, the Commission was able to confirm that domestic purchasers have been offered Polish carbon steel structural shapes at prices lower than those of the domestic producers. 128/ Imports from Norway and Poland are increasing rapidly during a period in which the domestic industry is continuing to suffer losses and is materially injured. We determine that there is a reasonable indication of material injury or threat thereof by reason of allegedly LTFV imports of carbon steel structural shapes from Norway and Poland.

126/ Id. at V-21.
127/ Id. at V-21.
128/ Id. at V-21.

This series of investigations was instituted in response to petitions filed by United States Steel Corp. and Chaparral Steel Corp. on 19 December 1984 and by Bethlehem Steel Corp. on 20 December 1984 with the United States International Trade Commission (Commission) and the Department of Commerce (Commerce). The petitions allege that imports of certain carbon steel products from Austria, Czechoslovakia, East Germany (German Democratic Republic), Finland, Hungary, Norway, Poland, Romania, Sweden, and Venezuela are being subsidized by the respective foreign governments (countervailing duty petitions) or sold in the United States at less than fair value (LTFV) (antidumping duty petitions) and that industries in the United States are materially injured or threatened with material injury by reason of such imports. Accordingly, effective 19 December 1984, the Commission instituted 10 countervailing duty investigations and 23 antidumping duty investigations, which were in total referred to as Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Finland, Hungary, Poland, Romania, Sweden, and Venezuela, Investigation Nos. 701-TA-225-234 (Preliminary) and 731-TA-213-235 (Preliminary).[1] On 9 January 1985, a conference was held for preliminary investigations 701-TA-225 through 234 and 731-TA-213 through 235. On 28 January 1985, following

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1. For a list of the 33 investigations instituted by the Commission see pages a-1 and a-2.

Commerce's notification to the Commission of its determination, the Commission terminated the 3 investigations of carbon steel from Finland upon the withdrawal by petitioners of the relevant petitions.[2] Later that same day, the Commission met and voted on each of the 30 remaining preliminary investigations. The Commission majority made an affirmative determination in 24 of these cases, all of the cases involving carbon steel plates whether or not in coils, hot-rolled carbon steel sheets, cold-rolled carbon steel plates and sheets, and carbon steel structural shapes having a maximum cross-sectional dimension of 3 inches or more. In only six cases did the Commission make a negative determination, all of the cases involving galvanized carbon steel sheets.

On 30 October 1984, the Trade and Tariff Act of 1984 went into effect (1984 Act). The 1984 Act makes several changes in the provisions of Title VII of the Tariff Act of 1930, which include specific provisions on cumulation and threat of material injury. Because these investigations were initiated after the Act became effective, the issues in this investigation are governed by the 1984 Act. The instant investigations are the result of one of the first sets of petitions to be filed under the 1984 amendments to the Tariff Act of 1930, and present the Commission with its first opportunity to consider the 1984 amendments. The crucial issues in this series of investigations

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2. Investigation Nos. 731-TA-218, 220, and 227 (preliminary).

involve cumulation. As a result, my opinion is concerned primarily with cumulation.[3]

I. Cumulation of Imports under the 1984 Act

The 1984 amendments added a cumulation provision to the statute where none had been present before. Section 771 contains the definitions and special rules for the Tariff Act of 1930, and paragraph 7 of that section is concerned with material injury. The countervailing duty statute (Section 701 of the Tariff Act of 1930, 19 U.S.C. 1671 (1982)) requires the Commission to make a preliminary determination based upon the best information available to it at the time that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports before a final countervailing duty investigation can be instituted.[4] Similarly, the antidumping duty statute (Section

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3. I join with the Commission majority on the issues of defining the like products and domestic industries.

4. Section 701b reads in pertinent part as follows:

> The Commission ... shall make a determination, based upon the best information available to it at the time of the determination, of whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, ... by reason of imports of the merchandise which is the subject of the investigation by the administering authority.

19 U.S.C. 1671b(a) (1982).

731 of the Tariff Act of 1930, 19 U.S.C. 1673 (1982)) requires the Commission to make a preliminary determination that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of merchandise sold at less than fair value before a final antidumping duty investigation can be instituted.[5] Similar language is used for final investigations before a countervailing duty or antidumping duty can be imposed, with the exception that the Commission must determine that there is an actual injury, or a real and imminent threat of one, as a result of the dumped or subsidized imports respectively, rather than a reasonable indication based on the best evidence then available.[6]

Paragraph 7 of section 771 defines material injury and provides special factors which the Commission is to consider in determining material injury. Section 771(7)(B)[7] lists the factors the Commission is to consider, along with other factors,

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5. Section 731b reads in pertinent part as follows:

> the Commission ... shall make a determination, based upon the best information available to it at the time of the determination, of whether there is a reasonable indication that An industry in the United States is materially injured, or is threatened with material injury, by reason of imports of the merchandise which is the subject of the investigation by the administering authority.

19 U.S.C. 1673b(a) (1982).

6. 19 U.S.C. 1671(a)(2) and 1673(2).

7. 19 U.S.C. 1677(7)(B) (1982).

when making a preliminary determination. The statute specifically directs the Commission to consider (i) the volume of the imports which are the subject of the investigation, (ii) the effect of the imports on prices in the United States for the like product, and (iii) the impact of imports on the domestic producers of the like product.[8] Subparagraph C expands upon each of the three factors listed in subparagraph B. Section 612(a)(2)(a) of the 1984 Act amends Title VII by adding a new subsection at the end of subparagraph C, section 771(7)(C)(iv):

> (iv) 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.[9]

Although this new cumulation provision raises several questions about its application, in the instant series of investigations only two of these questions are paramount. The first question is whether imports from countries subject to a section 701 countervailing duty investigation are to be cumulated with imports from countries subject to a section 731 antidumping duty investigation. The second question is whether imports from countries currently under investigation are to be cumulated with imports from countries which are currently subject to outstanding countervailing duty orders or antidumping duty orders. I

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8. Id.

9. Pub. L. No. 98-573 (Oct. 30, 1984).

conclude that the answer to both of these questions is in the negative. Specifically, Title VII as currently drafted does not permit imports from countries subject only to either a countervailing or antidumping duty investigation to be cumulated with imports from countries subject to only the other form of investigation under Title VII. In addition, Title VII does not permit imports from countries subject to an outstanding countervailing duty or an antidumping duty order to be cumulated with imports from countries that are currently under investigation.

A. Imports from countries subject to only a countervailing duty investigation cannot be cumulated with competing imports from countries subject only to an antidumping duty investigation.

The cumulation provision of the 1984 Act does not explicitly state whether the Commission should cumulate imports from countries subject to a countervailing duty investigation with those subject to an antidumping duty investigation. Instead, the Act uses the ambiguous language "subject to investigation." Counsel for petitioners argue that imports which are subject to antidumping investigations should be cumulated with imports subject to countervailing duty investigations. Their argument is based on the language of the 1984 amendment and the legislative history which does not explicitly recognize the problem with the two statutes.[10] I find this argument unpersuasive, and I decline

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10. Post-Conference Brief of Bethlehem Steel Corp., at 11.

to cumulate across statutes by presuming Congress intended to require it when there is no indication that Congress was even aware of the issue.

Petitioner also argues that cross-cumulation is required because the injury determination is the same for both countervailing duty and antidumping duty cases.[11] It is unclear why any similarity in how the relevant injury determinations are made should imply that the relevant imports should be cross-cumulated. Furthermore, the assumption upon which the argument rests is faulty. The determinations are not identical. Congress has explicitly recognized that technical dumping, which is dumping in order to compete in the United States market, is not illegal. There is, however, no equivalent provision in the statute that governs government subsidization. In addition, the assumption that the determinations made by the Commission are similar in countervailing duty and antidumping duty investigations supports the interpretation that cross-cumulation is not intended just as well. Congress has chosen to treat antidumping and countervailing duty investigations under different sections of Title VII, and if the determinations are the same, then the decision by Congress to treat the two activities under separate statutes raises a presumption to treat the two separately.

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11. id.

There are, however, even stronger reasons not to cross-cumulate. First, as mentioned immediately above, foreign government subsidization of imports and sales by private firms of imports at less than fair value are governed by different sections of Title VII. Although this would not be enough to preclude cross-cumulation in the face of a strong presumption to the contrary, this does raise a contrary presumption in the absence of any conflicting statutory language or strong indication of Congressional intent. Second, whenever the Commission has exercised its discretion and cumulated in the past it has cumulated antidumping duty investigations only with antidumping duty investigations and countervailing duty investigations only with countervailing duty investigations. Thus, the most reasonable interpretation of the intent of Congress when it enacted the cumulation provision is to make this discretionary practice mandatory, and not to extend it. Third, the statutory language of the operative sections of title VII precludes cross-cumulation. Before a countervailing duty can be imposed the countervailing duty statute requires Commerce to determine that "a country ... is providing directly or indirectly a subsidy with respect to the manufacture, production, or exportation of a class or kind of merchandise imported into the United States" and the Commission to determine that "an industry in the United States is materially injured, or is threatened with

material injury ... by reason of imports of that merchandise."[12] Similarly, before an antidumping duty can be imposed the antidumping duty statute requires Commerce to determine "that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value" and the Commission to determine that "an industry in the United States is materially injured, or is threatened with material injury ... by reason of such imports."[13] Thus, the statutory language of the countervailing duty statute clearly requires that the injury be by reason of subsidized imports, and not by reason of both subsidized and dumped imports. Similarly, the statutory language of the antidumping statute clearly requires that the injury be by reason of dumped imports, and not by reason of both dumped and subsidized imports. If the Commission were to cross-cumulate, then it would be acting outside of its statutory mandate.[14] As a result of cross-cumulation the Commission could make an affirmative determination in antidumping duty cases not by reason of dumped imports, and in countervailing duty cases not by reason of subsidized imports. Therefore, I decline to

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12. 19 U.S.C. 1671 (1982) (emphasis added).

13. 19 U.S.C. 1673 (1982) (emphasis added).

14. This interpretation is supported by the provisions governing preliminary investigations. Before instituting a countervailing duty or antidumping duty investigation, the Commission must determine that an industry in the United States is materially injured or threatened with material injury "by reason of imports of the merchandise which is the subject of the investigation by the administering authority." 19 U.S.C. 1671b(a), 1673b(a) (1982).

cumulate imports from countries subject to an antidumping duty investigation with imports from countries subject to a countervailing duty investigation.

B. Imports from countries subject to outstanding countervailing duty or antidumping duty orders cannot be cumulated with imports from countries that are currently the subject of an investigation.

The language of the cumulation provision of the 1984 Act prevents the cumulation of imports from countries subject to an outstanding antidumping duty or countervailing duty order with the imports from countries that are currently the subject of investigation. The language of the 1984 Act refers to "imports from two or more countries of like products subject to investigation."[15] The plain meaning of the statute would limit its application to instances where the products are from countries that are currently the subject of an investigation. Counsel for petitioners, however, argue that the cumulation provision should be applied more broadly. They argue that products from countries under an outstanding order should be cumulated with those that are the subject of a section 701 or section 731 investigation. Their argument is that these countries are subject to a section 751 review investigation, and should thus be cumulated. According to counsel, these countries do not have to be currently the subject of a section 751

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15. Pub. L. No. 98-573 (Oct. 30, 1984) (emphasis added).

investigation by the Commission.[16] Instead, it is enough that there is the potential for a section 751 review investigation by the Commission. This argument is not only counterintuitive; it proves too much. If a product of a country that is currently the subject of an outstanding antidumping duty or countervailing duty investigation is the subject of a section 751 investigation, then the imports from any country against which a section 701 or section 731 investigation could be brought are also the subject of a section 701 or section 731 investigation. Such a reading would effectively read the "subject to investigation" provision out of the statute. Congress, however, has emphasized its intention not to weaken this phrase when it stated in the Conference Report accompanying the 1984 Act:

> 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. The conferees do intend, however, that the marketing of imports that are accumulated (sic) be reasonably coincident. Of course imports of like products from countries not subject to investigation would not be included in the cumulation.[17]

In addition, it would be contrary to the injury requirement in Title VII to cumulate products from countries subject to a final countervailing duty or antidumping duty order with imports

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16. Because the cumulation provision applies only to the Commission, and not to Commerce, it is irrelevant that Commerce is conducting an ongoing section 751 review investigation for all products that are subject to outstanding orders.

17. H.R. Rep. No. 1156, 98th Cong., 2d Sess. 173 (1984) (emphasis added).

from countries that are currently under investigation. The purpose of the investigation undertaken by the Commission is to determine whether the imports from the countries under investigation are causing or threatening to cause material injury to the domestic injury. Whatever injury was caused or was threatened by imports of the like product from countries that are now subject to a final order have been remedied by that order. Thus, it makes no sense to cumulate imports subject to a final order with those from countries under investigation. Therefore, I decline to cumulate imports from countries that are subject to a final order with imports from countries that are the subject of a preliminary investigation.

II. Material Injury

In all Title VII investigations the Commission must determine whether or not a domestic industry is materially injured or threatened with material injury by reason of the allegedly dumped or subsidized imports.[18] The definitional section of title VII directs the Commission to consider among other factors the volume of imports, their effect on prices, and their impact on domestic producers of like products. In evaluating the volume of imports Congress has directed the Commission to consider "whether the volume of imports of the merchandise, or any increase in that volume, either in absolute

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18. 19 U.S.C. 1671, 1673 (1982).

terms or relative to production or consumption in the United States is significant."[19] In order to give effect to this provision I presume that an import penetration ratio, after cumulating imports as required, of less than 2.5 percent of apparent United States consumption is too small to be a cause of material injury. Similarly, I will also presume that any increases in the import penetration ratio for which the import penetration ratio is still less than 2.5 percent is too small to constitute a threat of material injury.

Such a presumption is consistent with the statute and in the public interest for several reasons. First, the presumption is in accord with common sense, which suggests that low levels of import penetration are very unlikely to be the cause of injury to a domestic industry.[20] Second, this presumption will provide guidance to domestic industries that are considering filing petitions. Third, this presumption will help to conserve government resources. Unlike a judicial proceeding in which the parties are responsible for conducting any investigation and presenting their case, in cases brought before the Commission the Commission is responsible for conducting an investigation at public expense. The effect of this presumption is to require the

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19. 19 U.S.C. 1677(7)(C)(i) (1982).

20. The new cumulation statute makes this presumption reasonable, because the small importing countries which individually could not be the cause of injury to the domestic industry are cumulated.

petitioning party to bear a larger share of the cost in those cases where its likelihood of prevailing is least. Fourth, one effect of this presumption in light of the new cumulation provision is to lead petitioners to bring all of their cases together,[21] thereby allowing the Commission to conserve resources as well as obtain a better picture of the effect of imports on the domestic industry.

Applying the presumption outline above, I find that in light of the best evidence currently available there is no reasonable indication that the imports from respondents are a cause of material injury or present a real and imminent threat of material injury to any domestic industry.[22] For every one of the 9 aggregates the import penetration ratio is less than 2.5 percent.[23] Thus, I will not conclude that there is a reasonable indication that a domestic industry may be injured or threatened

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21. Under the new statute all of the cases brought by petitioners at the one time will be considered by the Commission together if the petitioners so desire.

22. Section 612(a)(2)(B) of the 1984 Act amends Title VII by adding a new subparagraph to the definitional section, section 771(7)(F), which covers threat of material injury.

23. The 9 aggregates and their import penetration ratios are as follows. First for the antidumping duty investigations: carbon steel plates (2.3%) (table I-14); hot-rolled carbon steel sheets (1.4%) (table II-12); cold-rolled carbon steel sheets (1.7%) (table III-11); galvanized carbon steel sheets (0.9%) (table IV-12); carbon steel structural shapes (1.8%) (table V-10). For the countervailing duty investigations: carbon steel plates (1.7%) (table I-14); hot-rolled carbon steel sheets(1.8%) (table II-12); cold-rolled carbon steel sheets (1.4%) (table III-11); galvanized carbon steel sheets (0.5%) (table IV-12).

with material injury solely from the level or increase in the level of imports. In order to establish such a reasonable indication petitioners must show something more, such as increased foreign capacity. There is, however, nothing available on the record to indicate such a reasonable indication. Therefore, I determine in each one of the 30 cases that are subject to investigation that there is no reasonable indication that a domestic industry is injured or threatened with material injury by reason of allegedly dumped or subsidized imports subject to investigation.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

These investigations were instituted in response to petitions filed with the Commission and the Department of Commerce by the United States Steel Corp. (U.S. Steel), Pittsburgh, PA, and Chaparral Steel Co. (Chaparral), Midlothian, TX, on December 19, 1984, and by Bethlehem Steel Corp. (Bethlehem), Bethlehem, PA, on December 20, 1984. The petitions allege that imports of certain carbon steel products from Austria, Czechoslovakia, East Germany, Finland, Hungary, Norway, Poland, Romania, Sweden, and Venezuela are being subsidized by the respective foreign governments (countervailing duty petitions) and/or sold in the United States at less than fair value (LTFV) (antidumping petitions) and that industries in the United States are materially injured or threatened with material injury by reason of such imports. Accordingly, effective December 19, 1984, the Commission instituted the following investigations: 1/

Countervailing duty investigations

Carbon steel plates, whether or not in coils, provided for in item 607.66 of the Tariff Schedules of the United States (TSUS), from--

Sweden [investigation No. 701 TA-225 (Preliminary)] and
Venezuela [investigation No. 701-TA-226 (Preliminary)];

Hot-rolled carbon steel sheets, provided for in TSUS items 607.67 and 607.83, from--

Austria [investigation No. 701 TA-227 (Preliminary)],
Sweden [investigation No. 701-TA-228 (Preliminary)], and
Venezuela [investigation No. 701-TA-229 (Preliminary)];

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

Austria [investigation No. 701-TA-230 (Preliminary)],
Sweden [investigation No. 701-TA-231 (Preliminary)], and
Venezuela [investigation No. 701-TA-232 (Preliminary)]; and

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

Austria [investigation No. 701-TA-233 (Preliminary)] and
Venezuela [investigation No. 701-TA-234 (Preliminary)].

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

Antidumping investigations

Carbon steel plates, whether or not in coils, provided for in TSUS item 607.66, from --

Czechoslovakia [investigation No. 731 TA-213 (Preliminary)],
East Germany [investigation No. 731-TA-214 (Preliminary)],
Hungary [investigation No. 731 TA-215 (Preliminary)],
Poland [investigation No. 731-TA-216 (Preliminary)], and
Venezuela [investigation No. 731-TA-217 (Preliminary)];

Carbon steel plates in coils, provided for in TSUS item 607.66, from Finland [investigation No. 731-TA-218 (Preliminary)];

Hot-rolled carbon steel sheets, provided for in TSUS items 607.67 and 607.83, from--

Austria [investigation No. 731 TA-219 (Preliminary)],
Finland [investigation No. 731-TA-220 (Preliminary)],
Hungary [investigation No. 731-TA-221 (Preliminary)],
Romania [investigation No. 731-TA-222 (Preliminary)], and
Venezuela [investigation No. 731-TA-223 (Preliminary)];

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

Austria [investigation No. 731-TA-224 (Preliminary)],
Czechoslovakia [investigation No. 731-TA-225 (Preliminary)],
East Germany [investigation No. 731-TA-226 (Preliminary)],
Finland [investigation No. 731-TA-227 (Preliminary)],
Romania [investigation No. 731-TA-228 (Preliminary)], and
Venezuela [investigation No. 731-TA-229 (Preliminary)];

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

Austria [investigation No. 731-TA-230 (Preliminary)],
East Germany [investigation No. 731-TA-231 (Preliminary)],
Romania [investigation No. 731-TA-232 (Preliminary)], and
Venezuela [investigation No. 731-TA-233 (Preliminary)]; and

Carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80, from --

Norway [investigation No. 731-TA-234 (Preliminary)] and
Poland [investigation No. 731-TA-235 (Preliminary)].

In each of these investigations, the Commission must determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the subject merchandise.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of January 2, 1985 (50 FR 186). 1/ The conference was held in Washington, DC, on January 9, 1985. 2/

On January 18, 1985, the Commission received a letter from Bethlehem Steel Corp., the petitioner in all three of the investigations concerning imports from Finland, which stated that ". . . Bethlehem Steel Corporation hereby withdraws the antidumping petition filed by it on December 20, 1984 concerning hot-rolled carbon steel sheet and cold rolled carbon steel sheet from Finland." On January 25, 1985, the Commission was notified by the Department of Commerce that, based on the withdrawl of the petitions, it was terminating its investigations concerning imports of such merchandise from Finland. Accordingly, pursuant to section 207.40(a) of the Commission's Rules of Practice and Procedure (19 CFR § 207.40(a)), investigations 731-TA-218, 731-TA-220, and 731-TA-227 were terminated on January 28, 1985.

The Commission voted on these cases on January 28, 1985. The statute directs that the Commission make its determinations in the investigations within 45 days after receipt of the petitions, or by February 4, 1985.

Discussion of Report Format

This report is organized in five major parts on the basis of product groups. Part I deals with carbon steel plates (whether or not in coils); part II deals with hot-rolled carbon steel sheets; part III deals with cold-rolled carbon steel sheets (including cold-rolled plates); part IV deals with galvanized carbon steel sheets; and part V deals with carbon steel structural shapes. Discussions of related Commission investigations on the subject products, the petitioners' allegations concerning subsidies and LTFV sales, the foreign producers of these products in the cited countries, and the aggregate financial experience of U.S. producers of the subject carbon steel products on the overall operations of their establishments in which these products are produced are presented in this introductory portion of the report.

Related Commission Investigations Concerning Imports of the Subject Products

The products covered by these investigations have been the subject of numerous other recent (since 1981) Commission investigations. These investigations and the Commission's determinations in each of them are shown in table 1; a more thorough presentation of such investigations is presented in appendix C.

1/ Copies of the Commission's and Commerce's notices of investigations are presented in app. A.

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

Table 1.--Certain carbon steel products: Commission investigations involving plates, hot-rolled sheets, cold-rolled sheets, galvanized sheets, and structural shapes since 1981

(A = affirmative determination; N = negative determination)

Country	Plates 1/	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Structural shapes
	Preliminary determinations				
Argentina	-	-	2/3/ A	-	-
Australia	-	-	-	2/3/ A	-
	-		-	4/3/ A	-
Belgium	5/6/ A	5/6/7/ A	5/6/7/ N	5/6/ N	5/6/ A
	8/2/ A	8/2/ A	-	-	-
	4/9/ A	-	-	-	-
Brazil	5/7/4/ N	5/7/4/ N	5/7/4/ N	-	5/4/ N
	2/9/ A	-	-	-	-
Finland	2/3/ A	-	-	-	-
France	5/6/ N	5/6/7/ A	5/6/7/ A	5/6/ N	5/6/ A
	5/6/7/ A	-	-	-	-
Italy	5/6/ N	5/6/7/ A	5/6/7/ A	5/6/ N	-
	5/6/7/ A	-	-	-	-
Korea	-	-	4/10/ N	-	4/11/ A
Luxembourg	5/6/7/ N	5/6/7/ N	5/6/7/ N	5/6/ N	5/6/ A
Netherlands	5/6/ N	5/6/7/ A	5/6/7/ A	5/6/ N	-
	5/6/7/ A	-	-	-	-
Romania	5/2/ A	-	-	-	-
	2/9/ A	-	-	-	-
South Africa	2/3/ A	2/3/ A	2/3/ A	2/3/ A	2/3/ A
Spain	2/3/ A	4/12/ N	2/3/ A	2/3/ A	2/3/ A
United Kingdom	5/6/ A	5/6/7/ N	5/6/7/ N	5/6/ N	5/6/ A
	5/7/4/ N	-	-	-	-
West Germany	5/6/ A	5/6/7/ A	5/6/7/ A	5/6/ N	5/6/ A
	8/2/ A	8/2/ A	-	-	-

See footnotes at end of table.

Table 1.--Certain carbon steel products: Commission investigations involving plates, hot-rolled sheets, cold-rolled sheets, galvanized sheets, and structural shapes since 1981--Continued

(A = affirmative determination; N = negative determination)

Country	Plates 1/	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Structural shapes
	Final determinations				
Brazil	13/14/ A	14/15/ A	14/15/ A	-	-
	16/17/ A	17/18/ A	17/19/ N	-	-
	14/15/ A	-	-	-	-
Korea	14/20/ A	14/20/ A	14/21/ A	14/20/ A	-
	17/22/ A	-	-	-	-
Spain	14/23/ A	-	14/23/ A	14/23/ A	14/23/ A

1/ In a recent final determination involving cut-to-length and coiled plate, the Commission determined that the two items are like products and should be considered together as the carbon steel plate industry (investigation No. 731-TA-123 (Final), March 1984).

2/ By reason of allegedly LTFV imports.

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

4/ By reason of allegedly subsidized imports.

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

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

7/ Includes strip.

8/ Certain Flat-Rolled Carbon Steel Products From Belgium and the Federal Republic of Germany, investigations Nos. 731-TA-146 and -147 (Preliminary), November 1983 (Commerce terminated these investigations on the grounds that the petitioner was not an interested party).

9/ Hot-Rolled Carbon Steel Plate From Belgium, Brazil, and Romania, investigations 701-TA-83 and -84 (Preliminary) and 731-TA-51 (Preliminary), January 1982.

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

11/ Cold-Rolled Carbon Steel Sheet and Carbon Steel Structural Shapes From the Republic of Korea, investigations Nos. 701-TA-218 and -219 (Preliminary), August 1984.

12/ Certain Steel Products From Spain, investigations Nos. 701-TA-155 through -163 (Preliminary), June 1982.

13/ Hot-Rolled Carbon Steel Plate From Brazil, investigation No. 701-TA-87 (Final), 1983.

14/ By reason of subsidized imports only.

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

16/ Certain Flat-Rolled Carbon Steel Products From Brazil, investigation No. 731-TA-123 (Final), March 1984.

17/ By reason of LTFV imports only.

18/ Hot-Rolled Carbon Steel Sheet From Brazil, investigation No. 731-TA-153 (Final), August 1984.

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

20/ Certain Steel Products From the Republic of Korea, investigations Nos. 701-TA-170, -171, and -173 (Final), February 1983.

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

22/ Certain Hot-Rolled Carbon Steel Plate From the Republic of Korea, investigation No. 731-TA-151 (Final), August 1984.

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

Source: See footnotes.

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

The petitioner in all of the instant countervailing duty investigations is the United States Steel Corp. These cases involve flat-rolled carbon steel products from three countries--Austria, Sweden, and Venezuela. U.S. Steel also filed antidumping petitions against such steel products from Austria and Venezuela, as well as five other countries--Czechoslovakia, East Germany, Hungary, Poland, and Romania. Bethlehem Steel Corp. is the petitioner in the antidumping investigations involving flat-rolled products from Finland. 1/ Chaparral Steel Co. is the petitioner in the antidumping cases involving structural shapes from Norway and Poland. The allegations made by the petitioners are summarized in table 2 and are discussed in more detail below.

Alleged subsidies

Austria.--U.S. Steel alleges that manufacturers, producers, or exporters of hot-rolled sheets, cold-rolled sheets, and galvanized sheets in Austria receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

Nature of subsidy	Amount of subsidy (percent ad valorem)
Government equity infusions	3.6
Government grants to steel industry	5.0
Preferential export financing	.7
Labor subsidies	1/
Local incentives	1/
Total specified	9.3

1/ No quantification of this alleged subsidy was given in the petition.

Sweden.--U.S. Steel alleges that manufacturers, producers, or exporters of plates, hot-rolled sheets, and cold-rolled sheets in Sweden receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

Nature of subsidy	Amount of subsidy (percent ad valorem)
Government equity infusions	7.7
Government grants	.8
Preferential government loans and guarantees	10.0
Regional development subsidies	1/
Input subsidies	1/
Research and development subsidies	1/
Total specified	18.5

1/ No quantification of this alleged subsidy was given in the petition.

1/ As indicated previously, these petitions were subsequently withdrawn and the investigations were terminated.

Table 2.--Alleged subsidies and/or sales at LTFV, by countries and by products

Country	Plates	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Structural shapes
	Alleged subsidies (in percent) 1/				
Austria	2/	9.3	9.3	9.3	2/
Sweden	18.5	18.5	18.5	2/	2/
Venezuela	198.8	198.8	198.8	198.8	2/
	Alleged margins of sales at LTFV (in percent) 3/				
Austria	2/	49.6	61.0	41.6	2/
Czechoslovakia	85.8	2/	84.9	2/	2/
East Germany	104.1	2/	85.0	75.3	2/
Finland	4/ .2-26.4	.1-34.3	.1-19.8	2/	2/
Hungary	26.7-52.0	14.9-49.5	2/	2/	2/
Norway	2/	2/	2/	2/	56.0
Poland	35.9-61.7	2/	2/	2/	47.0
Romania	2/	15.6-53.7	57.9-76.6	25.7-48.9	2/
Venezuela	209.8	108.2	94.3	164.5	2/
	Alleged margins of sales at LTFV (per net ton)				
Austria	2/	$126	$186	$166	2/
Czechoslovakia	$182	2/	225	2/	2/
East Germany	204	2/	227	244	2/
Finland	1-61	1-75	1-61	2/	2/
Hungary	59-115	33-110	2/	2/	2/
Norway	2/	2/	2/	2/	$108
Poland	74-127	2/	2/	2/	95
Romania	2/	34-117	121-209	81-154	2/
Venezuela	407	225	278	655	2/

1/ The petitioner asserts that these are calculations of the minimum level of subsidies in each country and that the actual levels may be higher.
2/ Not applicable.
3/ As an ad valorem percentage of the export value.
4/ Plates in coils.

Source: The petitions.

Venezuela.--U.S. Steel alleges that manufacturers, producers, or exporters of plates, hot-rolled sheets, cold-rolled sheets, and galvanized sheets in Venezuela receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

Nature of subsidy	Amount of subsidy (percent ad valorem)
Government equity infusions	47.9
Government grants to steel producers	1/
Preferential government credit	1/
Import duty reductions	1/
Tax incentives	1/
Regional incentives	1/
Input subsidies	1/
Export subsidies:	
Preferential exchange rates	133.0
Export bonds	6.6
Preferential export financing	11.3
Discounts for inputs used for exports	1/
Total specified	198.8

1/ No quantification of this alleged subsidy was given in the petition.

Alleged sales at LTFV

Austria.--U.S. Steel alleges that imports of hot-rolled sheets, cold-rolled sheets, and galvanized sheets from Austria are being sold in the United States at LTFV. Furthermore, the petitioner alleges that sales of such merchandise in the home market are below the cost of production; therefore, it compared constructed values with average export prices. LTFV margins, expressed as a percent of the export prices, were 49.6 percent for hot-rolled sheets, 61.0 percent for cold-rolled sheets, and 41.6 percent for galvanized sheets.

Czechoslovakia.--U.S. Steel alleges that imports of plates and cold-rolled sheets from Czechoslovakia are being sold in the United States at LTFV. Because Czechoslovakia is a nonmarket-economy country, the petitioner selected Austria as the most appropriate surrogate country (as indicated above, U.S. Steel used constructed costs in its calculations for Austria). By comparing Austrian constructed values with average export prices from Czechoslovakia, U.S. Steel calculated LTFV margins of 85.8 percent for plates and 84.9 percent for cold-rolled sheets.

East Germany.--U.S. Steel alleges that imports of plates, cold-rolled sheets, and galvanized sheets from East Germany are being sold in the United States at LTFV. The petitioner used the same methodology it used in the case of imports from Czechoslovakia--that is, it used Austria as a surrogate country and computed constructed values. Alleged LTFV margins were 104.1 percent for plates, 85.0 percent for cold-rolled sheets, and 75.3 percent for galvanized sheets.

Finland.--Bethlehem, the petitioner in the cases involving Finland, 1/ alleges that imports of plates in coils, hot-rolled sheets, and cold-rolled sheets from Finland are being sold in the United States at LTFV. The petitioner also alleges that sales of such merchandise are below the cost of production. Bethlehem used various bases for making fair-value comparisons. Using Finnish base prices plus charges for extras, for example, alleged LTFV margins during January-September 1984 range from 4.5 percent to 26.3 percent for coiled plates, 0.9 to 30.2 percent for hot-rolled sheets, and 0.3 to 12.4 percent for cold-rolled sheets.

Hungary.--U.S. Steel alleges that imports of plates and hot-rolled sheets from Hungary are being sold in the United States at LTFV. Hungary is a nonmarket-economy country, so the petitioner selected Spain as the most appropriate surrogate country. Comparisons of home-market prices in Spain with export prices from Hungary resulted in alleged LTFV margins of 26.7 percent on plates and 14.9 percent on hot-rolled sheets. However, U.S. Steel alleges that home-market sales in the surrogate country are below the cost of production and, therefore, made additional calculations using constructed values. By comparing Spanish constructed values with average export prices from Hungary, the petitioner calculated LTFV margins of 52.0 percent for plates and 49.5 percent for hot-rolled sheets.

Norway.--Chaparral, the petitioner in the case involving structural shapes from Norway, alleges that imports of such merchandise are being sold in the United States at LTFV margins of 56 percent. The petitioner requested the Department of Commerce to use U.S. producers' costs of production adjusted for differences in production costs in Norway.

Poland.--U.S. Steel alleges that imports of plates from Poland are being sold in the United States at LTFV. Again, U.S. Steel used Spain as the most appropriate surrogate country in making its calculations. Comparisons of home-market prices in Spain with export prices from Poland resulted in an alleged LTFV margin of 35.9 percent. As noted previously, however, the petitioner alleges that home-market sales in Spain are below the cost of production and, therefore, made additional calculations using constructed values. By comparing Spanish constructed values with average export prices from Poland, U.S. Steel calculated an average LTFV margin of 61.7 percent for plates. Chaparral, the petitioner in the case involving structural shapes from Poland, alleges that imports of such merchandise are being sold in the United States at average LTFV margins of 47 percent. Chaparral selected Canada and Japan as the most appropriate surrogate countries in making its LTFV calculations.

Romania.--U.S. Steel alleges that imports of hot-rolled sheets, cold-rolled sheets, and galvanized sheets from Romania are being sold in the United States at LTFV margins of 53.7 percent, 76.6 percent, and 48.9 percent, respectively. Again, U.S. Steel used constructed costs in Spain (the most appropriate surrogate country) in making its calculations. (The comparable margins resulting from comparing home-market prices in Spain with export prices from Romania were 15.6 percent, 57.9 percent. and 25.7 percent.)

1/ As indicated previously, the petitions concerning imports from Finland were withdrawn by the petitioner and the Commission's investigations were terminated.

Venezuela.--U.S. Steel alleges that imports of plates, hot-rolled sheets, cold-rolled sheets, and galvanized sheets from Venezuela are being sold in the United States at LTFV margins of 209.8 percent, 108.2 percent, 94.3 percent, and 164.5 percent, respectively. The margins were calculated as the difference between foreign market values and export prices.

Foreign Producers

Austria

Austria ranked 25th in world raw steel output in 1983, with 4.9 million tons, 1/ representing a 4-percent increase from production in 1982. Capacity to produce raw steel in 1983 was 5.5 million tons.

Voest-Alpine, a State-owned integrated producer, is the dominant Austrian steel producer; it produced 4.2 million tons of raw steel in 1982. During 1981-83, Voest-Alpine accounted for approximately 90 percent of all rolled steel products produced in Austria. Voest-Alpine's capacity to produce hot-rolled sheets is 647,000 tons per year. Its annual capacity for producing cold-rolled sheets is 1.2 million tons per year, and its galvanized sheet-making capacity is 151,000 tons per year.

Austria's production of finished steel products declined by about 4 percent from 6.2 million tons in 1979 to 5.9 million tons in 1983 (table 3). Apparent consumption declined from 4.3 million tons in 1979 to 3.9 million tons in 1983. Imports increased by 16 percent from 884,000 tons in 1979 to 1.0 million tons in 1980, and then declined by 4 percent to 987,000 tons in 1983. Exports increased irregularly from 2.8 million tons in 1979 to 3.0 million tons in 1983, or by 8 percent.

Table 3.--Austria's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83.

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	6,178	884	2,777	4,285
1980	5,793	1,024	2,634	4,183
1981	5,842	1,001	2,987	3,856
1982	5,558	951	2,714	3,795
1983	5,901	987	2,991	3,897

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983; published September 1984.

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

Sheets less than 3 millimeters (mm) in thickness comprised the major product category exported from Austria in 1983, accounting for 38 percent of total exports, followed by tubes and fittings (14 percent), ingots and semifinished products (13 percent), and plates (12 percent). Western Europe was the principal foreign market for Austria's exports of sheets in 1983, with 60 percent of the total. Eastern Europe and the Middle East were secondary export markets for sheets, accounting for 37 percent, and 2 percent, respectively, of total sheet exports.

Czechoslovakia

Czechoslovakia was the 9th largest producer of raw steel in the world in 1983 with total production of 16.6 million tons, about the same level as 1982 production. There are 4 integrated producers and some 12 nonintegrated producers of steel in Czechoslovakia.

There are three producers of carbon steel plates in Czechoslovakia. East Slovak Iron & Steel (ESIS) Works is a fully integrated producer established in 1960; its raw steelmaking capacity is 5.3 million tons per year. ESIS concentrates in the production of hot-rolled plates and sheets, cold-rolled sheets and strip, and specialized flat-rolled products. ESIS is the only known producer of cold-rolled sheets in Czechoslovakia.

Nova Hut Klementa Gottwalda (NHKG) is a fully integrated producer with a raw steelmaking capacity of 4.1 million tons in 1983. NHKG manufactures a wide range of steel products, including plates, hot-rolled sheets, joists, channels, angles, carbon steel wire rods, pipes and tubes, and rails. NHKG's annual capacity to produce plates is over 550,000 tons in its computer-controlled medium plate mill. NHKG is engaged in an expansion program that calls for the installation of a second bottom-blown converter, which will result in a capacity of 1 million tons per year, and an expansion of its continuous casting capacity.

Vitkovice Steelworks (Vitkovice) is an integrated producer established in 1826; its raw steelmaking capacity was 2.5 million tons in 1983. Vitkovice concentrates in the production of plates, hot-rolled sheets, joists, channels, pipes and tubes, rails, bars, and strip. The rolling capacity of its heavy plate mill is currently 496,000 tons per year.

Czechoslovakia's production of finished steel products fluctuated upward during 1979-83, from 14.2 million tons to 15.1 million tons, or by 6 percent (table 4). Apparent consumption rose irregularly during this period from 11.0 million tons to 11.8 million tons, or by 7 percent. Imports declined from 688,000 tons in 1979 to 392,000 tons in 1980, or by 43 percent, then increased 49 percent to 584,000 tons in 1983. Exports fell 6 percent from 3.9 million tons to 3.6 million tons during 1979-82, then rose 7 percent to 3.9 million tons in 1983. Export sales of Czechoslovakia's iron and steel products are handled by Ferromet, Prague.

Light sections comprised the major steel mill product category exported from Czechoslovakia in 1983, accounting for 15 percent of total exports. Tubes

Table 4.--Czechoslovakia's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	14,203	688	3,888	11,003
1980	14,151	392	3,828	10,715
1981	14,180	392	3,756	10,947
1982	14,093	403	3,636	10,799
1983	15,098	584	3,878	11,804

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983; published September 1984.

and fittings accounted for 17 percent of total exports, plates for 15 percent, and sheets less than 3mm in thickness for 14 percent.

Exports of plates from Czechoslovakia fluctuated upward from 567,000 tons in 1979 to 585,000 tons in 1981, or by 3 percent, then declined to 562,000 tons in 1983. Plates accounted for 15 percent of total exports from Czechoslovakia in 1979, falling to 15 percent in 1983. Western Europe was the principal foreign market for exports of plates during 1979-83, accounting for approximately 65 percent of the total. Eastern Europe and the Far East were secondary export markets, accounting for approximately 15 percent and 9 percent, respectively, of total exports of plates during this period.

Total exports of sheets less than 3mm in thickness rose from 443,000 tons in 1979 to 474,000 tons in 1980, declined to 466,000 tons in 1981, and then rose to 525,000 tons in 1983, representing an overall increase of 18 percent. Sheets accounted for 12 percent of total exports from Czechoslovakia in 1979 and 14 percent in 1982 and 1983. Western Europe was the principal foreign market for exports of sheets during 1979-83, accounting for approximately 38 percent of the total exported. Eastern Europe and the Middle East were secondary markets, taking approximately 33 percent and 16 percent, respectively, of the total during this period.

East Germany

East Germany ranked 18th in the world in raw steel output in 1983, with 8.3 million tons, up 5 percent from output in 1982. East Germany's steel industry is dominated by VEB Bandstahlkombinat, a group of steelworks which includes one integrated plant and five finished steel producers. There is also a second raw steel producer and an additional seven nonintegrated producers.

There are two producers of carbon steel plates in East Germany. VEB Stahl und Walzwerk Brandenburg accounts for approximately 40 percent of East Germany's raw steel production and approximately a quarter of the country's rolled steel output. Its raw steel capacity is 606,000 tons per year. VEB

Walzwerk Iisenburg is a nonintegrated rolling mill concentrating in the production of plates. VEB Eisenhuttenkombinat OST is an integrated plant concentrating in the production of cold-rolled coils/sheets, galvanized coils/sheets, stainless steel coils/sheets, and cold roll-formed sections. Expansion of the complex at Eisenhuttenstadt, which has been underway for several years, calls for additional capacity to make slabs, blooms, and cold-rolled sheets. The prime contractor for this project is Austria's steelmaker Voest-Alpine. West German steel producer Krupp is also involved. This facility is one of six steelworks comprising VEB Bandstahlkombinat.

East Germany's production of finished steel products increased by 3 percent during 1979-83, from 9.9 million tons to 10.2 million tons (table 5). East German measures have recently been aimed at reducing its steel consumption in order to cut imports. Still, production has not been capable of meeting requirements for domestic consumption, which declined 1.4 percent from 12.5 million tons in 1979 to 12.3 million tons in 1982.

Table 5.--East Germany's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83.

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	9,856	4,689	2,036	12,509
1980	10,061	4,710	2,465	12,306
1981	10,042	4,967	2,957	12,052
1982	10,106	5,054	2,820	12,340
1983	10,180	1/	1/	1/

1/ Not available.

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983; published September 1984.

Exports increased by 38 percent from 2.0 million tons in 1979 to 2.8 million tons in 1982. Export sales of East German iron and steel products are handled by Metalurgiehandel, Berlin. Sections (heavy and light) comprised the major steel mill product category exported from East Germany in 1982, accounting for 35 percent of total steel mill exports, followed by plates (heavy and medium) (17 percent) and sheets (15.percent).

Finland 1/

Crude steel production in Finland fluctuated within a narrow range during 1979-83, from a high of 2.7 million tons in 1980 to a low of 2.6 million tons

1/ As indicated previously, the petitions concerning imports from Finland were withdrawn by the petitioner and the Commission's investigations were terminated on Jan. 28, 1985.

in 1982. Finland's crude steel production in 1983 reached 2.6 million tons, representing an increase of approximately 2,000 tons over production in 1982. This placed Finland as the 33d largest producer of crude steel.

There are three producers of crude steel in Finland and nine steel finishing facilities. The largest firm is the Government-owned integrated steel producer, Rautarukki Oy, which was established in 1960. Rautarukki Oy was responsible for approximately 60 percent of Finland's crude steel production in 1983. The State owns 98.96 percent of Rautarukki Oy, with the remainder held by a few Finnish metalworking and engineering companies. The company owns a number of works, with steel products produced at eight facilities. Rautarukki Oy's crude steel capacity is approximately 1.9 million tons a year, and with production running at approximately 1.8 million tons annually, the firm is operating at about 95 percent of its capacity. The firm is the only Finnish manufacturer of the steel products under investigation. Hot-rolled sheets and plates are manufactured at its principal facility, the Raahe works. Its capacity for producing hot-rolled sheets and strip is 1.2 million tons a year. 1/ Cold-rolled sheets and strip are manufactured at the Hameenlinna works, whose capacity is 700,000 tons a year.

Finland's consumption of hot-rolled plates and sheets declined in 1983, principally due to reduced demand for shipbuilding steel. Demand for cold-rolled sheets increased as construction activity improved. Apparent consumption of finished steel products in 1983 increased by approximately 11 percent over consumption in 1982, from 2.7 million tons to 3.0 million tons, as shown in table 6. Imports declined by approximately 6 percent in 1983 from a high of 729,000 tons in 1982. Exports of finished steel products declined from a high of 1.3 million ton in 1979 to 1.0 million tons in 1982 before rising to 1.2 million tons in 1983. Principal export markets have been other Nordic countries and European Community (EC) members.

Table 6.--Finland's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	2,816	548	1,280	2,084
1980	2,937	685	1,052	2,570
1981	2,827	686	1,019	2,494
1982	2,963	729	961	2,731
1983	3,504	688	1,167	3,025

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983; published September 1984.

1/ Capacity is listed as 1.2 million tons a year for the hot-strip mill. Hot-rolled sheets and coiled plates are also produced on a hot-strip mill, with the level of production subject to the desired product mix.

Hungary

Crude steel production in Hungary declined from 4.3 million tons in 1979 to 4.0 million tons in 1981 before increasing in 1982 and then dropping to a low of 3.9 million tons in 1983. Hungary ranked as the 29th largest producer of crude steel in the world in 1983.

Hungary has four raw steel plants and three metalworking plants; all are State owned. Aggregate capacity for the country is not known, but it is believed to be approximately 5 million tons of crude steel. The largest steelmaking plant is the Danube Works, which has an annual capacity of 2.1 million tons of crude steel a year. The Danube Works manufactures both carbon steel plates and hot-rolled sheets (among other products). The capacity of the hot-rolling mills is 882,000 tons a year. Two other steel plants, Diosgyor Works, with a crude steel capacity of 1.2 million tons, and Ozdi Kohaszati Uzemek, with a crude steel capacity of 1.3 million tons, are believed to manufacture carbon steel plates. Capacity at the Diosgyor Works for rolled products is 80,500 tons. Capacity for the production of plates at the Ozdi Kohaszati Uzemek plant is not known.

Apparent consumption of finished steel products in Hungary declined from 5.0 million tons in 1979 to 4.6 million tons in 1982 and then increased to 5.0 million tons in 1983, as shown in table 7. Imports of finished steel products fluctuated during the 5-year period, with principal imports being heavy and medium plates. Exports of finished steel products from Hungary declined from 1979 to 1982, from 1.6 million tons to 1.1 million tons, before increasing to 1.3 million tons in 1983. Hungary's principal exports are steel sections, followed by plates and sheets. Hungary's largest export market has been Western Europe, although Iran received the most steel exports on an individual country basis in 1983. Hungary's exports to the United States in 1982 and 1983 amounted to less than 1 percent of its total steel exports.

Table 7.--Hungary's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	5,157	1,383	1,562	4,978
1980	4,914	1,189	1,345	4,758
1981	4,611	1,229	1,226	4,614
1982	4,588	1,149	1,125	4,612
1983	5,040	1,208	1,251	4,997

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983.

Norway

Crude steel production in Norway declined from 1.0 million tons in 1979 to 847,000 tons in 1982, before rising approximately 8 percent to 916,000 tons in 1983. The Government-owned steel firm Norsk Jernverk was responsible for approximately 84 percent of total crude steel production. With Norway's production of crude steel, at less than 1 million tons, it ranks as one of the smaller steelmaking countries.

Norway has two steel producers and one pipe and tube plant. Norsk Jernverk, which was established in 1955 and is 100 percent owned by the State, is the country's largest carbon steel producer; its annual crude steel production capacity is 992,000 tons. Production at the firm reached 772,000 tons in 1983, giving it a capacity utilization rate of approximately 78 percent. Norsk Jernverk is the only producer of the carbon steel structural shapes included in these investigations. The annual capacity of this firm to produce such articles is approximately 118,000 tons, split in the following manner; light/heavy angles--22,000 tons, L-profiles-5,500 tons, heavy channels-13,200 tons, wide-flange beams-66,100 tons, and universals-11,000 tons. Norsk Jernverk is presently undergoing restructuring, with the goal being improvements in productivity (along with as yet undisclosed changes in the product line). The reorganization goal is designed to make the company profitable by 1987.

Apparent consumption of finished steel products in Norway fluctuated during 1979-83, with 1983 having the lowest consumption of 1.2 million tons (table 8). During the 5-year period, Norway imported more steel than it produced or exported. Norway's exports of finished steel products increased to 777,000 tons in 1983, or 23 percent greater than 1982 exports of 632,000 tons. The largest category of exports have been structural shapes, followed by plates, sheets, and tin plate. Norway's traditional export markets have been the other Nordic countries and EC members.

Table 8.--Norway's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	942	1,168	810	1,300
1980	816	1,477	720	1,573
1981	745	1,251	737	1,259
1982	665	1,379	632	1,412
1983	817	1,144	777	1,184

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983.

Poland

Poland ranked 8th in world raw steel output in 1983, with total production of 18.1 million tons, up 11 percent from production in 1982. There are 35 ferrous metal and steel producers and 20 blast furnaces in Poland, according to official Polish data. The Polish steel industry has two converter steelmaking plants (average age 14 years) and three electric steelmaking plants (average age 29 years); the remaining facilities are outdated open-hearth furnaces (average age 62 years).

Only two blast furnaces, those at Huta Katowice, are fully modern. Polish sources classify five of the eight blast furnaces at the Lenin Steelworks in Krakow as in need of modernization; three are presently not working. The remaining 10 blast furnaces are candidates for liquidation. However, all available blast furnaces are being kept in operation because the Polish production of pig iron, 10 million tons per year, does not satisfy the demand of steel producers. Iron ore, a principal raw material for making pig iron, is almost wholly imported, chiefly from the U.S.S.R., at a rate of 7 million tons per year.

There are two integrated producers of plates in Poland. Lenin Steelworks, which produces a wide range of products, is Poland's largest facility, with 7.7 million tons of raw steelmaking capacity. Huta Beirut, with 1.1 million tons annual raw steelmaking capacity, has 1.5 million tons of capacity to produce plates. Two nonintegrated producers, Huta Batory (which has a heavy plate mill with 2.2 million tons rolling capacity) and Huta Baildon (which concentrates on the production of plates and other flat-rolled products), complete Poland's plate-producing facilities.

There are currently no plans for building new hot-rolling plants, and only a limited modernization of existing plants is underway. Only four of Poland's 64 rolling mills are considered modern. Over half of these rolling mills are over 40 years old; some have been in operation for 80 years.

There are four known producers of the principal structural shapes imported from Poland (channels imported under TSUSA item 609.8041) that are subject to this investigation. Huta Katowice, an integrated producer, and Huta Labedy, Huta Cedlera, and Huta Batory, three nonintegrated finishing mills, produce and export these products to the United States. ***. Capacity for the production of these products is unknown.

Poland's production of finished steel products declined by 24 percent during 1979-82, from 19.5 million tons to 14.8 million tons, then increased 90 percent to 28.1 million tons in 1983 (table 9). The apparent consumption trend parallels production, declining 26 percent during 1979-82, from 19.5 million tons to 14.5 million tons, then rising 86 percent to 26.9 million tons in 1983. Imports dropped 37 percent overall, from 2.2 million tons in 1979 to 1.4 million tons in 1983. Exports fell 18 percent, from 2.2 million tons in 1979 to 1.8 million tons in 1982, then increased by almost one-half to 2.6 million tons in 1983. Export sales of Poland's iron and steel products are handled by Stahlexport, Katowice.

Table 9.--Poland's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	19,504	2,176	2,191	19,489
1980	19,811	1,896	2,134	19,573
1981	16,258	1,539	1,838	15,959
1982	14,795	1,480	1,807	14,468
1983	28,131	1,367	2,575	26,923

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983; published September 1984.

Light sections comprised the major steel mill product category exported from Poland in 1983, accounting for 51 percent of total exports. Heavy plates (over 4.75mm) accounted for 15 percent of total exports, ingots and semifinished steel products, 7 percent, and wire rods, 7 percent. Exports of heavy plates fell by 43 percent from 407,000 tons in 1979 to 233,000 tons in 1982, then increased to 390,000 tons in 1983.

Heavy plates accounted for 19 percent of total exports of finished steel products from Poland in 1979, 13 percent in 1982, and 15 percent in 1983. Eastern Europe, chiefly the U.S.S.R., was the principal foreign market for exports of plates during 1983, accounting for two thirds of the total exported. Western Europe and the Far East were secondary export markets, accounting for 28 percent and 9 percent, respectively, of total exports of plates.

Exports of heavy sections (structural shapes) declined from 55,000 tons in 1979 to 33,000 tons in 1981, then increased to 34,000 tons in 1983. Ninety-three percent of Poland's exports of heavy sections were shipped to Eastern Europe in 1983, principally to the U.S.S.R., which received 74 percent of the total. The Far East and Western Europe were secondary export markets, with 4 percent and 3 percent, respectively, of total exports of heavy sections.

Romania

Romania was the 12th largest producer of raw steel in the world in 1983, with total production of 14.9 million tons, representing a 3-percent increase from 1982 production. The 1985 goal for production of crude steel is 17.6 million tons. A priority of Romania's 1985 National Plan is to improve the quality of its steel output, with a projection of improved quality steel products accounting for 60 percent of total steel production.

Although there are approximately 13 producers of finished steel products, there are only 3 integrated producers in Romania. Combinat Siderurgic Galati (CSG), which has raw steelmaking capacity of 11.0 million tons per year, is the sole known integrated producer of sheets. CSG is Romania's largest steel

producer, concentrating on the production of carbon and low-alloy, hot-rolled coils/sheets and other carbon and alloy flat-rolled products, sections, and rails. Its capacity to produce rolled products is 5.5 million tons per year. Cristea Nicolas Works, a sheet mill with an annual capacity of 108,000 tons; Otebul Rosu Works, a nonintegrated producer with sheet-producing capacity of 50,000 tons; and Tirgoviste Works, a nonintegrated sheet producer with raw steelmaking capacity of 562,000 tons, complete Romania's sheet-producing facilities.

Romania's production of finished steel products declined from 14.0 million tons in 1979 to 13.8 million tons in 1982, or by 2 percent (table 10). Apparent consumption declined by 7 percent during 1979-82, from 13.7 million tons to 12.7 million tons. Imports declined by 45 percent during this period, from 1.8 million tons in 1979 to 1.0 million tons in 1982. During the same time, exports increased from 2.1 million tons in 1979 to 2.3 million tons in 1981, then declined to 2.1 million tons in 1982.

Table 10.--Romania's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	13,998	1,849	2,147	13,700
1980	13,777	1,408	2,187	12,998
1981	13,977	1,077	2,296	12,758
1982	13,775	1,009	2,095	12,689
1983	1/	1/	1/	1/

1/ Not available.

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983; published September 1984.

Export sales of Romania's iron and steel products are handled by Metalimportexport, Bucharest. Plates (heavy and medium) comprised the major steel mill product category exported from Romania in 1982, accounting for 37 percent of total exports, followed by wheels, tires, and axles (22 percent), and light sections (19 percent).

Sweden

Crude steel production in Sweden declined between 1979 and 1981, from 5.2 million tons to 4.1 million tons, before increasing to 4.6 million tons in 1983, a slight increase over the 1982 production level of 4.3 million tons. Sweden ranked as the 26th largest crude steel producer in 1983. Svenskt Staal AB (SSAB), a Government-owned integrated steel company, was responsible for approximately 61 percent of Sweden's crude steel production in 1983.

The Swedish carbon steel market has undergone extensive restructuring since 1978, when the government and private industry agreed to merge the top three commercial integrated steel producers into one company and created SSAB. The goal was to concentrate production on fewer units with more efficient technology. The company, 75 percent owned by the State and 25 percent by Granges AB, closed a number of operations, restructured others, and reduced the number of employees by 20 percent to about 12,500. SSAB's crude steel capacity is approximately 3.4 million tons; its production during 1983 reached approximately 2.9 million tons, giving the firm a capacity utilization rate of about 85 percent. SSAB is the only large Swedish producer of carbon steel, and it manufactures several of the steel products under investigation (plates, hot-rolled sheets, and cold-rolled sheets) as well as many other steel products. The remaining smaller steelmakers, approximately 15 firms, most with electric furnaces, also produce carbon steel. Only three of these firms, however, produce the products under investigation.

The Swedish steel market in 1983 underwent a recovery due both to the general economic upturn in Western Europe and North America and to the 16 percent devaluation in the country's currency during October 1982. Apparent consumption of finished steel products in 1983 increased by approximately 11 percent over consumption in 1982, from 4.2 million tons to 4.7 million tons, as shown in table 11.

Table 11.--Sweden's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	4,550	2,235	2,616	4,169
1980	4,592	2,207	2,347	4,452
1981	4,339	1,900	2,219	4,020
1982	4,591	2,111	2,470	4,232
1983	5,353	2,006	2,646	4,713

Source: U.N. Annual Bulletin of Steel Statistics for Europe, vols. X, 1982, and XI, 1983; published September 1984.

Sweden imports nearly one-half of the carbon steel it uses, principally hot-rolled and cold-rolled plates and sheets. Imports declined approximately 5 percent from 2.1 million tons in 1982 to 2.0 million tons in 1983. Steel imports from West Germany, Sweden's largest supplier, declined by 23 percent from 1982 to 1983. Imports of steel products from the United States have usually been negligible.

Exports of finished steel products from Sweden have been increasing since 1981. By 1983, exports had increased 19 percent from those in 1981, reaching 2.6 million tons. Principal exports of carbon steel products have been hot-rolled plates and sheets, structural shapes, bars and rods, and pipes and tubes, which when combined accounted for 45 percent of all steel exports in

1983. From 1981 to 1983, exports of hot-rolled plates and sheets increased from 422,000 tons to 468,000 tons; structural shapes decreased from 173,000 tons to 171,000 tons; bars and rods increased from 140,000 tons to 164,000 tons; and pipes and tubes declined from 175,000 tons to 159,000 tons. Of the hot-rolled plates and sheets exported, the United States received approximately 16 percent. Of the cold-rolled plates and sheets exported, the United States received approximately 11 percent of Sweden's exports.

Venezuela

Crude steel production in Venezuela nearly tripled from the 1978 level of approximately 947,000 tons to 2.5 million tons in 1983. Venezuela ranked as the 34th largest producer of crude steel in 1983, when it registered a slight increase over the 1982 production level of 2.4 million tons. Crude steel capacity is 5.5 million tons a year, with CVG Siderurgica del Orinoco (SIDOR), a Government-owned and the only integrated steel firm, accounting for nearly 96 percent of the capacity. Effective capacity however, has been much lower, and with production reaching 2.5 million tons in 1983, the steel industry has been operating at less than 50 percent capacity utilization.

The Venezuelan steel market is dominated by SIDOR, which in 1983 produced approximately 93 percent of all raw steel in Venezuela. The remaining 7 percent of raw steel production is produced by three minimills, Sivensa, Sidetur, and Sizuca. The remainder of the steel industry, approximately eight firms, is composed of companies that further process steel into other finished products, such as pipes and tubes and galvanized sheets.

The Venezuelan steel market in 1983 experienced a serious recession. Apparent consumption of finished steel products fell by 48 percent, from 2.5 million tons to 1.3 million tons (table 12). In 1982, domestic sales consumed 87 percent of Venezuela's production; in 1983, however, the domestic market consumed only 58 percent of its production. The decline was due in part to the overall recession the Venezuelan economy was experiencing as a result of declining oil revenues and currency devaluation. Although finished steel production declined slightly, imports fell by 81 percent. Major steel consuming sectors such as construction, capital goods, and automobiles were affected by the slump in the economy and cut back on orders.

Table 12.--Venezuela's production, imports, exports, and apparent consumption of finished steel mill products, 1979-83

(In thousands of short tons)

Year	Production	Imports	Exports	Apparent consumption
1979	1,359	1,185	187	2,357
1980	1,814	1,015	256	2,574
1981	1,802	1,102	428	2,476
1982	1,936	767	180	2,523
1983	1,918	148	759	1,306

Source: Metal Bulletin, September 1984, p. 77.

Exports of steel mill products from Venezuela increased by approximately 322 percent as domestic manufacturers sought other markets for production not consumed domestically. Four steel products accounted for 94 percent of exports of flat-rolled products and made up the major portion of the overall increase. Exports of carbon steel plates increased from 3,505 tons in 1982 to 12,823 tons in 1983; hot-rolled coils increased from 112,512 tons in 1982 to 314,365 tons in 1983; cold-rolled coils increased from 8,470 tons in 1982 to 77,612 tons in 1983; and hot-rolled sheets increased from 6,463 tons in 1982 to 10,193 tons in 1983.

Financial Experience of U.S. Producers of the Subject Products

Overall operations in establishments within which the subject products are produced 1/

Sixteen U.S. producers' total net sales of their establishments within which the subject carbon steel products are produced dropped from $29.9 billion in 1981 to $21.2 billion in 1983, or by 29 percent (table 13). During the interim period ended June 30, 1984, such net sales rose by 26 percent to $12.6 billion, compared with $10.0 billion in the corresponding period of 1983.

In the aggregate, the 16 responding firms reported operating losses during 1981-83 that ranged from a low of $255 million, or 0.8 percent of net sales, in 1981 to a high of $2.6 billion, or 12.3 percent of net sales, in 1982. During the interim period ended June 30, 1984, U.S. producers earned an aggregate operating income of $38 million, equivalent to a near break-even point of 0.3 percent of net sales, compared with an operating loss of $1.1 billion in the interim period of 1983. Only five firms sustained operating losses in 1981, whereas 13 firms reported such losses in 1982 and 1983; 8 firms reported operating losses in the interim period ended June 30, 1984, compared with 15 firms reporting losses in the interim period of 1983.

The 16 firms reported aggregate negative cash flows of $1.8 billion in 1982 and $1.2 billion in 1983, compared with positive cash flows of $631 million in 1981 and $418 million in the interim period ended June 30, 1984.

1/ The data in this section were primarily obtained during the Commission's investigations Nos. 731-TA-169 through 182 (Final), Certain Carbon Steel Products from Argentina, Australia, Finland, and Spain. These investigations did not include U.S. producers' operations on hot-rolled carbon steel sheets.

Table 13.--Income-and-loss experience of 16 U.S. producers 1/ on the overall operations of their establishments within which the subject carbon steel products are produced, 2/ accounting years 1981-83, and interim periods ended June 30, 1983, and June 30, 1984

Item	1981	1982	1983	Interim period ended June 30--	
				1983	1984
Net sales-------million dollars--	29,852	21,281	21,177	10,036	12,634
Cost of goods sold---------do----	29,268	23,049	22,138	10,650	12,146
Gross profit or (loss)-----do----	584	(1,768)	(961)	(614)	488
General, selling, and administrative expenses-------do----	839	854	941	470	450
Operating income or (loss) 3/----------do----	(255)	(2,622)	(1,902)	(1,084)	38
Depreciation and amortization expense included above 4/----------do----	886	781	698	346	380
Cash flow or (deficit) from operations 4/----------do----	631	(1,841)	(1,204)	(738)	418
As a share of net sales:					
Gross profit or (loss) percent--	2.0	(8.3)	(4.5)	(6.1)	3.9
Operating income or (loss) percent--	(0.8)	(12.3)	(9.0)	(10.8)	0.3
Cost of goods sold-------do----	98.0	108.3	104.5	106.1	96.1
General, selling, and administrative expenses----percent--	2.8	4.0	4.4	4.7	3.6
Number of firms reporting operating losses----------	5	13	13	15	8

1/ A division of National Steel Corp. was purchased by its employees and became a separate entity called Weirton Steel Corp. in January 1984. Hence, technically, there are 17 producers reporting data in the interim period ended June 30, 1984.

2/ U.S. producers submitting usable data together accounted for 83.6 percent of total shipments of coiled carbon steel plates in 1983, as reported in response to the Commission's questionnaires, and 89.7 percent of 1983 shipments of cut-to-length carbon steel plates, cold-rolled carbon steel sheets, galvanized carbon steel sheets, and carbon steel structural shapes, combined, as reported by the American Iron & Steel Institute.

3/ In its questionnaire, the Commission asked producers to provide interest expense and other (nonoperating) income or expense information in order to determine net income or loss before income taxes. However, only 12 producers, which together accounted for *** percent of reported 1983 net sales, and *** provided such data. Of the 17 producers, 3 firms did not report those line items and the remaining 2 firms did not allocate those expenses, instead reporting 0. Thus, data on interest expense, other income or expense, and net income or loss before income taxes are not presented in the table.

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

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

As the economy improved, the operating performance of the steel industry improved in the fourth quarter of 1983 and continued to improve during 1984. The improvement is reflected in the following tabulation, which summarizes financial data submitted to the Commission by eight steel producers:

Item	Interim period ended Sept. 30-- 1983	1984
Net sales----------million dollars--	8,726	9,947
Cost of goods sold----------do----	9,534	9,621
Gross profit or (loss)----------do----	(807)	325
General, selling, and administrative (GSA) expenses--------million dollars--	363	290
Operating income or (loss)---------do----	(1,170)	34
Depreciation and amortization------do----	303	269
As a percent of net sales:		
Cost of goods sold----------percent--	109.3	96.7
Gross profit or (loss)----------do----	(9.3)	3.3
GSA expenses----------do----	4.1	2.9
Operating income or (loss)-------do----	(13.4)	0.4

As indicated above, three factors moved in a positive direction for the industry during the 9-month period ended September 30, 1984. First, the volume of sales rose by 14 percent, from $8.7 billion in interim 1983 to $9.9 billion in interim 1984. Second, the industry was able to get production cost levels to their lowest level since 1981. Finally, the industry reduced the level of operating expenses relative to sales. The combination of these factors resulted in an industry operating profit of $34 million, or 0.4 percent of net sales, for the 9-month period ended September 30, 1984.

Capital expenditures.

Although 19 firms submitted data relative to their capital expenditures for buildings, machinery, and equipment used in the production of all products of their establishments in which the subject carbon steel products are produced, most of them were unable to provide such data on the individual subject carbon steel products. The reported total capital expenditures are presented in the following tabulation (in millions of dollars):

	Capital expenditures
1981----------	1,747
1982----------	1,619
1983----------	1,258
January-June 1/--	
1983----------	461
1984----------	348

1/ Data are for 18 firms.

PART I. CARBON STEEL PLATES

Introduction

This part of the report presents information relating specifically to carbon steel plates. As indicated previously, the Commission instituted the following preliminary investigations 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 carbon steel plates whether or not in coils:

Countervailing duty investigations:
Sweden (investigation No. 701-TA-225 (Preliminary)) and
Venezuela (investigation No. 701-TA-226 (Preliminary)); and

Antidumping investigations:
Czechoslovakia (investigation No. 731-TA-213 (Preliminary)),
East Germany (investigation No. 731-TA-214 (Preliminary)),
Hungary (investigation No. 731-TA-215 (Preliminary)),
Poland (investigation No. 731-TA-216 (Preliminary)), and
Venezuela (investigation No. 731-TA-217 (Preliminary)).

In addition, the Commission instituted preliminary antidumping investigation No. 731-TA-218 (Preliminary) concerning carbon steel plates in coils from Finland. As indicated previously, Bethlehem, the petitioner in this case, subsequently withdrew its petition and the investigations by the Department of Commerce and the Commission were terminated.

The Products

Description and uses

The TSUS describes the carbon steel plates covered by these investigations as flat-rolled carbon steel products, whether or not corrugated or crimped, in coils or cut-to-length; 0.1875 inch (3/16 inch or 4.76 mm) or more in thickness and over 8 inches in width; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal and not clad; and not pickled and not cold rolled. Cut-to-length carbon steel plates are provided for in TSUSA items 607.6620 and 607.6625; 1/ coiled plates are provided for in TSUSA item 607.6610.

1/ Effective Jan. 1, 1984, the (TSUSA) statistical annotation 607.6615 was replaced by 607.6620 (cut-to-length carbon steel plates over 6 inches in thickness) and 607.6625 (cut-to-length carbon steel plates not over 6 inches in thickness).

The production of carbon steel plates typically involves the uniform heating of slabs in continuous or batch-type furnaces to their rolling temperature of approximately 2,400° F, sending them through a scalebreaker for the removal of furnace scale (iron oxide formed on the surface of the hot steel during the heating process) by the use of hydraulic water sprays, and then rolling to the desired thickness on various types of mills, including universal, sheared-plate, and hot-strip mills (on which all plates in coiled form are produced). Universal mills utilize alternating sets of vertical and horizontal rolls, which reduce both the width and the thickness of the slabs to plate dimensions. Because the vertical rolls in universal mills control the width while the length of the plates is increased, it is only necessary to trim the ends of the plates. Sheared-plate mills, on the other hand, roll plates only between horizontal rolls, which increase both the length and width of the product, necessitating the trimming of all edges. Most sheared-mill plate mills are reversing-type mills (in which the heated slabs are passed back and forth--rather than in only one direction--between rolls to reduce thickness), although some are semicontinuous (in which the rough shaping of the slabs is done on reversing-type stands of rollers but the finishing of the plates is done on single-pass finishing stands) or continuous (in which the slabs make only single passes, first through roughing stands and then through finishing stands). Hot-strip mills are continuous, and roll plates (and sheets) with horizontal rolls only. The resultant product, termed a hot band by the industry, is trimmed and coiled after it is reduced to the desired thickness.

Although the American Iron & Steel Institute (AISI) categorizes the coiled products covered by TSUSA item 607.6610 as hot-rolled carbon steel sheets (primarily because they are produced on the same hot-strip mills on which other sheet products are produced), these products are used in the same applications as cut-to-length plates of the same thickness. From a cost standpoint, coiled plates may be sold for less--reportedly $80 to $100 per ton less--than cut-to-length plates. This is because production costs per unit in hot-strip mills are lower than those in sheared-plate mills, the cutting costs and time are reduced, and the transportation costs are lower. Coiled plates may be unwound, leveled, and cut to length in the hot-strip mills, or by toll processors contracted by the hot-strip mills, or by steel service centers and distributors (SSC's). The leveling and cutting, when done by toll processors or SSC's, adds approximately $20 per ton to the product, thus making the cost of the cut products approximately $60 to $80 per ton less than cut-to-length plates from reversing mills. Because of higher labor costs in the hot-strip mills, it costs these domestic producers more than processors to supply this service. Thus, coiled plates which have been cut to length by the producer (called strip-mill plates) are usually priced at a level between the prices of the processor's plates and reversing-mill plates. As a share of total plate production, on the basis of questionnaire responses, 39 percent was produced in hot-strip mills in 1981, 40 percent in 1982, 46 percent in 1983, and 47 percent in January-June 1984; of the total produced in hot-strip mills, 24 percent was cut to length by the producer in 1981, 25 percent in 1982, 15 percent in 1983, and 17 percent in January-June 1984.

In the U.S. market, sales of carbon steel plates by domestic producers and importers are made either directly to end users or to SSC's, which, in

turn, sell to end users. 1/ SSC's increased their market share from 24 percent of the total carbon steel plate market in 1981 to 35 percent in 1983 and 41 percent in January-June 1984; the remainder was shipped to end users (table I-1). The largest end-user markets were the construction, machinery and industrial equipment, and shipbuilding and marine equipment industries, which accounted for 22, 12, and 8 percent, respectively, of total U.S. plate shipments in 1983. Major finished products incorporating carbon steel plates include bridges, storage tanks, pressure vessels, railroad freight and passenger cars, ships, industrial machinery, and other capital-goods-sector products.

Table I-1.--Cut-to-length carbon steel plates: U.S. producers' shipments, by major markets, 1981-83, January-June 1983, and January-June 1984

Market	1981	1982	1983	January-June--	
				1983	1984
	Quantity (1,000 tons)				
Steel SSC's	1,370	826	971	406	709
Construction and contractors' products	1,242	772	611	313	291
Machinery, industrial equipment, and tools	933	461	335	170	208
Shipbuilding and marine equipment	781	215	216	91	142
Oil and gas industry	238	107	112	47	41
Rail transportation	223	95	52	27	48
All other	985	562	507	248	308
Total	5,772	3,038	2,804	1,302	1,747
	Percent of total				
Steel SSC's	23.7	27.2	34.6	31.2	40.6
Construction and contractors' products	21.5	25.4	21.8	24.0	16.7
Machinery, industrial equipment, and tools	16.2	15.2	11.9	13.1	11.9
Shipbuilding and marine equipment	13.5	7.1	7.7	7.0	8.1
Oil and gas industry	4.1	3.5	4.0	3.6	2.3
Rail transportation	3.9	3.1	1.9	2.1	2.7
All other	17.1	18.5	18.1	19.0	17.6
Total	100.0	100.0	100.0	100.0	100.0

Source: American Iron & Steel Institute.

1/ Large, integrated domestic producers, such as U.S. Steel and Bethlehem, also use part of their output of carbon steel plates in the manufacture of other products, such as bridges, ships, offshore oil-drilling rigs, and pressure vessels.

U.S. tariff treatment

As mentioned, the imported steel plates subject to these investigations are classified and reported for tariff and statistical purposes under items 607.6610 (coiled plates) and 607.6620 and 607.6625 (cut-to-length plates) of the TSUSA. The current column 1 or most-favored-nation (MFN) rate of duty, 1/ final column 1 concession rate granted under the Tokyo round of the Multilateral Trade Negotiations (MTN), 2/ the rate of duty for least developed developing countries (LDDC's), 3/ and the column 2 duty rate 4/ for these items are shown in the following tabulation (in percent ad valorem):

	Rate of duty
Col. 1:	
Jan. 1, 1985	6.5%
Jan. 1, 1987 1/	6.0%
LDDC	6.0%
Col. 2	20.0%

1/ The applicable rate prior to the first staged reduction under the Tokyo round (i.e., effective Jan. 1, 1980) was 7.5 percent ad valorem.

Imports of these products are not eligible for duty-free treatment under the GSP. However, such imports, if the product of designated beneficiary countries, are eligible for duty-free entry under the CBI. 5/

1/ The col. 1 rate is applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA. However, these rates would not apply to products of developing countries where such articles are eligible for preferential treatment provided under the Generalized System of Preferences (GSP) or the Caribbean Basin Initiative (CBI), or under the "LDDC" column. The People's Republic of China, Hungary, Romania, and Yugoslavia are the only Communist countries currently eligible for MFN treatment.

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

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

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

5/ The CBI is a program of nonreciprocal tariff preferences granted by the United States to developing countries in the Caribbean Basin area to aid their economic development by encouraging greater diversification and expansion of their production and exports. The CBI, as enacted in title II of Public Law 98-67 (the "Caribbean Basin Economic Recovery Act") and implemented by Presidential Proclamations Nos. 5133 of Nov. 30, 1983, and 5142 of Dec. 29, 1983, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after Jan. 1, 1984, and is scheduled to remain in effect until Sept. 30, 1995. It provides duty-free entry to eligible articles imported directly from designated countries in the Caribbean Basin area.

In addition to these import duties, findings of dumping have been issued and antidumping duties are currently in effect with respect to imports of cut-to-length and coiled carbon steel plates from Brazil and cut-to-length plates from Japan, the Republic of Korea (Korea), and Taiwan. Countervailing duties are currently in effect with respect to imports of cut-to-length plates from Spain and cut-to-length plates and coiled plates from Brazil and Korea. 1/

In other recent cases, petitioners withdrew unfair trade complaints involving cut-to-length plates from Belgium, the United Kingdom, and West Germany and hot-rolled sheets (including coiled plates) from Belgium, France, Italy, the Netherlands, and West Germany in order to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the Arrangement, European Community (EC) exports to the United States of 10 categories of steel products are to be limited to a specified share of apparent U.S. consumption from November 1, 1982, to December 31, 1985. Cut-to-length carbon steel plates are included in a category in which exports are limited to 5.36 percent of consumption. Hot-rolled carbon steel sheets (including coiled plates) are included in a category in which exports are limited to 6.81 percent of consumption.

Various "Buy-America" provisions, both Federal 2/ and State, may also affect the level of imports of carbon steel plates. One of the most important is section 165 of the Highway Improvement Act of 1982 (Public Law 97-424). It provides that funds authorized by the act be provided by the Secretary of Transportation only if steel and certain other products used in public highway and bridge infrastructure and certain mass transit rolling stock are domestic, if domestically available in adequate quantities and satisfactory qualities,

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1/ Net subsidy and dumping margins for current investigations, outstanding dumping/countervailing duty orders issued since January 1983, and terminated (other than negative) title VII cases since January 1983 are presented in table I-2. The weighted-average (or company-range of) dumping margins for other countries are 0 to 2.81 percent for Japan and 0 percent for Taiwan; the weighted-average net subsidies are 10.12 percent for Spain and 0 percent for South Africa. There is also a suspended subsidy order for plates from Brazil, currently being reviewed by the Commerce Department, which could result in a termination of the suspension and the imposition of countervailing duties.

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

Table I-2.—Carbon steel plates: 1/ Pending title VII investigations, outstanding dumping/countervailing orders since January 1983, and terminated (other than negative) title VII cases since January 1983, most recent dumping/subsidy margins, by countries and by companies, 1981-83, January-September 1983, and January-September 1984

Investigation/ order/country and firm	Weighted-average margin	Date of bond or order 2/	Ratio of imports to apparent U.S. consumption				
			1981	1982	1983	Jan.-Sept.—	
						1983	1984
Pending antidumping investigations:							
Czechoslovakia	3/	3/	0.0	0.0	4/	4/	0.4
East Germany	3/	3/	4/	.0	0.1	0.1	.8
Hungary	3/	3/	4/	.0	.0	.0	.3
Poland	3/	3/	1.0	.3	.2	.1	.3
Venezuela	3/	3/	.3	.1	.1	.1	.4
Pending countervailing investigations:							
Sweden	5/	5/	.6	1.3	.7	.8	1.6
Venezuela	5/	5/	.3	.1	.1	.1	.4
Outstanding dumping orders:							
Brazil: 6/		Mar. 19, 1984	7/ 4.1	7/ 3.6	7/ 5.0	7/ 6.7	7/ .2
Cosipa	100.04	do					
Usiminas	65.58	do					
All other	86.81	do					
Brazil: 8/		Sep. 10, 1984	4/ 9/	9/ 1.1	9/ 1.5	9/ 1.9	9/ .1
Cosipa	89.46	do					
CSN	52.57	do					
Usiminas	50.55	do					
All other	57.42	do					
Korea: 6/		Aug. 22, 1984	7/ 1.5	7/ 2.2	7/ 2.6	7/ 3.0	7/ 1.7
Pohang	5.0	do					
All other	5.0	do					
Outstanding countervailing orders:							
Brazil:		June 22, 1984	3.0	2.9	3.8	5.2	.2
Cosipa	36.48	do					
CSN	62.18	do					
Usiminas	17.49	do					
All other	36.95	do					
Korea	1.88	Feb. 18, 1983	1.3	2.3	2.2	2.6	1.6
Terminated antidumping investigations:							
Finland 6/ 10/	11/ 12.3	July 25, 1984	7/ .7	7/ 1.8	7/ 2.3	7/ 2.4	7/ 3.0
Finland 8/ 12/	-	-	9/ .6	9/ .7	9/ 1.0	9/ 1.3	9/ 1.2
Spain 10/	6/ 32.82	July 25, 1984	7/ 1.3	7/ 1.9	7/ 1.3	7/ 1.2	7/ 5.1
	8/ 22.13	do	4/ 9/	4/ 9/	9/ 1.0	9/ 1.4	9/ .6
Terminated countervailing investigation:							
Mexico 13/	4.98	Feb. 10, 1984	.4	.1	.5	.2	1.4

1/ Unless otherwise noted, information pertains to cut-to-length and coiled carbon steel plates combined.
2/ Date posting of bond required or date order issued.
3/ This is one of the instant investigations. To date, there is no determination of sales at less than fair value by Commerce nor a requirement for the posting of bond.
4/ Less than 0.05 percent.
5/ This is one of the instant investigations. To date, there is no determination that imports of these products receive countervailable subsidies nor a requirement for the posting of bond.
6/ Cut-to-length carbon steel plates.
7/ Cut-to-length plates only.
8/ Coiled carbon steel plates.
9/ Coiled plates only.
10/ Terminated Jan. 22, 1985, following withdrawal of the petition.
11/ Rautaruukki Oy is the sole Finnish producer and exporter to the United States of carbon steel plates.
12/ Terminated Jan. 28, 1985, following withdrawal of the petition.
13/ Terminated Apr. 18, 1984, following withdrawal of petition after Mexico announced the implementation of an export restraint policy. This case was filed only with the Commerce Department because no injury determination was required.

unless the purchase of domestic material "will increase the cost of the overall project contract (excluding labor costs involved in final assembly) by more than 10 percentum in the case of projects for the acquisition of rolling stock, and 25 percentum in the case of all other projects," and unless such preference for domestic products is determined by the Secretary of Transportation to be inconsistent with the public interest.

U.S. Producers

About 15 firms produce cut-to-length carbon steel plates in the United States. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers 1/ and each firm's share of total U.S. producers' shipments of cut-to-length carbon steel plates (as reported by AISI) in 1983:

Firm	Share of shipments (percent)
Armco, Inc. (Armco)	***
Bethlehem	***
Inland Steel Co. (Inland)	***
LTV Steel Co. (LTV) 1/	***
Lukens Steel Co. (Lukens)	***
National Steel Corp. (National)	***
Oregon Steel Mills	***
Phoenix Steel Corp. (Phoenix)	***
U.S. Steel	***

1/ LTV was formed in 1984 as a merger of Jones & Laughlin Steel Corp. (J&L) and Republic Steel Corp. (Republic).

As indicated, domestic production of cut-to-length carbon steel plates is highly concentrated, with the six largest producers--***--accounting for 80 percent of total shipments in 1983. *** of these producers are fully integrated firms that produce a wide range of steel mill products. Lukens and Phoenix are nonintegrated firms that primarily produce steel plates and plate products.

About 20 firms in the United States produce hot-rolled carbon steel sheets (including coiled plates) in a total of approximately 40 mills. The majority of these mills are located in Pennsylvania (11), Ohio (6), and Indiana (5). In addition, mills are also located in Illinois, Alabama, Utah, California, West Virginia, Maryland, and Kentucky. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of coiled plates (as reported in questionnaires) in 1983:

1/ Kaiser Steel Corp., which is no longer producing plates, accounted for *** percent of the 1983 shipments reported by AISI.

Firm	Share of shipments (percent)
Armco	***
Bethlehem	***
Inland	***
Interlake, Inc. (Interlake)	***
LTV	***
McLouth Steel Products Corp. (McLouth)	***
National	***
Rouge Steel Corp. (Rouge)	***
U.S. Steel	***

As indicated, the top five producers of coiled plates--***--together accounted for 88 percent of domestic producers' shipments in 1983. Most of the producers are fully integrated firms that produce a wide range of steel mill products.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 30 firms that imported carbon steel plates from the subject countries during October 1983-September 1984. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of carbon steel plates is shown in table I-3. The table shows separate statistical breakouts for cut-to-length plates, coiled plates, and cut-to-length and coiled plates combined. Apparent consumption of cut-to-length plates decreased steadily from 7.5 million tons in 1981 to 3.8 million tons in 1983, representing a decline of 50 percent; apparent consumption of cut-to-length plates during January-September 1984 was 3.4 million tons, compared with 2.7 million tons during January-September 1983. Apparent consumption of coiled carbon steel plates fell from 2.7 million tons in 1981 to 1.6 million tons in 1982, and rose in 1983 to 2.0 million tons; apparent consumption of coiled plates during January-September 1984, at 1.6 million tons, was 23 percent more than apparent consumption during January-September 1983. Apparent consumption of cut-to-length plates and coiled plates together fell by 44 percent from 1981 to 1982, then remained steady in 1983; however, such consumption during January-September 1984, at 5.0 million tons, was 25 percent higher than the level of consumption in January-September 1983.

The share of the U.S. market for cut-to-length plates supplied by imports rose from 24.4 percent in 1981 to 28.0 percent in 1982, declined to 27.3 percent in 1983, and then increased to 30.2 percent in January-September 1984. The share of the domestic market for coiled plates supplied by imports rose from 20.3 percent in 1981 to 25.2 percent in 1982, but then

Table I-3.--Carbon steel plates: U.S. producers' shipments, imports for consumption, exports, and apparent U.S. consumption, by types, 1981-83, January-September 1983, and January-September 1984

Item and period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to-- Shipments	Ratio of imports to-- Consumption
	1,000 short tons				Percent	
Cut-to-length plates:						
1981	5,810	1,837	122	7,525	31.6	24.4
1982	3,038	1,149	79	4,108	37.8	28.0
1983	2,802	1,027	63	3,766	36.7	27.3
Jan.-Sept:						
1983	1,984	776	50	2,710	39.1	28.6
1984	2,433	1,035	44	3,424	42.5	30.2
Coiled plates: 1/						
1981	2,177	548	31	2,694	25.2	20.3
1982	1,230	412	5	1,637	33.5	25.2
1983	1,665	339	0	2,004	20.4	16.9
Jan.-Sept:						
1983	1,054	235	0	1,289	22.3	18.2
1984	1,285	302	0	1,587	23.5	19.0
Cut-to-length and coiled plates:						
1981	7,987	2,385	153	10,219	29.9	23.3
1982	4,268	1,561	84	5,745	36.6	27.2
1983	4,467	1,366	63	5,770	30.6	23.7
Jan.-Sept:						
1983	3,038	1,011	50	3,999	33.3	25.3
1984	3,718	1,337	44	5,011	36.0	26.7

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

Source: Shipments of cut-to-length carbon steel plates, compiled from statistics of the American Iron & Steel Institute; shipments and exports of coiled plates, compiled from questionnaires of the U.S. International Trade Commission; imports, and exports of total plates, compiled from official statistics of the U.S. Department of Commerce.

fell to 16.9 percent in 1983; the share of the domestic market for coiled plates accounted for by imports during January-September 1984, at 19.0 percent, was 0.8 percentage point greater than the import share during January-September 1983. The share of the market supplied by imports of cut-to-length and coiled plates combined rose from 23.3 percent in 1981 to 27.2 percent in 1982, and then returned in 1983 to slightly above the 1981 level; the import market share during January-September 1984, at 26.7 percent, was 1.3 percentage points above the January-September 1983 level.

Consideration of Material Industry to an Industry in the United States

The information in this section of the report was compiled from questionnaire data received in connection with the Commission's investigations. It is therefore understated to the extent that a few domestic firms that are believed to produce the subject products did not respond to the Commission's questionnaires. Nevertheless, most of the major producers of the products have provided information for the January 1981-June 1984 period, and they are believed to account for more than 80 percent of total U.S. production of carbon steel plates. Data for January-September 1983 and January-September 1984 are believed to account for approximately 53 percent and 63 percent, respectively, of total U.S. production of carbon steel plates. Tables in this section are arranged to show data separately on cut-to-length plates, coiled plates, and cut-to-length and coiled plates combined.

U.S. production, capacity, and capacity utilization

As shown in table I-4, production of cut-to-length carbon steel plates fell from 5.3 million tons in 1981 to 2.7 million tons in 1982, or by 49 percent, and then decreased slightly to 2.6 million tons in 1983; however, production of cut-to-length plates during January-June 1984, at 1.7 million tons, was up 40 percent over the level of production in January-June 1983. Productive capacity for cut-to-length carbon steel plates decreased slightly from 9.0 million tons in 1981 to 8.9 million tons in 1983 and then dropped to an annualized 7.8 million tons during January-June 1984. Consequently, capacity utilization, which declined from 59 percent in 1981 to 31 percent in 1982 and 29 percent in 1983, partially recovered to 43 percent during January-June 1984.

Production of coiled carbon steel plates dropped from 2.2 million tons in 1981 to 1.2 million tons in 1982, or by 47 percent, and then increased by 40 percent in 1983 to 1.7 million tons; coiled plate production during January-June 1984, at 1.1 million tons, was 35 percent over that of January-June 1983. Productive capacity for coiled plates increased from 2.7 million tons in 1981 to 3.2 million tons in 1983 and remained constant at 3.2 million tons (annualized) during January-June 1984. Capacity utilization for coiled plates, which fell from 81 percent in 1981 to 42 percent in 1982, partially recovered to 52 percent in 1983 and 66 percent during January-June 1984.

Combined production of cut-to-length and coiled plates fell from 7.6 million tons in 1981 to 3.9 million tons in 1982, and then rose somewhat to 4.2 million tons in 1983; combined plate production during January-June 1984, at 2.7 million tons, was 38 percent over that of January-June 1983. Productive capacity for both cut-to-length and coiled plates increased from 11.7 million tons in 1981 to 12.1 million tons in 1983 and then fell to an annualized 11.0 million tons during January-June 1984. Capacity utilization, therefore,

Table I-4.--Carbon steel plates: U.S. production, practical capacity, 1/ 2/ and capacity utilization, by types, 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Cut-to-length plates:					
Production-----1,000 short tons--	5,346	2,743	2,591	1,204	1,685
Capacity-----do----	8,990	8,982	8,928	4,458	3,915
Capacity utilization----percent--	59	31	29	27	43
Coiled plates:					
Production-----1,000 short tons--	2,218	1,185	1,654	789	1,064
Capacity-----do----	2,748	2,795	3,192	1,607	1,602
Capacity utilization----percent--	81	42	52	49	66
Cut-to-length and coiled plates: 3/					
Production-----1,000 short tons--	7,564	3,928	4,245	1,993	2,749
Capacity-----do----	11,738	11,777	12,120	6,065	5,517
Capacity utilization----percent--	64	33	35	33	50

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

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

3/ As mentioned in the sections of this report on product descriptions and production processes, coiled plates are produced on hot-strip mills. Because hot-strip mills are primarily producers of sheets, the allocation of their capacity to the production of coiled plates is more a function of the demand for sheets than it is the demand for the coiled plates. Therefore, combined capacity and capacity utilization data for cut-to-length and coiled plates are less meaningful indicators of the producers' condition than are the separate data, particularly those for cut-to-length plates.

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

which decreased from 64 percent in 1981 to 33 percent in 1982, partially recovered to 35 percent in 1983 and 50 percent during January-June 1984. 1/

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

During January-September 1984, U.S. production of carbon steel plates, as reported by six firms that accounted for approximately 55 percent of total production, increased by 44 percent over the level of production reported during the corresponding period of 1983. With the increase in production, utilization of productive capacity increased during January-September 1984, as shown in the following tabulation:

Item	January-September 1983	January-September 1984
Production---------1,000 short tons--	1,604	2,315
Capacity----------do----	7,000	7,059
Capacity utilization--------percent--	23	33

U.S. producers' domestic shipments

U.S. producers' domestic shipments of carbon steel plates, as reported in responses to the Commission's questionnaires, are presented in table I-5. Domestic shipments of cut-to-length plates fell from 4.6 million tons in 1981 to 2.5 million tons in 1982, representing a decline of 47 percent, and continued to drop in 1983, to 2.3 million tons. However, such shipments in January-June 1984 were 1.5 million tons, representing an increase of 39 percent over the level of shipments in January-June 1983.

Domestic shipments of coiled plates, as reported in responses to the Commission's questionnaires, fell from 2.0 million tons in 1981 to 1.2 million tons in 1982, or by 42 percent, before increasing to 1.6 million tons in 1983. Domestic shipments during January-June 1984 were 1.0 million tons, or 31 percent greater than such shipments during January-June 1983. Domestic shipments of cut-to-length and coiled plates combined fell by 45 percent from 1981 to 1982, then rose by 7 percent in 1983; during January-June 1984 such shipments were 35 percent greater than during January-June 1983.

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

Period	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
1981----------	5,810	5,385	93
1982----------	3,038	2,831	93
1983----------	2,802	2,596	93
Jan.-June--			
1983--------	1,302	1,211	93
1984--------	1,747	1,661	95

1/ Including exports and intercompany and intracompany transfers.

Table I-5.--Carbon steel plates: U.S. producers' domestic shipments, 1/ 2/ by types, 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1984	1984
	Quantity (1,000 short tons)				
Cut-to-length plates	4,612	2,464	2,290	1,064	1,475
Coiled plates	2,033	1,172	1,595	771	1,010
Total	6,645	3,636	3,885	1,835	2,485
	Value (million dollars)				
Cut-to-length plates	2,244	1,194	932	454	604
Coiled plates	731	410	506	245	344
Total	2,974	1,604	1,438	699	948
	Unit value (per ton)				
Cut-to-length plates	$486	$485	$407	$427	$410
Coiled plates	359	350	317	318	340
Average	448	441	370	381	382

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

2/ Does not include intercompany and intracompany transfers.

Source: Compiled 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; unit values calculated from the unrounded figures.

The Commission received information from six firms that account for approximately 55 percent of U.S. production of carbon steel plates concerning their domestic shipments of such merchandise during the January-September periods of 1983 and 1984. This information shows that domestic shipments of carbon steel plates by these firms in January-September 1984 were 44 percent greater than their shipments in the corresponding period of 1983, as shown in the following tabulation:

Item		January-September 1983	January-September 1984
Quantity	1,000 short tons	1,423	2,048
Value	million dollars	551	811
Unit value	per ton	$387	$396

U.S. producers' exports

U.S. producers' exports of cut-to-length carbon steel plates, as reported in responses to the Commission's questionnaires, declined continually throughout the period, from *** tons in 1981 to *** tons in 1982 and *** tons in 1983; exports during January-June 1984, at *** tons, were 8 percent below the level of exports in January-June 1983. U.S. producers' exports of coiled plates also fell throughout the period, from *** tons in 1981 to *** tons in 1982; *** (table I-6).

Table I-6.--Carbon steel plates: U.S. producers' export shipments, 1/ by types, 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
	Quantity (1,000 short tons)				
Cut-to-length plates	***	***	***	***	***
Coiled plates	***	***	***	***	***
Total	***	***	***	***	***
	Value (million dollars)				
Cut-to-length plates	***	***	***	***	***
Coiled plates	***	***	***	***	***
Total	***	***	***	***	***
	Unit value (per ton)				
Cut-to-length plates	$***	$***	$***	$***	$***
Coiled plates	***	***	***	***	***
Average	***	***	***	***	***

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

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

Note.--Because of rounding, figures may not add to the totals shown; unit values calculated from the unrounded figures.

U.S. producers' exports of carbon steel plates, as reported by six firms, increased from *** tons in January-September 1983 to *** tons in the corresponding period of 1984, or by *** percent, as shown in the following tabulation:

Item	January-September 1983	January-September 1984
Quantity----------1,000 short tons--	***	***
Value-------------million dollars--	***	***
Unit value----------------per ton--	$***	$***

U.S. producers' inventories

End-of-period inventories of cut-to-length carbon steel plates and coiled plates, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1981-83 and January-June of both 1983 and 1984, amounting to about 4 to 5 percent of the responding producers' total (annualized) shipments of cut-to-length plates in each of these periods and 6 to 10 percent of such shipments of coiled plates. Reported end-of-period inventories are shown in the following tabulation (in thousands of tons):

	Cut-to-length plates	Coiled plates	Cut-to-length and coiled plates
As of Dec. 31--			
1980----------	244	118	362
1981----------	205	160	365
1982----------	118	115	233
1983----------	113	105	218
As of June 30--			
1983----------	109	97	206
1984----------	137	128	266

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

During the January-September periods, U.S. producers' inventories, as reported by six firms, decreased from 7.1 percent to 5.4 percent of annualized shipments, as shown in the following tabulation:

Item	As of Sept. 30-- 1983	1984
Inventories---------1,000 short tons--	148	162
Ratio of inventories to annualized shipments-------percent--	7.1	5.4

U.S. employment, wages, and productivity

Data on U.S. employment, wages, and productivity in establishments producing carbon steel plates, as reported in responses to the Commission's questionnaires, are provided in table I-7 (number of employees and hours worked by production and related workers), table I-8 (wages and total

Table I-7.--Average number of employees, total and production and related workers, in U.S. establishments producing carbon steel plates, and hours paid 1/ for the latter, 2/ 3/ by types of products, 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June---	
				1983	1984
Average employment:					
All employees:					
Number	209,222	158,359	145,910	142,423	151,288
Percentage change 4/	5/	-24.3	-7.9	-10.1	3.7
Production and related workers producing--					
All products:					
Number	173,987	127,414	118,816	116,514	128,641
Percentage change 4/	5/	-26.8	-6.7	-8.6	8.3
Cut-to-length plates:					
Number	15,120	7,883	6,402	6,094	8,605
Percentage change 4/	5/	-47.9	-18.8	-22.7	34.4
Coiled plates:					
Number	3,994	2,509	2,702	2,797	3,427
Percentage change 4/	5/	-37.2	7.7	11.5	26.8
Cut-to-length and coiled plates:					
Number	19,114	10,392	9,104	8,891	12,032
Percentage change 4/	5/	-45.6	-12.4	-14.4	32.2
Hours worked by production and related workers producing--					
All products:					
Number-------1,000 hours--	348,116	242,899	239,895	116,925	136,370
Percentage change	5/	-30.2	-1.2	5/	16.6
Cut-to-length plates:					
Number-------1,000 hours--	29,737	15,299	12,950	6,026	8,961
Percentage change	5/	-48.6	-15.4	5/	48.7
Coiled plates:					
Number-------1,000 hours--	8,122	4,981	5,468	2,792	3,721
Percentage change	5/	-38.7	9.8	5/	33.3
Cut-to-length and coiled plates:					
Number-------1,000 hours--	37,859	20,280	18,418	8,818	12,682
Percentage change	5/	-46.4	-9.2	5/	43.8

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

2/ Nonproduct-specific data may be overstated since a multipurpose questionnaire was used that requested total employment and production and related workers information for all products manufactured in establishments producing any of the subject products of the investigations covered in this report (not just plate-producing establishments).

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

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

5/ Not available.

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

Table I-8.--Wages and total compensation 1/ paid to production and related workers in establishments producing carbon steel plates, 2/ 3/ by types, 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Wages paid to production and related workers producing--					
All products:					
Value----million dollars--	5,355	4,022	3,538	1,732	2,102
Percentage change----------	4/	-24.9	-12.0	4/	21.4
Cut-to-length plates:					
Value----million dollars--	416	228	171	80	127
Percentage change----------	4/	-45.2	-25.0	4/	58.8
Coiled plates:					
Value----million dollars--	122	79	78	39	52
Percentage change----------	4/	-35.2	-1.3	4/	33.3
Cut-to-length and coiled plates:					
Value----million dollars--	538	307	250	119	179
Percentage change----------	4/	-42.9	-18.6	4/	50.4
Total compensation paid to production and related workers producing--					
All products:					
Value----million dollars--	7,044	5,664	5,374	2,668	2,934
Percentage change----------	4/	-19.6	-5.1	4/	10.0
Cut-to-length plates:					
Value----million dollars--	547	315	267	127	183
Percentage change----------	4/	-42.4	-15.2	4/	44.1
Coiled plates:					
Value----million dollars--	160	109	110	57	75
Percentage change----------	4/	-31.9	0.9	4/	31.6
Cut-to-length and coiled plates:					
Value----million dollars--	707	424	377	184	258
Percentage change----------	4/	-40.0	-11.1	4/	40.2

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

2/ Nonproduct-specific data may be overstated since a multipurpose questionnaire was used that requested total production and related workers information for all products manufactured in establishments producing any of the subject products of the investigations covered in this report (not just plate-producing establishments).

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

4/ Not available.

Source: Compiled 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. Percentage changes computed from the rounded figures.

compensation 1/ paid to production and related workers), and table I-9 (labor productivity, hourly compensation, and unit labor costs). The ratio of total production and related workers to total employees ranged from a low of 80 percent in 1982 to a high of 85 percent during January-June 1984; production and related workers producing both cut-to-length and coiled carbon steel plates accounted for 8 percent (in 1982 and 1983) to 11 percent (in 1981) of total production and related workers.

The average number of production and related workers producing both cut-to-length and coiled carbon steel plates fell by 46 percent in 1982 and by another 12 percent, to 9,104 workers, in 1983, but then rose, by 32 percent, to 12,032 workers in January-June 1984. Similarly, hours worked by these workers, which dropped by 46 percent in 1982, and by 9 percent in 1983, rose by 44 percent during January-June 1984 (compared with the period a year earlier).

The average wage for production and related workers producing both cut-to-length and coiled carbon steel plates, which was $14.22 per hour in 1981, rose by 6 percent in 1982, dropped by 10 percent in 1983, and then rose by 4 percent to $14.12 per hour during January-June 1984. The average wage for production and related workers producing coiled carbon steel plates was 6 to 8 percent above the average wage paid such workers producing cut-to-length plates during 1981-83; however, in January-June 1984, workers producing cut-to-length plates received slightly higher hourly wages. Labor productivity, which was 0.16 ton of cut-to-length carbon steel plates produced per hour worked during 1981, decreased by 2 percent in 1982, and then increased by 8 percent in 1983 and by an additional 7 percent during January-June 1984. Labor productivity for coiled carbon steel plates, which was 56 to 83 percent higher than that for cut-to-length plates throughout the periods covered by this report, decreased by 13 percent in 1982 to 0.24 ton per hour worked; productivity increased by 27 percent in 1983, but then decreased by 5 percent in January-June 1984. The average unit labor costs for cut-to-length and coiled carbon steel plates increased by 17 percent in 1982 to $120 per ton and then decreased by 18 percent in 1983 and an additional 2 percent during January-June 1984. One component of the cost differential between the production of cut-to-length plates and coiled plates is apparent in table I-9, which shows that unit labor costs for coiled plates were, on average, 45 percent below those for cut-to-length plates.

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

Table I-9.--Labor productivity, hourly compensation, and unit labor costs in the production of carbon steel plates, 1/ by types, 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Labor productivity:					
Cut-to-length plates:					
Quantity---tons per hour--	0.1562	0.1527	0.1654	0.1634	0.1776
Percentage change 2/------	3/	-2.2	8.3	7.0	7.4
Coiled plates:					
Quantity---tons per hour--	0.2731	0.2380	0.3025	0.2824	0.2860
Percentage change 2/------	3/	-12.9	27.1	18.7	-5.5
Cut-to-length and coiled plates:					
Quantity---tons per hour--	0.1813	0.1736	0.2061	0.2011	0.2094
Percentage change 2/------	3/	-4.2	18.7	15.8	1.6
Hourly compensation: 4/					
Cut-to-length plates:					
Value----------per hour--	$13.99	$14.91	$13.24	$13.29	$14.16
Percentage change 2/------	3/	6.6	-11.2	-10.9	6.9
Coiled plates:					
Value----------per hour--	$15.03	$15.84	$14.32	$13.99	$14.01
Percentage change 2/------	3/	5.4	-9.6	-11.7	-2.2
Cut-to-length and coiled plates:					
Value----------per hour--	$14.22	$15.14	$13.56	$13.51	$14.12
Percentage change 2/------	3/	6.5	-10.4	-10.8	4.1
Unit labor costs: 5/					
Cut-to-length plates:					
Value----------per ton--	$117.80	$134.98	$124.55	$128.77	$115.19
Percentage change 2/------	3/	14.6	-7.7	-4.6	-7.5
Coiled plates:					
Value----------per ton--	$72.13	$91.84	$66.72	$72.29	$70.15
Percentage change 2/------	3/	27.3	-27.4	-21.3	5.1
Cut-to-length and coiled plates:					
Value----------per ton--	$103.04	$120.45	$99.35	$103.66	$97.14
Percentage change 2/------	3/	16.9	-17.5	-13.9	-2.2

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

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

3/ Not available.

4/ Based on wages paid excluding fringe benefits.

5/ Based on total compensation paid.

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

Six firms, accounting for about 55 percent of total production of carbon steel plates, provided the following data concerning employment in producing such merchandise during January-September of 1983 and 1984:

Item	January-September 1983	January-September 1984
Average number of production and related workers	5,820	7,690
Hours worked----------1,000 hours--	8,995	12,168
Wages paid----------million dollars--	122	179
Total compensation----------do--	186	238
Labor productivity----------tons per hour--	0.1783	0.1902
Hourly compensation----------	$13.53	$14.73
Unit labor costs----------per ton--	$115.66	$102.86

The total number of production and related workers engaged in producing carbon steel plates by these firms increased by 32 percent from January-September 1983 to January-September 1984. The productivity of such employees, as measured by tons produced per hour, increased by 7 percent, and their average hourly total compensation (wages plus fringe benefits) decreased by 5 percent. As a result of the increase in productivity and the decline in hourly total compensation, the unit labor costs of these four firms declined by 11 percent from January-September 1983 to January-September 1984.

Financial experience of U.S. producers

Operations on cut-to-length plates.--Income-and-loss data were received from 11 firms, accounting for 83 percent of total shipments of cut-to-length plates (as reported by AISI) in 1983. These data are presented in table I-10. The 11 responding producers' net sales of such merchandise declined from *** in 1981 to *** in 1982, or by 47 percent, and then declined by an additional 25 percent to *** in 1983. During the interim period ended June 30, 1984, net sales increased by 43 percent to $668 million, compared with $466 million in the corresponding period of 1983.

In 1982 and 1983, the 11 firms sustained aggregate operating losses of ***, or *** percent of net sales, and ***, or *** percent of net sales, respectively, compared with an operating income of ***, or *** percent of net sales, in 1981. During the interim period ended June 30, 1984, U.S. producers reported an aggregate lessening operating loss of $73 million, equivalent to 10.9 percent of net sales, compared with an operating loss of $109 million, or 23.4 percent of net sales, in the corresponding period of 1983. All 11 responding firms reported operating losses in 1982, compared with 9 firms reporting operating losses in 1983 and 4 firms in 1981. Ten producers sustained operating losses in both of the interim periods. In the aggregate, the 11 firms experienced negative cash flows in 1982, 1983, and in the two interim periods ended June 30, 1983, and June 30, 1984, compared with a positive cash flow of *** in 1981.

Table I-10.--Income-and-loss experience of 11 U.S. producers 1/ on their operations producing cut-to-length carbon steel plates, 2/ accounting years 1981-83, and interim periods ended June 30, 1983, and June 30, 1984

Item	1981	1982	1983	Interim period ended June 30--	
				1983	1984
Net sales-------million dollars--	***	***	***	466	668
Cost of goods sold---------do----	***	***	***	551	716
Gross profit or (loss)-----do----	***	***	***	(85)	(48)
General, selling, and administrative expenses--do----	***	***	***	24	25
Operating income or (loss) 3/----------do----	***	***	***	(109)	(73)
Depreciation and amortization expense included above 4/----------do----	***	***	***	18	23
Cash flow or (deficit) from operations 4/----------do----	***	***	***	(91)	(50)
As a share of net sales:					
Gross profit or (loss) percent--	***	***	***	(18.2)	(7.2)
Operating income or (loss)----------do----	***	***	***	(23.4)	(10.9)
Cost of goods sold-------do----	***	***	***	118.2	107.2
General, selling, and administrative expenses----percent--	***	***	***	5.2	3.7
Number of firms reporting operating losses----------	4	11	9	10	10

1/ CF&I stopped producing carbon steel plates in 1983.

2/ U.S. producers submitting usable data together accounted for 83.2 percent of total shipments of cut-to-length carbon steel plates in 1983, as reported by the American Iron & Steel Institute.

3/ In its questionnaire, the Commission asked producers to provide interest expense and other (nonoperating) income or expense information in order to determine net income or loss before income taxes. However, only 5 producers, which together accounted for *** percent of reported 1983 net sales, provided such data; 4 firms did not report those line items and the remaining 2 firms did not allocate those expenses, instead reporting 0. Thus, data on interest expense, other income or expense, and net income or loss before income taxes are not presented in the table.

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

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

Operations on coiled plates.--Seven producers, accounting for 84 percent of total U.S. shipments of coiled carbon steel plates in 1983 (as reported in response to the Commission's questionnaires), provided income-and-loss data relative to their operations producing such merchandise. Net sales of coiled plates fell 47 percent, from *** in 1981 to *** in 1982, but then increased to *** in 1983, as shown in table I-11. During the interim period ended June 30, 1984, net sales increased by 41 percent to $290 million, compared with $206 million in the corresponding period of 1983.

U.S. producers of coiled plates reported aggregate operating losses throughout the period under investigation. Operating losses increased from ***, or *** percent of net sales, in 1981 to ***, or *** percent of net sales, in 1982, but then fell in 1983 to ***, or *** percent of net sales. In the interim period ended June 30, 1984, the operating loss was further reduced to $7 million, equivalent to 2.4 percent of net sales, compared with that of $29 million, or 14.1 percent of net sales, in the corresponding period of 1983. Four firms reported operating losses in 1981, all responding firms sustained operating losses in 1982, and six firms did so in 1983. Only four firms reported operating losses during the interim period ended June 30, 1984, compared with all seven firms in the interim period of 1983.

In the aggregate, the seven responding firms experienced negative cash flows of *** in 1982 and *** in 1983, compared with a positive cash flow of *** in 1981. U.S. producers reported a small positive cash flow of $1 million in the interim period ended June 30, 1984.

Operations on cut-to-length plates and coiled plates.--Combined income-and-loss data for the production of cut-to-length plates and coiled plates are presented in table I-12. Net sales of these products fell by 47 percent, from *** in 1981 to *** in 1982 and by 14 percent to *** in 1983. In the interim period ended June 30, 1984, net sales increased by 43 percent to $958 million compared with $672 million in the interim period of 1983.

In 1982 and 1983, the firms reported operating losses of *** (or *** percent of sales) and *** (*** percent of sales), respectively, compared with an operating income of *** (*** percent of sales) in 1981. The operating loss declined by 42 percent to $80 million (8.4 percent of sales) in the interim period ended June 30, 1984, from $138 million (20.5 percent of sales) in the interim period of 1983. Six firms reported operating losses in 1981; all 12 firms reported losses in 1982 and 10 firms did so in 1983. Ten firms sustained operating losses during the interim period ended June 30, 1984, compared with 11 firms in the interim period of 1983. U.S. producers experienced negative cash flows in 1982, 1983, and in the interim periods ended June 30, 1983, and June 30, 1984.

Table I-11.--Income-and-loss experience of 7 U.S. producers 1/ on their operations producing coiled carbon steel plates, 2/ accounting years 1981-83, and interim periods ended June 30, 1983, and June 30, 1984

Item	1981	1982	1983	Interim period ended June 30--	
				1983	1984
Net sales-------million dollars--	***	***	***	206	290
Cost of goods sold---------do----	***	***	***	227	287
Gross profit or (loss)-----do----	***	***	***	(21)	3
General, selling, and administrative expenses-------do----	***	***	***	8	10
Operating income or (loss) 3/----------do----	***	***	***	(29)	(7)
Depreciation and amortization expense included above 4/----------do----	***	***	***	9	8
Cash flow or (deficit) from operations 4/----------do----	***	***	***	(20)	1
As a share of net sales:					
Gross profit or (loss) percent--	***	***	***	(10.2)	1.0
Operating income or (loss) percent--	***	***	***	(14.1)	(2.4)
Cost of goods sold-------do----	***	***	***	110.2	99.0
General, selling, and administrative expenses----percent--	***	***	***	3.9	3.4
Number of firms reporting operating losses----------	4	7	6	7	4

1/ A division of National Steel Corp. was purchased by its employees and become a separate entity called Weirton Steel Corp. in January 1984. Hence, technically, there are 8 producers reporting data in 1984.

2/ U.S. producers submitting usable data together accounted for 83.6 percent of total shipments of coiled carbon steel plates in 1983, as reported in response to the Commission's questionnaires.

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

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

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

Table I-12.--Income-and-loss experience of 12 U.S. producers 1/ on their operations producing cut-to-length and coiled carbon steel plates, 2/ accounting years 1981-83, and interim periods ended June 30, 1983, and June 30, 1984

Item	1981	1982	1983	Interim period ended June 30--	
				1983	1984
Net sales--------million dollars--	***	***	***	672	958
Cost of goods sold----------do----	***	***	***	778	1,003
Gross profit or (loss)------do----	***	***	***	(106)	(45)
General, selling, and administrative expenses--------do----	***	***	***	32	35
Operating income or (loss) 3/----------do----	***	***	***	(138)	(80)
Depreciation and amortization expense included above 4/----------do----	***	***	***	27	31
Cash flow or (deficit) from operations 4/----------do----	***	***	***	(111)	(49)
As a share of net sales:					
Gross profit or (loss) percent--	***	***	***	(15.8)	(4.7)
Operating income or (loss) percent--	***	***	***	(20.5)	(8.4)
Cost of goods sold--------do----	***	***	***	115.8	104.7
General, selling, and administrative expenses----percent--	***	***	***	4.8	3.7
Number of firms reporting operating losses----------	6	12	10	11	10

1/ A division of National Steel Corp. was purchased by its employees and became a separate entity called Weirton Steel Corp. in January 1984; also, CF&I discontinued production of plates in 1983. Hence, technically, there are 12 producers reporting data in 1981 and 1982, 11 producers reporting data in 1983, and 12 producers reporting data in the interim period ended June 30, 1984.

2/ U.S. producers submitting usable data together accounted for 83.6 percent of total shipments of coiled carbon steel plates in 1983, as reported in response to the Commission's questionnaires, and 83.2 percent of 1983 shipments of cut-to-length carbon steel plates, as reported by the American Iron & Steel Institute.

3/ In its questionnaire, the Commission asked producers to provide interest expense and other (nonoperating) income or expense information in order to determine net income or loss before income taxes. However, only 6 producers, which together accounted for *** percent of reported 1983 net sales, and *** provided such data; 4 firms did not report those line items and the remaining 2 firms did not allocate those expenses, instead reporting 0. Thus, data on interest expense, other income or expense, and net income or loss before income taxes are not presented in the table.

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

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

Five firms provided information concerning their financial experience in producing carbon steel plates during the 9-month interim periods ended September 30, 1983, and September 30, 1984. Net sales by these firms rose by 44 percent from interim 1983 to interim 1984. Although they incurred aggregate operating losses in both interim periods, the loss diminished from $160 million in interim 1983 to $86 million in interim 1984. As shown in the following tabulation, the ratio of the operating loss to net sales similarly improved from 26.1 percent in interim 1983 to 9.7 percent in interim 1984:

Item	Interim period ended Sept. 30-- 1983	1984
Net sales----------million dollars--	612	884
Cost of goods sold----------do----	745	941
Gross profit or (loss)----------do----	(132)	(57)
General, selling, and administrative (GSA) expenses--------million dollars--	27	29
Operating income or (loss)----------do----	(160)	(86)
Depreciation and amortization------do----	18	22
As a percent of net sales:		
Cost of goods sold----------percent--	121.7	106.5
Gross profit or (loss)----------do----	(21.7)	(6.5)
GSA expenses----------do----	4.4	3.2
Operating income or (loss)-------do----	(26.1)	(9.7)

Capital expenditures and research and development expenditures.--Most of the responding U.S. producers did not provide the Commission with data on capital expenditures on a product line basis. Only three firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of cut-to-length carbon steel plates. Such capital expenditures decreased from *** in 1981 to about *** in 1982 and 1983 and amounted to $3.0 million during January-June 1984, compared with $3.9 million during the corresponding period of 1983. Three firms supplied data relative to their capital expenditures used in the manufacture of coiled plates. Such expenditures, which rose from *** in 1981 to *** in 1982, and then dropped back almost to the 1981 level in 1983, increased by 10 percent to $11.8 million in January-June 1984, compared with $10.7 million in the corresponding period of 1983, as shown in the following tabulation:

Item and period	Capital expenditures 1/ (1,000 dollars)	Research and development expenditures (1,000 dollars)
Cut-to-length plates:		
1981	***	2/ ***
1982	***	2/ ***
1983	***	2/ ***
January-June--		
1983	3,887	3/ 1,431
1984	2,959	3/ 1,360
Coiled plates:		
1981	***	4/ ***
1982	***	4/ ***
1983	***	4/ ***
January-June--		
1983	10,674	***
1984	5/ 11,794	***

1/ Data are for 3 firms unless otherwise noted.
2/ Data are for 6 firms.
3/ Data are for 5 firms.
4/ Data are for 1 firm.
5/ Data are for 4 firms, including capital expenditures of *** for ***.

Research and development expenses relative to operations on cut-to-length carbon steel plates, as reported by six producers that responded to this part of the Commission's questionnaires, fell from *** in 1981 to *** in 1982 and *** in 1983. Such expenses declined by 5 percent during January-June 1984 compared with those in January-June 1983. Research and development expenses relative to operations on coiled plates were provided by only one producer. These expenses increased by *** percent, from *** in 1981 and 1982 to *** in 1983.

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

Consideration factors

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

U.S. importers' inventories

The Commission requested the major importers of carbon steel plates from the countries under investigation to provide information concerning their imports and inventories. The importers reported inventory information only for January-September 1984; these data are shown in the following tabulation:

Country	Imports 1/	Ratio of reported imports to total imports	Inventories 1/	Ratio of inventories to reported imports
	Short tons	Percent	Short tons	Percent
Czechoslovakia	***	***	***	***
East Germany	***	***	***	***
Hungary	***	***	***	***
Poland	***	***	***	***
Sweden	***	***	***	***
Venezuela	***	***	***	***

1/ As reported by questionnaire respondents.

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

U.S. imports of cut-to-length and coiled plates combined

Imports from all sources.--Imports of cut-to-length and coiled plates combined declined steadily from 2.4 million tons in 1981 to 1.4 million tons in 1983, or by 43 percent; however, such imports during January-September 1984, at 1,337 tons, were 32 percent greater than imports during January-September 1983 (table I-13). Total imports, as a share of apparent U.S. consumption, increased irregularly from 23.3 percent in 1981 to 26.4 percent in January-September 1984 (table I-14). Canada, Brazil, Belgium/Luxembourg, Korea, Finland, Spain, and South Africa are the largest sources of imports of cut-to-length and coiled plates, as shown in the following tabulation (in percent of total imports in 1983):

Country	Share of total imports
Canada	18.4
Brazil	16.1
Belgium/Luxembourg	10.2
Korea	9.4
Finland	7.5
Spain	5.1
South Africa	3.5
All other	29.8
Total	100.0

Table I-13.--Cut-to-length and coiled carbon steel plates: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 short tons)				
Czechoslovakia	0	0	2/	2/	19
East Germany	2/	0	7	4	39
Finland:					
Coiled plates	15	12	21	17	19
Cut-to-length plates 3/	49	73	85	64	104
Total, Finland	63	85	106	81	113
Hungary	2/	0	0	0	13
Poland	107	19	9	5	15
Sweden	64	74	42	32	80
Venezuela	26	4	7	5	20
Brazil	309	167	220	206	9
Spain	100	76	69	50	184
Canada	259	164	252	182	189
Belgium/Luxembourg	341	203	139	106	104
Korea	133	130	129	104	78
South Africa	74	134	48	29	94
All other	908	505	338	207	370
Total	2,385	1,561	1,366	1,011	1,337
	Value (million dollars)				
Czechoslovakia	0	0	4/	4/	4
East Germany	4/	0	1	1	9
Finland:					
Coiled plates	4	3	5	4	5
Cut-to-length plates 3/	18	23	22	16	28
Total, Finland	22	27	27	20	33
Hungary	4/	0	0	0	3
Poland	37	5	3	1	3
Sweden	25	27	12	10	23
Venezuela	6	1	1	1	5
Brazil	113	52	50	46	2
Spain	37	24	14	10	42
Canada	96	62	65	47	58
Belgium/Luxembourg	124	69	36	27	28
Korea	47	42	28	23	22
South Africa	25	42	12	7	23
All other	311	159	87	53	99
Total	843	509	366	246	354

1/ Includes imports under TSUSA items 607.6620 and 607.6625 (cut-to-length plates) and items 607.6610 and 607.8320 (coiled plates).

2/ Less than 500 short tons.

3/ Cut-to-length plates from Finland are not subject to these investigations.

4/ Less than $0.5 million.

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 I-14.--Carbon steel plates: 1/ Ratios of imports from selected sources and U.S. producers' domestic shipments to apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

(In percent)

Item	1981	1982	1983	January-September--	
				1983	1984
Imports from--					
Czechoslovakia	-	-	2/	2/	0.4
East Germany	2/	-	0.1	0.1	.8
Finland (coiled plates)	0.1	0.2	.4	.4	.4
Hungary	2/	-	-	-	.3
Poland	1.0	.3	.2	.1	.3
Sweden	.6	1.3	.7	.8	1.6
Venezuela	.3	.1	.1	.1	.4
Brazil	3.0	2.9	3.8	5.2	.2
Finland (cut-to-length)	.5	1.3	1.5	1.6	2.1
Spain	1.0	1.3	1.2	1.3	3.6
All other	16.7	19.8	15.7	15.6	16.5
Total	23.3	27.2	23.7	25.3	26.4
U.S. producers' domestic shipments	76.7	72.8	76.3	74.7	73.6
Total	100.0	100.0	100.0	100.0	100.0

1/ Includes imports under TSUSA items 607.6620 and 607.6625 (cut-to-length plates) and items 607.6610 and 607.8320 (coiled plates).
2/ Less then 0.05 percent.

Source: Tables I-3 and I-13.

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

Imports from Czechoslovakia.--The United States did not import any carbon steel plates from Czechoslovakia in 1981 or 1982. Combined imports of cut-to-length and coiled plates from Czechoslovakia amounted to only 130 tons in 1983, but then rose sharply to 19,000 tons in January-September 1984. Such imports, as a share of U.S. consumption, increased from less than 0.04 percent in 1983 to 0.4 percent in January-September 1984.

Imports from East Germany.--Imports of cut-to-length and coiled plates from East Germany increased from zero in 1982 to 7,000 tons in 1983 and 39,000 tons in January-September 1984. These imports accounted for 0.1 percent of the U.S. market in 1983 and 0.8 percent in January-September 1984.

Imports from Finland 1/.--Combined imports of cut-to-length and coiled plates from Finland rose 62 percent from 63,000 tons in 1981 to 106,000 tons

1/ As indicated previously, the Commission's investigation on coiled plates from Finland was terminated.

in 1983 and 113,000 tons in January-September 1984 (representing an increase of 40 percent over imports in January-September 1983). These imports accounted for 0.6 percent of the U.S. market in 1981, 1.5 percent in 1982 and 1.8 percent in 1983. Imports of coiled plates from Finland, the only plates covered by this investigation, accounted for 0.1 percent of the market in 1981. These imports increased to 0.4 percent of the market in 1983 and January-September 1984.

Imports from Hungary.--Imports of cut-to-length and coiled plates from Hungary increased from zero in 1982 and 1983 to 13,000 tons in January-September 1984. During the latter period, imports from Hungary accounted for 0.3 percent of apparent U.S. consumption.

Imports from Poland.--Imports of all carbon steel plates from Poland fell from 107,000 tons in 1981 to 9,000 tons in 1983, or by 92 percent. Imports subsequently increased from 5,000 tons in January-September 1983 to 15,000 tons in the corresponding period of 1984. Total plate imports, as a share of consumption, decreased from 1.0 percent in 1981 to 0.2 percent in 1983 and increased to 0.3 percent in January-Septmber 1984.

Imports from Sweden.--Imports of cut-to-length and coiled plates from Sweden increased from 64,000 tons in 1981 to 74,000 tons in 1982 before decreasing to 42,000 tons in 1983. Such imports subsequently rose to 80,000 tons in January-September 1984, representing an increase of 150 percent over the level of imports during the corresponding period of 1983. Total plate imports from Sweden, as a share of the U.S.market, increased from 0.6 percent in 1981 to 1.3 percent in 1982 and decreased to 0.7 percent in 1983. This share then increased to 1.6 percent during January-September 1984.

Imports from Venezuela.--Imports of cut-to-length and coiled plates from Venezuela decreased irregularly from 26,000 tons in 1981 to 7,000 tons in 1983. These imports then increased to 20,000 tons in January-September 1984, representing an increase of 300 percent over the level of imports in the corresponding period of 1983. Imports of plates, as a share of U.S. consumption, decreased from 0.3 percent in 1981 to 0.1 percent in 1982 and 1983. This share increased to 0.4 percent in January-September 1984.

Information concerning the customs districts through which the subject imports entered the United States during January-September 1984, as compiled from official statistics of the U.S. Department of Commerce, is presented in the following tabulation:

Country and customs district	Share of total imports (Percent)	Country and customs district	Share of total imports (Percent)
Czechoslovakia:		Poland:	
Los Angeles, CA	58.9	Bridgeport, CT	59.8
New Orleans, LA	7.7	Houston, TX	14.4
Baltimore, MD	5.9	Savannah, GA	9.0
San Francisco, CA	5.4	New Orleans, LA	5.7
Bridgeport, CT	4.8	Subtotal	88.9
Subtotal	82.7	All other	11.1
All other	17.3	Total	100.0
Total	100.0		
		Sweden:	
East Germany:		Houston, TX	31.8
Houston, TX	43.0	Chicago, IL	18.2
New Orleans, LA	12.3	Detroit, MI	11.7
Tampa, FL	8.8	Bridgeport, CT	7.3
Philadelphia, PA	7.2	Philadelphia, PA	6.7
Bridgeport, CT	6.3	Los Angeles, CA	5.2
Subtotal	77.6	Subtotal	80.9
All other	22.4	All other	19.1
Total	100.0	Total	100.0
Finland: 1/		Venezuela:	
Houston, TX	33.5	New Orleans, LA	56.2
Bridgeport, CT	19.9	Houston, TX	34.5
Duluth, MN	19.3	Chicago, IL	5.8
Detroit, MI	11.8	Subtotal	96.5
New Orleans, LA	7.6	All other	3.5
Subtotal	92.1	Total	100.0
All other	7.9		
Total	100.0		
Hungary:			
Houston, TX	65.3		
Bridgeport, CT	9.4		
New Orleans, LA	9.1		
Philadelphia, PA	8.6		
Subtotal	92.4		
All other	7.6		
Total	100.0		

1/ Coiled plates only.

Imports of cut-to-length and coiled plates

Information concerning imports of cut-to-length plates is presented in tables I-15 (quantity and value) and I-16 (market penetration). Information concerning imports of coiled plates is presented in tables I-17 (quantity and value) and I-18 (market penetration).

Table I-15.--Cut-to-length carbon steel plates: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 short tons)				
Czechoslovakia	0	0	2/	2/	19
East Germany	2/	0	7	4	37
Hungary	0	0	0	0	5
Poland	107	19	9	5	15
Sweden	64	66	36	31	59
Venezuela	16	2/	2/	2/	1
Brazil	309	149	190	181	8
Finland	49	73	85	64	104
Spain	99	76	49	32	175
Canada	228	149	235	167	155
Belgium/Luxembourg	301	178	127	96	96
Korea	115	90	99	80	59
South Africa	63	128	36	23	81
All other	486	222	154	94	222
Total	1,837	1,149	1,027	776	1,035
	Value (million dollars)				
Czechoslovakia	0	0	3/	3/	4
East Germany	3/	0	1	1	8
Hungary	0	0	0	0	1
Poland	37	5	3	1	3
Sweden	25	24	11	9	17
Venezuela	4	3/	3/	3/	3/
Brazil	113	48	43	41	2
Finland	18	23	22	16	28
Spain	37	24	10	7	39
Canada	86	57	60	43	47
Belgium/Luxembourg	111	62	33	24	26
Korea	41	31	21	17	16
South Africa	22	40	9	6	20
All other	179	73	39	25	60
Total	673	388	253	189	272

1/ Includes imports under TSUSA items 607.6620 and 607.6625.
2/ Less than 500 short tons.
3/ Less than $0.5 million.

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

Table I-16.--Cut-to-length carbon steel plates: 1/ Ratios of imports from selected sources and U.S. producers' domestic shipments to apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

(In percent)

Item	1981	1982	1983	January-September--	
				1983	1984
Imports from--					
Czechoslovakia	-	-	2/	2/	0.6
East Germany	2/	-	0.2	0.1	1.1
Hungary	-	-	-	-	.1
Poland	1.4	0.5	.2	.2	.4
Sweden	.9	1.6	1.0	1.1	1.7
Venezuela	.2	2/	2/	2/	2/
Brazil	4.1	3.6	5.0	6.7	.2
Finland	.7	1.8	2.3	2.4	3.0
Spain	1.3	1.9	1.3	1.2	5.1
All other	15.8	18.6	17.3	16.8	17.9
Total	24.4	28.0	27.3	28.6	30.2
U.S. producers' domestic shipments	75.6	72.0	72.7	71.4	69.8
Total	100.0	100.0	100.0	100.0	100.0

1/ Includes imports under TSUSA items 607.6620 and 607.6625.
2/ Less then 0.05 percent.

Source: Tables I-3 and I-15.

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

Table I-17.--Coiled carbon steel plates: 1/ U.S. imports for consumption, by principal sources, 2/ 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 short tons)				
East Germany	0	0	0	0	2
Finland	15	12	21	17	19
Hungary	3/	0	0	0	8
Sweden	3/	8	6	1	21
Venezuela	9	4	7	5	18
Brazil	3/	18	31	25	1
Spain	1	3/	20	18	9
West Germany	110	137	75	36	51
France	110	33	39	34	14
Korea	18	39	30	24	19
South Africa	11	6	12	6	14
All other	273	154	98	68	126
Total	548	412	339	235	302
	Value (million dollars)				
East Germany	0	0	0	0	1
Finland	4	3	5	4	5
Hungary	4/	0	0	0	2
Sweden	4/	2	1	4/	5
Venezuela	2	1	1	1	4
Brazil	4/	5	7	5	4/
Spain	4/	4/	4	4	2
West Germany	34	40	19	10	14
France	33	11	10	8	4
Korea	5	11	7	5	5
South Africa	3	2	3	1	3
All other	87	46	26	18	36
Total	170	121	83	57	82

1/ Includes imports under TSUSA items 607.6610 and 607.8320.

2/ There were no imports of coiled plates from Czechoslovakia or Poland during January 1981-September 1984.

3/ Less than 500 short tons.

4/ Less than $0.5 million.

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

Table I-18.--Coiled carbon steel plates: 1/ Ratios of U.S. imports for consumption from selected sources and U.S. producers' domestic shipments to apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

(In percent)

Item	1981	1982	1983	January-September--	
				1983	1984
Imports from--					
East Germany	-	-	-	-	0.1
Finland	0.6	0.7	1.0	1.3	1.2
Hungary	2/	-	-	-	.5
Sweden	2/	.5	.3	.1	1.3
Venezuela	.3	.2	.3	.4	1.1
Brazil	2/	1.1	1.5	1.9	.1
Spain	2/	2/	1.0	1.4	.6
All other	19.4	22.6	12.7	13.1	14.0
Total	20.3	25.2	16.9	18.2	19.0
U.S. producers' domestic shipments	79.7	74.8	83.1	81.8	81.0
Total	100.0	100.0	100.0	100.0	100.0

1/ Includes imports under TSUSA items 607.6610 and 607.8320.
2/ Less then 0.05 percent.

Source: Tables I-3 and I-17.

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

Prices

Market conditions in sectors that require steel plates as an input, such as machinery and industrial equipment, shipbuilding, and construction, are associated with demand for and price of carbon steel plates. The aggregate real value (1977 dollars) of producers' shipments of machinery and industrial equipment, of shipbuilding, and of construction put in place for three major plate-using segments of the construction sector--private and public nonresidential building construction and public nonbuilding construction--increased by 2.5 percent from 1980 to 1981, decreased by 5.9 percent in 1982, and continued to decline by 6 percent in January-September 1983 from its level of January-September 1982; during October-December 1983 this trend continued. 1/2/ In a similar fashion, apparent consumption of steel plates increased in 1981, decreased in 1982, and continued to decline in 1983. As demand for plates falls, competition and price discounting increase, and the price of plates softens. Plate prices generally increased in 1981, decreased in 1982, and continued to fall in 1983. In January-June 1984, plate consumption increased and the prices increased as the economy strengthened and construction activity climbed. Prices softened in the last half of 1984, as construction slowed.

U.S. producers that maintain published list prices usually quote prices for carbon steel products on an f.o.b. mill basis. Importers of such products generally quote prices either f.a.s. port of entry or f.o.b. warehouse. 3/ Prices consist of a base price for each product plus additional charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by changing the base price, the charges for extras, or both. According to Bureau of Labor Statistics data, domestic producers announced seven base price increases for carbon steel plates during January 1979-December 1984. 4/

The Commission asked domestic producers and importers for their net selling prices to SSC's and end users for two representative cut-to-length

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1/ Real values for machinery and industrial equipment and shipbuilding were based on current dollar values reported by the Bureau of Census and deflated by the overall Producer Price Index reported by the Bureau of Labor Statistics; real values for construction put in place were based solely on Bureau of Census data.

2/ Shipbuilding includes military tanks. Public nonbuilding construction includes such construction projects as bridges, military facilities, dams, sewer and water supply systems, railways, and subways.

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

4/ Base price increases of 5 and 7 percent for cut-to-length plates and 7 percent for coiled plates that were announced in 1983 (the most recent in September of that year) generally did not hold, and in many instances only resulted in larger discounts from list prices.

carbon steel plate products and two representative coiled carbon steel plate products, by quarters, during January 1982-September 1984. 1/ Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide a viable basis for comparing levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect any discounting that may have occurred. Weighted-average prices and indexes of the weighted-average f.o.b. net selling prices reported by domestic producers and importers for sales of carbon steel plates to SSC's and end users are shown in tables I-19 and I-20.

Trends in prices of domestic plates.--Quarterly net selling prices of the two domestic cut-to-length plate products (products 1 and 2) sold to SSC's and to end users generally decreased during 1982 and 1983. From January-March 1982 to October-December 1983, the weighted-average prices declined by 29 and 32 percent, respectively, for the two cut-to-length plate products sold to SSC's, and fell 25 and 24 percent, respectively, for the two cut-to-length plate products sold to end users. Prices of these products to SSC's and end users trended upward in 1984, but still ended the period at levels that ranged from 5 to 20 percent below the base-period levels.

Similar to the trends in prices received by U.S. producers for the cut-to-length plate products, the quarterly net selling prices of the two coiled plate products sold to SSC's and end users (products 3 and 4) generally decreased in 1982 and 1983. From January-March 1982 to October-December 1983, weighted-average prices for sales to SSC's declined by 13 and 16 percent, respectively, for the two coiled plate products. The price of product 4 sold to end users, however, although following the general price trend, increased 8 points in July-September 1983 over the April-June 1983 period low (*** per ton), climbed to 5 percent above the base-period level in April-June 1984, and ended the period, in July-September 1984, at that level.

Trends in prices of imported plates.--In general, the price data reported by importers of carbon steel plates from the countries subject to these investigations were quite sparse. The information so obtained is shown in tables I-19 and I-20 and is discussed, by country of origin of the plates, in the following sections.

Czechoslovakia.--Data received from importers of plates from Czechoslovakia only covered selling prices for product 1 to end users for two quarters of 1984. The selling price of Czechoslovakian plates fell 19 percent, from $*** per ton in April-June 1984 to $*** per ton in July-September 1984 (table I-20).

1/ These products and their specifications are listed in app. D. The two representative cut-to-length carbon steel plate products are numbered 1 and 2, and the two representative coiled carbon steel plate products are numbered 3 and 4.

Table I-19.—Carbon steel plates sold to SSC's: Weighted-average net selling prices for sales of domestic products and for sales of imports from East Germany, Hungary, Poland, Sweden, and Venezuela, and the indexes of those prices, 1/ by types of products and by quarters, January 1982-September 1984

Product and period	Sales to SSC's of merchandise from—											
	Domestic firms		East Germany		Hungary		Poland		Sweden		Venezuela	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton		Per ton		Per ton		Per ton	
Product 1:												
1982:												
January-March	$***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	96	-	-	-	-	$***	100	-	-	-	-
July-September	***	92	-	-	-	-	***	98	-	-	-	-
October-December	***	86	-	-	-	-	***	97	$***	100	-	-
1983:												
January-March	***	79	-	-	-	-	-	-	-	-	-	-
April-June	***	74	-	-	-	-	-	-	-	-	-	-
July-September	***	74	-	-	-	-	***	98	-	-	-	-
October-December	***	71	$***	100	-	-	***	94	-	-	-	-
1984:												
January-March	***	77	***	102	-	-	-	-	***	84	-	-
April-June	***	87	***	113	-	-	***	96	***	88	-	-
July-September	***	89	***	106	-	-	***	93	***	97	-	-
Product 2:												
1982:												
January-March	***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	95	-	-	-	-	***	100	-	-	-	-
July-September	***	78	-	-	-	-	***	98	-	-	-	-
October-December	***	84	-	-	-	-	***	97	-	-	-	-
1983:												
January-March	***	72	-	-	-	-	-	-	-	-	-	-
April-June	***	68	-	-	-	-	-	-	-	-	-	-
July-September	***	70	-	-	-	-	***	95	***	100	-	-
October-December	***	68	-	-	-	-	***	93	***	105	-	-
1984:												
January-March	***	74	-	-	-	-	-	-	***	103	-	-
April-June	***	81	-	-	-	-	***	95	***	113	-	-
July-September	***	83	-	-	-	-	***	89	***	127	-	-
Product 3:												
1982:												
January-March	***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	96	-	-	-	-	-	-	-	-	-	-
July-September	***	88	-	-	-	-	-	-	-	-	-	-
October-December	***	87	-	-	-	-	-	-	-	-	-	-
1983:												
January-March	***	84	-	-	-	-	-	-	-	-	$***	100
April-June	***	82	-	-	-	-	-	-	-	-	***	104
July-September	***	84	-	-	-	-	-	-	-	-	***	105
October-December	***	87	-	-	-	-	-	-	***	100	***	125
1984:												
January-March	***	89	-	-	-	-	-	-	***	97	***	119
April-June	***	93	-	-	-	-	-	-	***	107	***	123
July-September	***	96	-	-	$***	-	-	-	-	-	***	105
Product 4:												
1982:												
January-March	***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	97	-	-	-	-	-	-	-	-	-	-
July-September	***	90	-	-	-	-	-	-	-	-	-	-
October-December	***	81	-	-	-	-	-	-	-	-	-	-
1983:												
January-March	***	80	-	-	-	-	-	-	***	100	-	-
April-June	***	83	-	-	-	-	-	-	-	-	-	-
July-September	***	77	-	-	-	-	-	-	-	-	-	-
October-December	***	84	-	-	-	-	-	-	-	-	***	100
1984:												
January-March	***	91	-	-	-	-	-	-	***	96	-	-
April-June	***	92	-	-	-	-	-	-	-	-	-	-
July-September	***	95	***	100	***	-	-	-	-	-	-	-

1/ First period with data=100.

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

Table I-20.—Carbon steel plates sold to end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Czechoslovakia and Sweden, and the indexes of those prices, 1/ by types of products and by quarters, January 1982-September 1984

Product and period	Sales to end users of merchandise from—					
	Domestic firms		Czechoslovakia		Sweden	
	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton	
Product 1:						
1982:						
January-March	$***	100	-	-	-	-
April-June	***	100	-	-	-	-
July-September	***	95	-	-	-	-
October-December	***	89	-	-	-	-
1983:						
January-March	***	88	-	-	-	-
April-June	***	85	-	-	-	-
July-September	***	79	-	-	-	-
October-December	***	75	-	-	-	-
1984:						
January-March	***	74	-	-	-	-
April-June	***	87	$***	100	$***	100
July-September	***	95	***	81	-	-
Product 2:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	95	-	-	-	-
July-September	***	91	-	-	-	-
October-December	***	86	-	-	-	-
1983:						
January-March	***	85	-	-	-	-
April-June	***	83	-	-	-	-
July-September	***	81	-	-	-	-
October-December	***	76	-	-	-	-
1984:						
January-March	***	78	-	-	-	-
April-June	***	82	-	-	-	-
July-September	***	80	-	-	-	-
Product 3:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	95	-	-	-	-
July-September	***	91	-	-	-	-
October-December	***	89	-	-	-	-
1983:						
January-March	***	73	-	-	-	-
April-June	***	90	-	-	-	-
July-September	***	79	-	-	-	-
October-December	***	81	-	-	-	-
1984:						
January-March	***	87	-	-	-	-
April-June	***	95	-	-	-	-
July-September	***	99	-	-	-	-
Product 4:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	106	-	-	-	-
July-September	***	96	-	-	-	-
October-December	***	97	-	-	-	-
1983:						
January-March	***	99	-	-	-	-
April-June	***	93	-	-	-	-
July-September	***	101	-	-	-	-
October-December	***	99	-	-	-	-
1984:						
January-March	***	103	-	-	-	-
April-June	***	105	-	-	-	-
July-September	***	105	-	-	***	100

1/ First period with data=100.

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

East Germany.--Data received from importers of East German plates provided four quarterly prices to SSC's for product 1 and a single quarterly price for product 4 (table I-19). Prices for plate product 1 increased 13 percent from the October-December 1983 base period low ($*** per ton) to the period high ($*** per ton) in April-June 1984. The price turned downward in July-September 1984, falling 7 points to $*** per ton. The single price reported for product 4, $*** per ton in July-September 1984, was $*** per ton lower than the domestic weighted-average price in that quarter.

Hungary.--Two quarterly selling prices received from importers of Hungarian plates, one for coiled plate product 3 and one for product 4, both sold to SSC's in July-September 1984, provide no basis for trend comparisons. Both prices, however, were above the average domestic price in that same period (table I-19).

Poland.--Data received from importers of plates from Poland provided seven quarterly prices each for products 1 and 2 sold to SSC's. Quarterly net selling prices of both Polish cut-to-length plate products generally decreased during 1982 and 1983 and continued to decline in 1984. From April-June 1982 to July-September 1984, the average prices declined by 7 and 11 percent, respectively, for the two products (table I-19).

Sweden.--Quarterly selling prices to SSC's for each of the four representative plate products were received from importers of Swedish plates. These data spanned from 2 quarters to 5 quarters of the subject time period. Net selling prices for Swedish product 1 declined by 16 percent from $*** per ton in October-December 1982 to a period low of $*** per ton in January-March 1984, and then increased by 13 points to $*** per ton in July-September 1984. In contrast, quarterly net selling prices to SSC's for product 2 show a steady upward trend from $*** per ton in April-June 1983 to $*** per ton in July-September 1984, representing a 27-percent increase. Three quarterly selling prices for product 3 show an irregular 7-percent increase from October-December 1983 to April-June 1984. Two quarterly price observations for product 4 show a decline, but provide little basis for a trend analysis (table I-19).

Two quarterly selling prices to end-users were provided by importers of Swedish plates (products 1 and 4), both in April-June 1984. In each quarter, the Swedish plates were priced below the weighted-average domestic prices (table I-20).

Venezuela.--Data received from importers of Venezuelan plates provided seven quarterly selling prices for product 3 sold to SSC's and a single quarterly selling price for product 4 sold to that same class of customer. Prices for product 3 trended steadily upward from the base period low of $*** per ton in January-March 1983 to a high of $*** per ton in October-December 1983 before turning downward to end at $*** per ton in July-September 1984. The single net selling price received for product 4 ($*** per ton in October-December 1983) was $*** per ton lower than the domestic weighted-average net selling price (table I-19).

Lost sales

The Commission asked U.S. producers to report specific instances in which they had lost sales of domestically produced plates to imports from Czechoslovakia, East Germany, Finland, Hungary, Poland, Sweden, or Venezuela since January 1, 1982. ***, ***, and *** 1/ provided the requested lost sales information.

Czechoslovakia.--*** provided the Commission with two specific allegations of lost sales of plates to imports from Czechoslovakia. These alleged lost sales totaled *** tons. The Commission staff investigated both of these allegations, which involved SSC's and occurred in 1984.

*** allegedly purchased *** tons of Czechoslovakian plates in *** 1984. ***.

*** was cited as purchaser of *** tons of Czechoslovakian plates in *** 1984 at a price of $*** per ton, compared with $*** per ton for the domestic product. ***.

East Germany.--*** provided the Commission with three specific allegations of lost sales of plates to imports from East Germany. These alleged 1984-85 lost sales in aggregate totaled *** tons. Two of the three allegations were investigated by the staff.

*** is alleged to have purchased East German plates in *** after rejecting a domestic offer of $*** per ton in favor of the imported plates quoted at $*** per ton. The alleged quantity involved was *** tons. A second allegation involved an *** quantity at a domestic price of $*** per ton against the East German price of $*** per ton. *** provided these insights as to the allegations. ***.

Hungary.--*** provided the Commission with four specific allegations of lost sales of plates to imports from Hungary. These alleged lost sales occurred in January 1985 and totaled *** tons of plates. The staff investigated three of the four allegations; one purchaser could not be contacted.

*** was named as purchaser of *** tons of Hungarian plates at a price of $*** per ton compared with a rejected domestic quote of $*** per ton. ***. 2/

Another allegation cited *** as the purchaser of *** tons of Hungarian plates at $*** per ton compared with the rejected domestic quote of $*** per ton. ***.

*** was named in the third allegation as purchasing *** tons of Hungarian plates at $*** per ton after rejecting a domestic offer of $*** per ton in January 1985. *** stated that ***.

1/ ***.
2/ ***.

Poland.--*** provided the Commission with one allegation of a lost sale of plates to plates imported from Poland. The quantity alleged was *** tons, offered at $*** per ton in October 1984, compared with a domestic quote of $*** per ton. *** allegedly rejected the domestic bid in favor of the Polish plates. ***.

*** noted that ***.

*** was named by *** in two allegations of lost sales to imported plates from Poland. This purchaser allegedly bought *** tons of Polish plates *** at a price of $*** per ton, compared with a rejected domestic price of $*** per ton. ***.

Sweden.--*** provided the Commission with three specific allegations of lost sales of carbon steel plates to imports from Sweden. In the aggregate, these alleged lost sales totaled *** tons. The Commission staff investigated all three allegations, which involved two purchasers--both SSC's. One of the alleged lost sales occurred in September 1984, and two in January 1985.

*** was identified as the alleged purchaser in *** at prices ranging from $*** per ton after rejecting a domestic offer price of $*** per ton. ***.

Another allegation cited *** as purchasing *** tons of Swedish plate at $*** per ton compared with a domestic offer price of $*** per ton in ***. *** noted that ***.

*** provided an instance that identified *** as receiving an offer price for Swedish plates. *** stated that ***.

*** was named in an alleged *** lost sale of *** tons to plates imported from Sweden. The imported plate was allegedly priced at $*** per ton and the rejected domestic price was $*** per ton. ***.

Venezuela.--No domestic producers provided lost sales allegations relative to imported plates from Venezuela.

Unspecified East European sources.--*** provided the Commission with another allegation that identified *** as rejecting a domestic offer price of $*** per ton in favor of a price of $*** per ton for *** tons of plates imported from unnamed East European source countries. *** supplied the facts on this allegation. *** .

Lost revenue

The Commission asked U.S. producers to report specific sales since January 1, 1982, in which they had to reduce prices of domestically produced plates as a result of competition with imports from the countries subject to these investigations. *** was the only responding firm that provided the requested information, which was limited to sales of cut-to-length plates. It

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1/ ***.

was not possible to calculate an accurate figure for lost revenue in every instance cited because some of the reported initial price quotes were list prices, which, according to the purchasers, did not reflect market pricing during the periods in question. No specific instances of lost revenue were reported for sales of coiled plates. *** provided examples of offer prices, but did not supply specifics on instances of price reductions in competition with the subject imports.

Czechoslovakia.--*** reported one specific instance in which it allegedly reduced prices on sales of carbon steel plates in competition with imports from Czechoslovakia. *** was identified as purchasing *** tons of domestic plates in September 1984, after *** reduced its price from $*** per ton (list price) to $*** to $*** per ton. Competing Czechoslovakian plates were priced at $*** to $*** per ton. ***. Since then, prices have fallen *** percent or more. ***.

*** provided three examples of offers of plates from Czechoslovakia at low prices. However, *** did not allege lost sales or lost revenue. All three instances, which involved two purchasers, were investigated.

*** was identified as a purchaser offered Czechoslovakian plate for delivery in *** at $*** per ton, f.o.b. ***. ***. *** has current offers of *** and other Eastern bloc country plates at $*** per ton ***, as well as for plates that ***. ***.

Another alleged offer of Czechoslovakian plates involved ***. The offer price allegedly was $*** per ton for quantities of *** to *** tons. ***.

East Germany.--*** provided the Commission with one allegation of lost revenue in competition with plates imported from East Germany. *** was cited as purchasing *** tons of plates after *** reduced its price from $*** per ton (list price) to $*** per ton in meeting competition from East German plates offered at $*** per ton. ***.

Sweden.--*** provided the Commission with one allegation of lost revenue in competition with plates imported from Sweden. *** was named in an instance involving price reductions on an order of *** tons of plates in September 1984 from a list price of $*** per ton to an accepted quote of $*** to $*** per ton. The competing Swedish plates were allegedly priced at $*** to $*** per ton. ***.

Transportation costs

Due to the fact that carbon steel products have a low value per unit of weight in comparison with other manufactured goods, transportation costs are an important factor in marketing these products in the United States. Currently, most domestic production of these products is in mills located in the "steel belt" 1/ area. Since significant quantities of carbon steel are

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1/ The steel belt comprises the following States: Illinois, Indiana, Ohio, and Pennsylvania,

consumed in areas far from the production centers, the cost of transportation becomes an important factor when competing with imported steel products.

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

In other recent investigations, 1/ the Commission asked domestic producers and importers to provide data for 1983 on the share (percent) of cut-to-length and coiled plates shipments shipped different distances from the mill or port; the percent shipped, by mode (truck, rail, or barge); the quantity shipped to major geographic areas, grouped by States; and the transportation cost, both per ton and as a percent of delivered cost, to seven specified market areas. 2/ Seven domestic producers, with mills located in *** reported relevant data on transportation relating to cut-to-length plates and six domestic producers with mills located in *** reported relevant data on transportation relating to coiled plates. No importers provided data on transportation factors.

Distance shipped and transport mode used for cut-to-length plates.--*** percent of ***'s cut-to-length plate shipments from *** are to locations 500 miles or less in distance. About *** of these shipments are to purchasers within a radius of 200 miles (table I-21). Within the latter market area, the ratio of truck to rail usage is almost *** to 1. For distances over 500 miles, the truck to rail ratio falls to *** to 1. Trucks account for a larger share of distant market shipments from the *** mill. *** uses barges for *** percent of its plate shipments to locations over 500 miles from the *** mill.

*** ships *** percent of its plate to locations 500 miles or less from its *** mill but only *** percent of plate shipped from its *** mill fall within that radius; overall, almost *** percent of these plates are shipped by truck. ***'s market is *** percent within a radius of 500 miles or less, and *** percent is transported by truck.

*** and ***, provided data on the distance to their markets. *** of ***'s cut-to-length plates shipments go to locations 500 miles or less from its *** mill; *** shipments are by truck. *** sells *** percent of its cut-to-length plates to purchasers located 500 miles or less from its *** mill.

Distance shipped and transport mode used for coiled plates.--*** percent of ***'s coiled plate shipments from *** are to locations 500 miles distant or less and *** percent are to purchasers within a radius of 200 miles (table I-22). Within the latter market area, the ratio of truck to rail usage is about *** to 1. For distances over 500 miles, the truck to rail ratio falls

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1/ Certain Carbon Steel Products from Argentina, Australia, Finland, and Spain, Investigations Nos. 731-TA-169, 171, 175, 177, 178, 180, and 182 (Final). The information contained in this report was obtained in the prior investigations.

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

Table I-21.--Cut-to-length carbon steel plates: Distance shipped and transport mode used, as a share of 1983 shipments, by types of mill, by firms, and by mill locations

* * * * * * *

Table I-22.--Coiled carbon steel plates: Distance shipped and transport mode used, as a share of 1983 shipments, by firms and by mill locations

* * * * * * *

to 1 to ***. Trucks account for a ***-percent share of distant market shipments from the *** mill. *** uses barges for *** percent of its plate in coil shipments to locations over 500 miles from the *** mill.

*** ships *** percent of its coiled plate to locations 500 miles or less from its *** mill but *** and *** percent of coiled plates shipped from its *** mills, respectively, fall within that radius. *** percent of ***'s shipments go by barge as do *** percent of shipments from the *** mill. Overall, most of ***'s coiled plates are shipped by truck. ***'s market is *** percent within a radius of 500 miles and *** percent is transported by truck.

*** and *** provided data on the distance to their markets. *** percent of ***'s coiled plates shipments go to locations 500 miles or less from its *** mill; *** shipments are by truck. *** sells *** percent of its coiled plates to purchasers located 500 miles or less from its *** mill.

Transportation costs to specific market areas for cut-to-length plates.--Seven domestic steel producers of cut-to-length plates provided transportation cost data by market area, from a total of 13 mills (table I-23). The geographic breadth of plate mill locations creates a diverse pattern of freight costs from each mill to each of the respective market areas. For example, freight costs by truck to the Chicago area from the respondent mills serving that market range from *** percent, or $*** per ton (from ***'s *** mill) to *** percent, or $*** per ton (from ***'s *** mill). To the Philadelphia/New York market, the range is from *** percent, or $*** per ton (from ***'s *** mill) to *** percent, or $*** per ton (from ***'s *** mill).

The data show that freight cost by rail for long hauls is less costly than by truck. For example, savings amount to about *** percent ($*** per ton) shipping by rail from *** to the Atlanta market area, or almost *** percent ($*** per ton) shipping by rail from ***' *** mill to the Portland/Seattle market. For short hauls, rail can be a more costly mode than truck. For example, freight by truck from *** to Chicago amounts to *** percent of delivered price, or $*** per ton; by rail the cost is *** percent, or $*** per ton.

In an attempt to make some comparison of freight costs incurred by domestic mills versus imported plate vendors, the staff contacted purchasers located in various subject markets. Facts on competitive freight cost advantages and disadvantages of buying imported cut-to-length plates, as related by specific purchasers, are sketched below.

*** provided transportation cost data for plates imported through the Port of New Orleans, then barged up the Mississippi and Ohio rivers, to ***. The importer, ***, quotes its price "f.o.b. truck, destination, duty-paid, via barge from New Orleans." *** pays the freight by truck from the *** landing on the *** river to its yard. *** absorbs the cost of barging the plate upriver. Barge freight is $*** per ton, according to ***'s purchasing manager. His firm pays $*** per ton for the truck freight. Plates bought from the *** or *** mills in the Chicago area incur a freight cost by truck of $*** per ton, or $*** per ton from ***'s *** mill. These domestic mills will not freight equalize to the freight cost of the imported plate. Cut-to-length

Table I-23.--Cut-to-length carbon steel plates: Transportation costs to specific market areas, by truck and rail, by types of mills, by firms, and by mill locations, 1983

* * * * * * *

Table I-24.--Coiled carbon steel plates: Transportation costs to specific market areas, by truck and rail, by firms and by mill locations, 1983

* * * * * * *

plates shipped by rail to *** from Chicago or *** are *** percent cheaper. Time in transit, however, also is a factor. Barge time is 8 to 10 weeks from placement to delivery; from billing to delivery is 2 weeks. By rail, transit time for domestic plate delivery is 1 week to 10 days; by truck, delivery is within 2 to 3 days. Because of deregulation and the cost of money, the pattern of transport, by mode, has changed for ***. Two to three years ago, *** percent of its steel shipments were by rail, *** percent by barge, and *** percent by truck; now *** percent is by truck.

*** provided transportation cost figures on cut-to-length plates imported through the Port of *** compared with domestic plates purchased from ***, ***, or ***.

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

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

Transportation costs to specific market areas for coiled plates.--Six domestic steel producers provided transportation cost data by market area, from a total of 10 mills (table I-24). The geographic breadth of plate mill locations creates a diverse pattern of freight costs from each mill to each of the respective market areas. For example, freight costs by truck to the Chicago area from the respondent mills serving that market range from *** percent, or $*** per ton (from ***'s *** mill) to *** percent, or $*** per ton (from ***'s *** mill). To the Philadelphia/New York market, the range is from *** percent, or $*** per ton (from ***'s *** mill) to *** percent, or $*** per ton (from ***'s *** mill).

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

*** provided transportation costs for plate imported through the Port of Houston. The importer, ***, quotes its price "f.o.b. car/truck, duty-paid,

subject to direct discharge." *** pays the freight to its yard and what is termed a "catching charge" for direct discharge from the vessel to the transport mode. Freight charges amount to $*** per ton. Domestic coiled plates barged from ***'s *** mill incurs a freight cost of $*** per ton. By rail, *** reported a freight cost of $*** per ton from that same mill and *** reported a $***-per-ton freight cost from its *** mill.

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

Exchange rates

Quarterly data reported by the International Monetary Fund on the value of the Austrian schilling, the Finnish markka, the Norwegian krone, the Swedish krona, and the Venezuelan bolivar indicate that during January 1981-September 1984 the nominal value of the five currencies depreciated relative to the U.S. dollar by a total of 22.4 percent, 34.5 percent, 36.1 percent, 45.9 percent, and 42.8 percent, respectively. 1/ Because the level of inflation in Austria was similar to that in the United States over the 15-quarter period, changes in the real value of the schilling were approximately the same as those in the nominal value. 2/ In contrast, the high inflation rates in Finland, Norway, Sweden, and Venezuela over the same period resulted in the devaluation of the respective currency of each country in real terms by 25.1 percent, 26.8 percent, 29.6 percent, and 23.4 percent relative to the U.S. dollar, representing for each of the aforementioned countries a difference of 9.4 percentage points, 9.3 percentage points, 16.3 percentage points, and 19.4 percentage points from the nominal rate. Tables E-1 through E-5 in appendix E show the nominal and real value of the U.S. dollar relative to the Austrian, Finnish, Norwegian, Swedish, and Venezuelan currencies, as well as producer price indicators used to measure actual inflation rates in the United States and the respective foreign country, during January 1981-September 1984.

1/ The exchange rates of East Germany, Czechoslovakia, Hungary, Poland, and Romania are determined by their respective governments and do not provide an accurate indication of the real value of the currency as discussed in this section.

2/ The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the respective foreign country. Inflation in the United States averaged 2.2 percent annually during the period, compared with 2.4 percent for Austria, 6.4 percent for Finland, 6.4 percent for Norway, 11.0 percent for Sweden, and 12.0 percent for Venezuela.

PART II. HOT-ROLLED CARBON STEEL SHEETS

Introduction

This part of the report presents information relating specifically to hot-rolled carbon steel sheets. As indicated previously, the Commission instituted the following preliminary investigations 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 hot-rolled carbon steel sheets:

Countervailing duty investigations:
- Austria [investigation No. 701-TA-227 (Preliminary)],
- Sweden [investigation No. 701-TA-228 (Preliminary)], and
- Venezuela [investigation No. 701-TA-229 (Preliminary)]; and

Antidumping investigations:
- Austria [investigation No. 731-TA-219 (Preliminary)],
- Finland [investigation No. 731-TA-220 (Preliminary)],
- Hungary [investigation No. 731-TA-221 (Preliminary)],
- Romania [investigation No. 731-TA-222 (Preliminary)], and
- Venezuela [investigation No. 731-TA-223 (Preliminary)].

As stated earlier, Bethlehem, the petitioner in investigation No. 731-TA-220 (Preliminary) concerning hot-rolled carbon steel sheets from Finland, withdrew its petition, and the investigations by the Department of Commerce and the Commission were terminated.

The Products

Description and uses

The TSUSA describes hot-rolled carbon steel sheets as flat-rolled carbon steel products, whether or not corrugated or crimped and whether or not pickled; not cold-rolled; not cut, not pressed, and not stamped to nonrectangular shape; not coated or plated with metal; over 8 inches in width and in coils, or if not in coils under 0.1875 inch in thickness and over 12 inches in width. Such products are provided for in TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, and 607.8342.

Major markets for hot-rolled carbon steel sheets (including coiled plates), as reported by the AISI, are shown in table II-1. During 1981-83, an increasing amount, averaging 38 percent, of all domestically produced hot-rolled carbon steel sheets (including coiled plates) went to service centers and distributors. The remainder was shipped to end users. The largest end-user market for such sheets was the automotive industry, which accounted for an average of 24 percent of total U.S. producers' shipments during 1981-83.

Table II-1.--Hot-rolled carbon steel sheets: U.S. producers' shipments, by major markets, 1981-83

Market	1981	1982	1983
	Quantity (1,000 tons)		
Steel service centers and distributors	3,638	3,327	4,672
Automotive	3,486	1,739	2,331
Construction and contractors' products	1,047	727	838
Machinery, industrial equipment, and tools	336	207	194
Agricultural	338	177	146
All other	3,206	1,951	2,325
Total	12,051	8,128	10,506
	Percent of total		
Steel service centers and distributors	30.2	40.9	44.5
Automotive	28.9	21.4	22.2
Construction and contractors' products	8.7	8.9	8.0
Machinery, industrial equipment, and tools	2.8	2.5	1.8
Agricultural	2.8	2.2	1.4
All other	26.6	24.0	22.1
Total	100.0	100.0	100.0

Source: American Iron & Steel Institute.

Production processes

Hot-rolled carbon steel sheets are produced on hot-strip mills. In the hot-strip mill, slabs are heated to a rolling temperature of about 2,000° F. The slabs are sent into a scalebreaker to remove furnace scale, roughed down to a predetermined intermediate thickness in roughing stands, and then sent to a series of finishing stands where further reductions are made. A typical continuous mill for hot rolling has four or five roughing stands and five to seven finishing stands. As the products are reduced in thickness, they are increased in length. Each succeeding set of rolls is rotated at a higher rate of speed to compensate for the elongation of the sheets. Water sprays at various locations cool the metal and remove oxide from the hot surface. Upon reaching final thickness, the hot-rolled material has cooled to about 1,500° F. The product is then coiled or cut into shorter lengths and stacked. If desired, the sheets may be pickled (cleaned) in a bath of sulfuric or hydrochloric acid to remove surface oxides formed during hot rolling.

U.S. tariff treatment

The hot-rolled sheets subject to these investigations are classified and reported for tariff and statistical purposes under items 607.6710, 607.6720, 607.6730, 607.6740, and 607.8342 of the TSUSA. The current U.S. rates of duty

and the final column 1 MTN concession rates for such imports are shown in table II-2. As indicated, such imports are currently dutiable at column 1 rates of either 5.8 or 6.1 percent ad valorem. Imports of these products are not eligible for duty-free entry under the Generalized System of Preferences. However, such imports, if the product of designated beneficiary countries, are eligible for duty-free entry under the CBI. An explanation of the applicability of column 1, column 2 , CBI, and LDDC rates of duty is presented in part I of this report.

Table II-2.--Hot-rolled carbon steel sheets: U.S. rates of duty, as of Jan. 1, 1980, Jan. 1, 1985, and Jan. 1, 1987

Article description (abridged)	Rate of duty				
	Col. 1			LDDC's	Col. 2
	Jan. 1, 1980 1/	Jan. 1, 1985	Jan. 1, 1987		
Carbon steel sheets, not cut, not pressed, and not stamped to non-rectangular shape, not coated or plated with metal and not clad:					
Not pickled and not cold rolled. 2/	7.5% ad val.	5.8% ad val.	4.9% ad val.	4.9% ad val.	20% ad val.
Pickled but not cold rolled. 3/	8.0% ad val.	6.1% ad val.	5.1% ad val.	5.1% ad val.	0.2¢/lb. + 20% ad val.

1/ The rate shown for Jan. 1, 1980, was also the applicable rate prior to the first staged reduction under the Tokyo round.
2/ Imports under TSUSA items 607.6710, 607.6720, 607.6730, and 607.6740.
3/ Imports under TSUSA item 607.8342.

In addition to the import duties shown in table II-2, countervailing duties are currently in effect with respect to imports of hot-rolled sheets from Korea. The Commission decided that case on February 9, 1983, after Commerce had found subsidies totaling 1.88 percent.

Petitioners withdrew unfair trade complaints involving hot-rolled sheets (including coiled plates) from Belgium, France, Italy, the Netherlands, and West Germany to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the Arrangement, EC exports to the United States of 10 categories of steel products are to be limited to a specified share of apparent U.S. consumption from November 1, 1982, to December 31, 1985. Hot-rolled carbon steel sheets (including coiled plates) are included in a category in which exports are limited to 6.81 percent of consumption.

Petitioners withdrew an antidumping complaint involving hot-rolled sheets from South Africa when that country agreed to restrict exports to the United States.

U.S. Producers

About 20 firms in the United States produce hot-rolled carbon steel sheets in a total of approximately 40 mills. The majority of these mills are located in Pennsylvania (11), Ohio (6), and Indiana (5). In addition, mills are also located in Illinois, Alabama, Utah, California, West Virginia, Maryland, and Kentucky. The following tabulation, compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of hot-rolled sheets (as reported by the AISI) in 1983 (in percent):

Firm	Share of shipments
Armco	***
Bethlehem	***
Inland	***
Interlake	***
National	***
Rouge	***
U.S. Steel	***

As indicated, the top five producers of hot-rolled sheets--***--together accounted for 75 percent of domestic producers' shipments in 1983. Most of the producers are fully integrated firms that produce a wide range of steel mill products.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 20 firms that imported hot-rolled carbon steel sheets from the countries subject to these investigations during October 1984-September 1984. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of hot-rolled carbon steel sheets is shown in table II-3. Consumption fell from 11.6 million tons in 1981 to 8.3 million tons in 1982, or by 28 percent, and then rose to 11.0 million tons in 1983, or by 32 percent. In January-September 1984, consumption of hot-rolled sheets increased by 28 percent compared with consumption in the corresponding period of 1983.

Table II-3.--Hot-rolled carbon steel sheets: U.S. producers' shipments, imports for consumption, exports, and apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1981	10,126	1,613	186	11,553	15.9	14.0
1982	7,056	1,342	57	8,341	19.0	16.1
1983	9,035	2,015	39	11,011	22.3	18.3
Jan.-Sept--						
1983	6,623	1,252	30	7,845	18.9	16.0
1984	8,074	2,044	39	10,079	25.3	20.3

Source: Shipments, compiled from statistics of the American Iron & Steel Institute adjusted to exclude coiled plate shipments using data supplied from questionnaires of the U.S. International Trade Commission; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

The share of the U.S. market supplied by imports of hot-rolled carbon steel sheets rose steadily from 14.0 percent in 1981 to 16.1 percent in 1982 and 18.3 percent in 1983. Such imports accounted for 20.3 percent of consumption in January-September 1984.

Consideration of Material Injury to an Industry in the United States

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

U.S. production, capacity, and capacity utilization

Production of hot-rolled sheets fell from 9.7 million tons in 1981 to 6.5 million tons in 1982, or by 33 percent, but then rose by 43 percent to 9.3 million tons in 1983 (table II-4). The annual capacity of the machinery used to produce hot-rolled sheets remained relatively constant at about 17.5 million tons during 1981-83. Capacity utilization declined from 55 percent in 1981 to 37 percent in 1982, and then increased to 53 percent in 1983. Production and capacity utilization improved significantly during January-March 1984.

Table II-4.--Hot-rolled carbon steel sheets: U.S. production, 1/ practical capacity, 2/ and capacity utilization, 1981-83, January-March 1983, and January-March 1984

Item	1981	1982	1983	January-March--	
				1983	1984
Production-------1,000 short tons--	9,696	6,475	9,290	1,975	2,439
Capacity----------do----	17,499	17,584	17,621	4,362	4,005
Capacity utilization------percent--	55.4	36.8	52.7	45.3	60.9

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

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

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

Six firms, accounting for about 45 percent of U.S. production, provided information concerning their production of hot-rolled carbon steel sheets for the January-September periods of 1983 and 1984. Information provided by these firms showed a downturn in hot-rolled sheet production and capacity during January-September 1984. Production declined by 4 percent and capacity by 5 percent from that in the corresponding period of 1983, which resulted in a slight increase in capacity utilization, as shown in the following tabulation:

Item	January-September 1983	January-September 1984
Production---------1,000 short tons--	3,763	3,625
Capacity----------do----	8,564	8,143
Capacity utilization--------percent--	44	45

U.S. producers' domestic shipments

U.S. producers' domestic shipments of hot-rolled carbon steel sheets fell from 8.9 million tons in 1981 to 6.0 million tons in 1982, and then rose by 33 percent to 8.0 million tons in 1983. In January-March 1984, shipments increased by 26 percent compared with those in the corresponding period of 1983 (table II-5).

Table II-5.--Hot-rolled carbon steel sheets: U.S. producers' domestic shipments, 1/ 2/ 1981-83, January-March 1983, and January-March 1984

Item	1981	1982	1983	January-March--	
				1983	1984
Quantity---------1,000 short tons--:	8,868	6,021	8,024	1,757	2,208
Value-------------million dollars--:	3,237	2,130	2,735	579	768
Unit value----------------per ton--:	$365	$354	$341	$330	$348

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

2/ Does not include intercompany and intracompany transfers.

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

A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of hot-rolled carbon steel sheets (including coiled plates) is presented in the following tabulation:

	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
1981----------	12,051	11,406	95
1982----------	8,128	7,637	94
1983----------	10,536	10,582	100

1/ Including exports and intercompany and intracompany transfers.

Domestic shipments, as reported by six firms, increased moderately in January-September 1984 from those in the corresponding period of 1983, as shown in the following tabulation:

Item	January-September 1983	January-September 1984
Quantity----------1,000 short tons--	3,018	3,119
Value---------------million dollars--	955	1,078

U.S. producers' exports

U.S. producers' exports of hot-rolled sheets fell from 122,000 tons in 1981 to 29,000 tons in 1982 and 4,000 tons in 1983 (table II-6). During January-March 1984, U.S. producers exported 5,000 tons of hot-rolled sheets.

Table II-6.--Hot-rolled carbon steel sheets: U.S. producers' export shipments, 1/ 1981-83

Item	1981	1982	1983
Quantity----------1,000 short tons--	122	29	4
Value----------million dollars--	37	8	1
Unit value----------per ton--	$303	$276	$250

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

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

During January-September 1984, exports of hot-rolled sheets as reported by six producers, decreased by 34 percent when compared with those in the like period of 1983, as shown in the following tabulation:

Item	January-September 1983	January-September 1984
Quantity----------short tons--	2,723	1,801
Value----------1,000 dollars--	800	861

U.S. producers' inventories

End-of-period inventories of hot-rolled sheets, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1981-83, amounting to about 4 to 6 percent of the responding producers' shipments in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of short tons):

	Inventories
As of Dec. 31--	
1980----------	489
1981----------	518
1982----------	379
1983----------	541
As of Mar.31--	
1983----------	395
1984----------	535

Inventories held as of September 30, 1984, by six producers changed only slightly from those held on September 30, 1983, as shown in the following tabulation:

Item	As of Sept. 30-- 1983	1984
Inventories----------short tons---	325	329
Ratio of inventories to annualized shipments-----percent---	8.6	8.4

U.S. employment, wages, and productivity

The average number of production and related workers producing hot-rolled sheets declined by 25 percent from 1981 to 1982, and then increased by 23 percent in 1983 (table II-7). Hours worked by these workers similarly fell by 26 percent in 1982, then rose by 23 percent in 1983.

Table II-7.--Average number of employees, total and production and related workers, in U.S. establishments producing hot-rolled carbon steel sheets, and hours paid 1/ for the latter, 1981-83, January-March 1983, and January-March 1984

Item	1981	1982	1983	January-March-- 1983	1984
Average employment:					
All employees:					
Number----------	212,847	161,471	147,546	133,358	112,578
Percentage change----	2/	-24.1	-8.6	2/	-15.6
Production and related workers producing hot-rolled sheets:					
Number----------	20,310	15,208	18,735	15,627	18,567
Percentage change----	2/	-25.1	23.2	2/	18.8
Hours worked by production and related workers producing hot-rolled sheets:					
Number----1,000 hours--	40,295	29,934	36,863	7,680	9,545
Percentage change------	2/	-25.7	23.1	2/	24.3

1/ Includes hours worked plus hours of paid leave time.
2/ Not available.

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

Wages and total compensation 1/ paid to production and related workers producing all products and those paid to production and related workers producing hot-rolled carbon steel sheets are shown in table II-8.

Table II-8.--Wages and total compensation 1/ paid to production and related workers in establishments producing hot-rolled carbon steel sheets, 1981-83, January-March 1983, and January-March 1984

Item	1981	1982	1983	January-March--	
				1983	1984
Wages paid to production and related workers producing hot-rolled sheets:					
Value--million dollars--	615	497	558	123	147
Percentage change-------	2/	-19.2	12.3	2/	19.5
Total compensation paid to production and related workers producing hot-rolled sheets:					
Value--million dollars--	800	692	805	253	259
Percentage change-------	2/	-13.5	16.3	2/	2.4

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

2/ Not available.

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

Data on these workers' productivity, hourly compensation, and unit labor costs are presented in table II-9. As shown, productivity fell in 1982 but rose in 1983, whereas hourly compensation rose in 1982 but fell in 1983.

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

Table II-9.--Labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel sheets, 1981-83, January-March 1983, and January-March 1984

Item	1981	1982	1983	January-March--	
				1983	1984
Labor productivity:					
Quantity					
tons per hour	0.2385	0.2147	0.2503	0.3206	0.2540
Percentage change	1/	-10.0	16.6	1/	-20.8
Hourly compensation: 2/					
Value--------per hour	$15.26	$16.60	$15.14	$16.02	$15.40
Percentage change	1/	8.8	-8.8	1/	-3.9
Unit labor costs: 3/					
Value---------per ton	$83.25	$107.66	$87.26	$102.67	$106.84
Percentage change	1/	29.3	-19.0	1/	4.1

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

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

Data supplied by six producers on employment, wages, and productivity in the domestic production of hot-rolled carbon steel sheets during the January-September periods of 1983 and 1984 are shown in the following tabulation:

Item	January-September 1983	January-September 1984
Average number of production and related workers	9,394	9,403
Hours worked----------1,000 hours	14,200	14,714
Wages paid----------million dollars	213	230
Total compensation----------do	308	310
Labor productivity---------tons per hour	0.2487	0.2464
Hourly compensation	$14.99	$15.63
Unit labor costs----------per ton	$87.34	$85.43

Financial experience of U.S. producers

Operations on hot-rolled carbon steel sheets.--Income-and-loss data were received from nine firms, which together accounted for 92 percent of total shipments of hot-rolled carbon steel sheets in 1983 (as reported by the AISI, but with shipments of coiled plates deducted). These data are presented in table II-10. The responding producers' net sales of hot-rolled carbon steel sheets fell from $3.5 billion in 1981 to $2.3 billion in 1982, or by 33.2 percent. Such sales rose in 1983 to $3.1 billion, or by 32.6 percent.

Table II-10.--Income-and-loss experience of 9 U.S. producers 1/ on their operations producing hot-rolled carbon steel sheets, accounting years 1981-83

Item	1981	1982	1983
Net sales----------million dollars--	3,487	2,329	3,089
Cost of goods sold----------do----	3,447	2,605	3,276
Gross income or (loss)----------do----	40	(276)	(187)
General, selling, and administrative expenses----------do----	121	129	126
Operating income or (loss)----------do----	(81)	(405)	(313)
Depreciation and amortization expenses 2/----------do----	77	74	83
Cash flow or (deficit) from operations--do----	(4)	(331)	(230)
Ratio to net sales of--			
Gross income or (loss)----------percent--	1.1	(11.9)	(6.1)
Operating income or (loss)----------do----	(2.3)	(17.4)	(10.1)
Cost of goods sold----------do----	98.9	111.9	106.1
General, selling, and administrative expenses----------do----	3.5	5.5	4.1

1/ These 9 firms accounted for 92 percent of 1983 shipments of hot-rolled sheets (excluding coiled plates).

2/ Only 7 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated and deficits are somewhat overstated.

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

In 1983, the nine firms sustained an aggregate operating loss of $313 million, or 10.1 percent of net sales, compared with operating losses of $405 million, or 17.4 percent of net sales, in 1982 and $81 million, or 2.3 percent of net sales, in 1981.

All nine responding firms reported operating losses in 1982 and 1983, compared with five firms that reported such losses in 1981. In the aggregate, the nine firms experienced negative cash flows from their operations on hot-rolled carbon steel sheets each year during 1981-83. Such negative cash flows amounted to $331 million in 1982, and $230 million in 1983, compared with a small negative cash flow of $4 million in 1981.

The nine responding firms also reported income-and-loss data for January-March 1983 and January-March 1984 on their hot-rolled carbon steel sheet operations. These data are presented in the following tabulation:

Item	January-March--	
	1983	1984
Net sales----------million dollars--	644	849
Gross income or (loss)----------do----	(62)	(7)
Operating income or (loss)---------do----	(97)	(43)
Gross income margin----------percent--	(9.6)	(0.8)
Operating income margin----------do----	(15.1)	(5.1)

Aggregate operating losses for this product line were reduced by one-half, from $97 million, or 15.1 percent of net sales, in January-March 1983 to $43 million, or 5.1 percent of net sales, in the corresponding period of 1984.

Three firms accounting for approximately 32 percent of hot-rolled sheet shipments reported information on their financial experience during January-September 1983 and January-September 1984. These data show that operating losses continued, but were reduced, in the interim period of 1984 when compared with those in the year-earlier period, as shown in the following tabulation:

Item	Interim period ending Sept. 30--	
	1983	1984
Net sales----------million dollars--	***	***
Cost of goods sold----------do----	***	***
Gross profit or (loss)----------do----	(***)	***
General, selling, and administrative (GSA) expenses----------million dollars--	***	***
Operating income or (loss)----------do----	(***)	(***)
Depreciation and amortization--------do----	***	***
As a percent of net sales:		
Cost of goods sold----------percent--	***	***
Gross profit or (loss)----------do----	(***)	***
GSA expenses----------do----	***	***
Operating income or (loss)---------do----	(***)	(***)

Capital expenditures.--Four firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of hot-rolled carbon steel sheets. Such capital expenditures declined from $92 million in 1981 to $70 million in 1982, and then increased to $78 million in 1983. Three firms reported such expenditures for January-March 1983 and January-March 1984. One firm, ***, reported an increase of *** percent in its capital expenditures in January-March 1984, compared with such expenditures in the corresponding period of 1983. Reported capital expenditures are shown in the following tabulation:

Period	Expenditures (1,000 dollars)
1981	91,731
1982	70,494
1983	78,430
January-March--	
1983	8,143
1984	11,334

Research and development expenditures.--Research and development expenses relative to operations on hot-rolled carbon steel sheets, 1/ as reported by six producers that responded to this part of the Commission's questionnaire, rose from $6.4 million in 1981 to $6.6 million in 1982 and $7.1 million in 1983. Reported research and development expenditures are shown in the following tabulation:

Period	Expenditures (1,000 dollars)
1981	6,353
1982	6,571
1983	7,078
January-March--	
1983	431
1984	709

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

Consideration factors

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

1/ *** included data for coiled plates.

U.S. importers' inventories

The Commission sent questionnaires to 45 firms which were believed to have imported carbon steel products from the countries subject to these investigations. Six firms, accounting for approximately 38 percent of hot-rolled sheet imports in January-September 1984, reported that they had imported such merchandise from the countries under investigation. Their reported inventories, by country, are presented in the following tabulation (in short tons):

Country	As of Sept. 30--	
	1983	1984
Austria	***	***
Hungary	***	***
Romania	***	***
Sweden	***	***
Venezuela	***	***

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

U.S. imports and market penetration

Imports from all sources.--Aggregate U.S. imports of hot-rolled carbon steel sheets declined from 1.6 million tons in 1981 to 1.3 million tons in 1982, before increasing to 2.0 million tons in 1983 (table II-11). These imports increased by 63 percent in January-September 1984 compared with those in the corresponding period of 1983.

Market penetration of hot-rolled sheets from all countries increased steadily from 14.0 percent of consumption in 1981 to 18.3 percent in 1983, and to 20.3 percent during January-September 1984 (table II-12).

Table II-11.--Hot-rolled carbon steel sheets: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 short tons)				
Austria	11	4	6	2	52
Finland	49	26	56	41	48
Hungary	2/	0	0	0	15
Romania	2/	2/	0	0	8
Sweden	2/	17	18	8	57
Venezuela	12	14	59	31	74
Japan	424	334	350	212	343
France	351	164	263	185	193
Brazil	3	45	251	154	231
West Germany	215	265	223	121	193
Republic of Korea	54	111	178	126	172
South Africa	27	20	77	37	84
All other	467	342	534	335	574
Total	1,613	1,342	2,015	1,252	2,044
	Value (million dollars)				
Austria	3	1	1	3/	14
Finland	15	7	12	9	12
Hungary	3/	-	-	-	4
Romania	3/	3/	-	-	2
Sweden	3/	5	4	2	15
Venezuela	3	3	11	6	17
Japan	142	110	108	66	112
France	105	50	69	48	58
Brazil	1	12	54	33	49
West Germany	66	78	60	33	55
Republic of Korea	16	33	44	31	48
South Africa	8	6	18	9	22
All other	150	100	148	92	166
Total	509	405	529	329	573

1/ Includes imports under TSUSA items 607.6710, 607.6720, 607.6730, 607.6740, and 607.8342.
2/ Less than 500 tons.
3/ Less than $500,000.

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

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

Table II-12.--Hot-rolled carbon steel sheets: Ratios of imports from selected sources and U.S. producers' domestic shipments to apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

(In percent)

Item	1981	1982	1983	Jan.-Sept-- 1983	Jan.-Sept-- 1984
Imports from--					
Austria	0.1	0.1	0.1	1/	0.5
Finland	.4	.3	.5	0.5	.5
Hungary	1/	-	-	-	.1
Romania	1/	1/	-	-	.1
Sweden	1/	.2	.2	.1	.6
Venezuela	.1	.2	.5	.4	.7
All other countries	13.4	15.4	17.0	15.0	17.8
Total imports	14.0	16.1	18.3	16.0	20.3
U.S. producers' shipments	86.0	83.9	81.7	84.0	79.7

1/ Less than 0.05 percent.

Source: Tables II-3 and II-11.

Imports from Austria.--Imports of hot-rolled carbon steel sheets from Austria declined from 11,000 tons in 1981 to 4,000 tons in 1982, before increasing to 6,000 tons in 1983. These imports increased sharply in January-September 1984, rising to 52,000 tons, compared with 2,000 tons imported in the corresponding period of 1983. Austria supplied 0.1 percent of U.S. consumption of hot-rolled carbon steel sheets during 1981-83 and 0.5 percent in January-September 1984.

Imports from Finland 1/.--Imports of hot-rolled carbon steel sheets from Finland declined from 49,000 tons in 1981 to 26,000 tons in 1982, before increasing to 56,000 tons in 1983. These imports increased by 16 percent in January-September 1984 compared with those in the corresponding period of 1983. Finland's market share increased irregularly from 0.4 percent in 1981 to 0.5 percent in 1983, and then remained at that level in January-September 1984.

Imports from Hungary.--Imports of hot-rolled carbon steel sheets from Hungary totaled just 191 tons in 1981; no such merchandise was imported in 1982 or 1983. Imports from Hungary increased sharply in January-September 1984, rising to 15,000 tons. Hungary supplied under 0.05 percent of the U.S. hot-rolled sheet market in 1981; in January-September 1984 it accounted for 0.1 percent of U.S. consumption.

1/ As indicated previously, the Commission's investigations concerning imports from Finland were terminated.

Imports from Romania.--Imports of hot-rolled carbon steel sheets from Romania totaled just 43 tons during 1981-82, and no imports of the product were reported from Romania in 1983. Imports from Romania in January-September 1984 amounted to 8,000 tons. Romania supplied under 0.05 percent of the market in 1981-82; during January-September 1984, imports from Romania accounted for 0.1 percent of U.S. consumption.

Imports from Sweden.--Imports of hot-rolled carbon steel sheets from Sweden were negligible in 1981, rose sharply to 17,000 tons in 1982, and increased more moderately in 1983. These imports increased sharply once again in January-September 1984 compared with those in the corresponding period of 1983. Sweden accounted for under 0.05 percent of U.S. hot-rolled sheet consumption in 1981 and 0.2 percent in 1982 and 1983. Sweden's market share rose to 0.6 percent in January-September 1984.

Imports from Venezuela.--Imports of hot-rolled carbon steel sheets from Venezuela amounted to 12,000 and 14,000 tons, respectively, in 1981 and 1982. Such imports then rose to 59,000 tons in 1983 and more than doubled during January-September 1984 compared with those in the corresponding period of 1983. Venezuela's market share rose steadily from 0.1 percent in 1981 to 0.5 percent in 1983 and 0.7 percent in January-September 1984.

Information concerning the distribution of imports of hot-rolled sheets in January-September 1984, by customs districts, as compiled from official statistics of the U.S. Department of Commerce, is presented in the following tabulation:

Country and customs district	Share of total imports (Percent)	Country and customs district	Share of total imports (Percent)
Austria:		Hungary:	
Los Angeles, CA	22.0	Houston, TX	58.1
Houston, TX	17.8	Los Angeles, CA	17.9
Chicago, IL	11.1	New Orleans, LA	13.7
Wilmington, NC	7.8	Subtotal	89.7
Detroit, MI	6.8	All other	10.3
Providence, RI	6.3	Total	100.0
Philadelphia, PA	6.2		
Subtotal	78.0	Romania:	
All other	22.0	Miami, FL	30.7
Total	100.0	Bridgeport, CT	30.7
		Savannah, GA	20.7
Finland:		Houston, TX	9.2
Houston, TX	33.5	Mobile, AL	6.9
Bridgeport, CT	18.5	Total	100.0
Detroit, MI	14.0		
Chicago, IL	6.5	Sweden:	
Duluth, MN	6.6	Philadelphia, PA	28.5
Subtotal	79.1	Chicago, IL	21.7
All other	20.9	Houston, TX	19.5
Total	100.0	Detroit, MI	13.7
		Subtotal	83.4
Venezuela:		All other	16.6
New Orleans, LA	31.6	Total	100.0
Detroit, MI	31.2		
Chicago, IL	11.7		
Bridgeport, CT	8.6		
Cleveland, OH	7.6		
Subtotal	90.7		
All other	9.3		
Total	100.0		

Prices

Market conditions for products that use hot-rolled sheets directly affect the price of hot-rolled sheets. Typical industries which use hot-rolled sheets are the automobile industry, the construction industry, and the energy and utility industries. For example, the automobile industry now produces cars that use substantially less steel than in the past, a result of downsizing and of substitution of other products for steel. This has reduced the demand for steel sheets and has had a dampening effect on sheet prices. However, automobile production increased during 1983 and January-March 1984 (table II-13), which helped keep the demand and resultant prices for hot-rolled sheets from declining further.

Table II-13.--Indexes of industrial production of household appliances and automobiles, seasonally adjusted, by quarters, 1981-84

(January-March 1981 = 100)

Period	Household appliances	Automobiles and utility vehicles
1981:		
January-March	100.0	100.0
April-June	95.2	116.3
July-September	99.9	104.1
October-December	77.8	85.0
1982:		
January-March	77.0	75.5
April-June	80.0	100.6
July-September	84.0	104.0
October-December	85.1	84.1
1983:		
January-March	88.2	105.1
April-June	89.8	115.5
July-September	97.1	136.1
October-December	100.0	139.4
1984:		
January-March	107.3	149.6
April-June	101.6	144.6
July-September	108.0	142.3
October-December	1/ 103.3	144.0

1/ Latest data for household appliances are for November 1984.

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

Other large users of hot-rolled sheets are the household appliance industry and the heating and air-conditioning industry. Industrial production in these markets followed trends similar to that of the auto industry--remaining relatively stable during January-September 1981, decreasing in 1982, and then strengthening through 1983 and into 1984.

Prices for hot-rolled carbon steel sheets are usually quoted f.o.b. mill on a dollars-per-ton basis. Prices consist of a base price plus additional charges for extras such as variations in length, width, thickness, and chemistry. Price changes are accomplished by changing the base, the extras, or a combination of both. Domestic producers usually equalize freight charges in order to stay competitive in any particular market.

Domestic producers and importers were asked to supply average net selling prices to SSC's and end users for five specific products in order to determine trends in hot-rolled carbon steel sheet prices. 1/ Weighted-average prices and indexes of the data are presented in tables II-14 and II-15.

1/ These products and their specifications are listed in app. D. The five representative hot-rolled carbon steel sheet products are Nos. 5 through 9.

Table II-14. Hot-rolled carbon steel sheets sold to SSC's: Weighted-average net selling prices for sales of domestic products and for sales of imports from Austria, Venezuela, Hungary, Romania, and Sweden, and indexes of those prices, 1/ by types of products and by quarters, January 1982-September 1984

Product and period	Sales to SSC's of merchandise from--											
	Domestic firms		Austria		Venezuela		Hungary		Romania		Sweden	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton		Per ton		Per ton		Per ton	
Product 5:												
1982:												
January-March	$***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	103	-	-	-	-	-	-	-	-	-	-
July-September	***	110	-	-	-	-	-	-	-	-	-	-
October-December	***	106	-	-	-	-	-	-	-	-	-	-
1983:												
January-March	***	102	-	-	-	-	-	-	-	-	-	-
April-June	***	104	-	-	-	-	-	-	-	-	-	-
July-September	***	102	-	-	-	-	-	-	-	-	-	-
October-December	***	106	-	-	-	-	-	-	-	-	-	-
1984:												
January-March	***	113	-	-	-	-	$***	100	-	-	-	-
April-June	***	114	$***	100	-	-	-	-	$***	100	-	-
July-September	***	117	-	-	-	-	-	-	-	-	-	-
Product 6:												
1982:												
January-March	***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	100	-	-	-	-	-	-	-	-	-	-
July-September	***	99	-	-	-	-	-	-	-	-	-	-
October-December	***	98	-	-	-	-	-	-	-	-	-	-
1983:												
January-March	***	91	-	-	-	-	-	-	-	-	-	-
April-June	***	98	-	-	$***	100	-	-	-	-	-	-
July-September	***	102	-	-	***	104	-	-	-	-	-	-
October-December	***	93	-	-	-	-	-	-	-	-	-	-
1984:												
January-March	***	98	-	-	***	98	-	-	-	-	-	-
April-June	***	104	-	-	-	-	-	-	-	-	-	-
July-September	***	106	-	-	***	113	-	-	-	-	-	-

See footnote at end of table.

Table II-14. Hot-rolled carbon steel sheets sold to SSC's: Weighted-average net selling prices for sales of domestic products and for sales of imports from Austria, Venezuela, Hungary, Romania, and Sweden, and indexes of those prices, 1/ by types of products and by quarters, January 1982-September 1984--Continued

Product and period	Sales to SSC's of merchandise from--											
	Domestic firms		Austria		Venezuela		Hungary		Romania		Sweden	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton		Per ton		Per ton		Per ton	
Product 7:												
1982:												
January-March	$***	100	***	100	-	-	-	-	-	-	-	-
April-June	***	102	***	98	-	-	-	-	-	-	-	-
July-September	***	122	***	99	-	-	-	-	-	-	-	-
October-December	***	93	***	94	-	-	-	-	-	-	-	-
1983:												
January-March	***	104	***	85	-	-	-	-	-	-	-	-
April-June	***	104	***	85	-	-	-	-	-	-	-	-
July-September	***	115	***	87	$***	100	-	-	-	-	-	-
October-December	***	124	***	84	***	109	-	-	-	-	$***	100
1984:												
January-March	***	115	***	88	***	104	-	-	-	-	***	97
April-June	***	121	***	87	***	108	-	-	$***	100	-	-
July-September	***	111	***	87	***	115	-	-	-	-	-	-
Product 8:												
1982:												
January-March	***	100	***	-	-	-	-	-	-	-	-	-
April-June	***	99	***	100	-	-	-	-	-	-	-	-
July-September	***	98	***	98	-	-	-	-	-	-	-	-
October-December	***	92	***	96	-	-	-	-	-	-	-	-
1983:												
January-March	***	97	***	-	-	-	-	-	-	-	-	-
April-June	***	109	***	-	-	-	-	-	-	-	-	-
July-September	***	133	***	-	-	-	-	-	-	-	-	-
October-December	***	139	***	-	-	-	-	-	-	-	-	-
1984:												
January-March	***	112	***	-	-	-	-	-	-	-	-	-
April-June	***	115	***	87	-	-	-	-	-	-	-	-
July-September	***	110	***	87	-	-	-	-	-	-	-	-
Product 9:												
1982:												
January-March	-	-	***	-	-	-	-	-	-	-	-	-
April-June	-	-	***	-	-	-	-	-	-	-	-	-
July-September	-	-	***	100	-	-	-	-	-	-	-	-
October-December	-	-	***	-	-	-	-	-	-	-	-	-
1983:												
January-March	-	-	***	-	-	-	-	-	-	-	-	-
April-June	-	-	***	-	-	-	-	-	-	-	-	-
July-September	-	-	***	-	-	-	-	-	-	-	-	-
October-December	***	100	***	80	-	-	-	-	-	-	-	-
1984:												
January-March	***	103	***	-	-	-	-	-	-	-	-	-
April-June	-	-	***	-	-	-	-	-	-	-	-	-
July-September	-	-	***	70	-	-	-	-	-	-	-	-

1/ First period with data = 100.

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

Table II-15. Hot-rolled carbon steel sheets sold to end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Venezuela and Sweden, 1/ and indexes of those prices, 2/ by types of products and by quarters, January 1982-September 1984

Product and period	Sales to end users of merchandise from--					
	Domestic firms		Venezuela		Sweden	
	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton	
Product 5:						
1982:						
January-March	$***	100	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	100	-	-	-	-
October-December	***	102	-	-	-	-
1983:						
January-March	***	102	-	-	-	-
April-June	***	100	-	-	-	-
July-September	***	99	-	-	-	-
October-December	***	91	-	-	-	-
1984:						
January-March	***	95	-	-	-	-
April-June	***	100	-	-	-	-
July-September	***	104	-	-	-	-
Product 6:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	91	-	-	-	-
October-December	***	79	-	-	-	-
1983:						
January-March	***	94	-	-	-	-
April-June	***	90	-	-	-	-
July-September	***	94	-	-	-	-
October-December	***	87	-	-	-	-
1984:						
January-March	***	98	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	103	-	-	-	-
Product 7:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	91	-	-	-	-
July-September	***	90	-	-	-	-
October-December	***	86	-	-	-	-
1983:						
January-March	***	97	-	-	-	-
April-June	***	91	-	-	-	-
July-September	***	88	-	-	-	-
October-December	***	88	-	-	$***	100
1984:						
January-March	***	98	$***	100	-	-
April-June	***	105	-	-	-	-
July-September	***	107	-	-	***	108

See footnotes at end of table.

Table II-15. Hot-rolled carbon steel sheets sold to end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Venezuela and Sweden, 1/ and indexes of those prices, 2/ by types of products and by quarters, January 1982-September 1984--Continued

Product and period	Sales to end users of merchandise from--					
	Domestic firms		Venezuela		Sweden	
	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton	
Product 8:						
1982:						
January-March	$***	100	-	-	-	-
April-June	***	95	-	-	-	-
July-September	***	91	-	-	-	-
October-December	***	89	-	-	-	-
1983:						
January-March	***	98	-	-	-	-
April-June	***	92	-	-	-	-
July-September	***	89	-	-	-	-
October-December	***	93	-	-	-	-
1984:						
January-March	***	97	-	-	-	-
April-June	***	99	-	-	-	-
July-September	***	108	-	-	-	-
Product 9:						
1982:						
January-March	-	-	-	-	-	-
April-June	-	-	-	-	-	-
July-September	-	-	-	-	-	-
October-December	-	-	-	-	-	-
1983:						
January-March	***	100	-	-	-	-
April-June	-	-	-	-	-	-
July-September	-	-	-	-	-	-
October-December	-	-	-	-	-	-
1984:						
January-March	-	-	-	-	-	-
April-June	***	104	-	-	-	-
July-September	***	116	-	-	-	-

1/ There were no prices reported on sales of Austrian, Finish, Hungarian, or Romanian hot-rolled sheets to end users

2/ First period with data = 100.

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

Domestic price trends.--Domestic weighted-average prices for sales of hot-rolled sheet product 5 to SSC's increased by 6 percent in 1982. After decreasing in the first three quarters of 1983, the price for product 5 returned to 6 percent above the initial January-March 1982 price. Product 5's weighted-average price increased in January-September 1984 to 17 percent above the initial 1982 price.

Except for an increase in July-September 1983, product 6's weighted-average price to SSC's declined throughout 1982 and 1983 to 7 percent below the initial 1982 price. The weighted-average price for product 6 increased in 1984 until it was 6 percent above the initial 1982 price.

Product 7's weighted-average price to SSC's increased by 22 percent during the first three quarters of 1982 before falling in the fourth quarter to 7 percent below the initial 1982 price. Product 7 increased in price during 1983 to 24 percent above the initial 1982 price. In 1984, the weighted-average price for product 7 fell to 11 percent above the initial 1982 price.

The weighted-average price to SSC's for product 8 fell in 1982 by 8 percent before increasing in 1983 to 39 percent above the initial 1982 price. Product 8's weighted-average price fell in 1984 to 10 percent above the initial 1982 price. There were only two prices reported for product 9.

Weighted-average prices of domestically produced hot-rolled carbon steel sheets sold to end users generally decreased from 1982 to 1983 before increasing in 1984. Product 5's price fell by 9 percent from January-March 1982 to October-December 1983 and then increased in 1984 to 4 percent above the initial 1982 price. Product 6's price fell by 13 percent from January-March 1982 to October-December 1983 before increasing in 1984 to 3 percent above the initial 1982 price. Product 7's price fell by 12 percent from January-March 1982 to October-December 1983 before increasing in 1984 to 7 percent above the initial 1982 price. Product 8's price fell by 7 percent from January-March 1982 to October-December 1983 before increasing in 1984 to 8 percent above the initial 1982 price.

Import price trends.--Limited price data were reported by importers of hot-rolled carbon steel sheets from the countries subject to these investigations. The reported information is shown in tables II-14 and II-15 and is discussed, by country, in the following sections.

Austria.--Product 7 was the only category of hot-rolled carbon steel sheets imported from Austria that had a consistent series of prices for sales to SSC's. The weighted-average price of this product imported from Austria declined by 13 percent from January-March 1982 to July-September 1984. There were no reported prices for sales of Austrian hot-rolled sheets to end users.

Hungary.--Insufficient data were received on prices of hot-rolled sheets imported from Hungary on sales to SSC's to allow trends to be analyzed, and no prices were reported on Hungarian sheets sold to end users.

Romania.--Insufficient data were received on prices of hot-rolled sheets imported from Romania and sold to SSC's to allow trends to be ascertained. There were no reported prices for Romanian hot-rolled sheets sold to end users.

Sweden.--Insufficient data were received on prices of hot-rolled sheets imported from Sweden for sales to SSC's or end users to allow trends to be ascertained.

Venezuela.--Product 7 was the only category of merchandise imported from Venezuela with a consistent price series for sales to SSC's. Product 7's prices increased by 15 percent from July-September 1983 to July-September 1984. Insufficient data were received on prices of hot-rolled sheets imported from Venezuela and sold to end users to allow trends to be ascertained.

Lost sales

Austria.--U.S. producers did not report any allegations of sales of hot-rolled carbon steel sheets lost to imports from Austria.

Finland 1/.--*** provided the Commission with one specific allegation of a lost sale of hot-rolled carbon steel sheets to imports from Finland. *** was cited in this single allegation, which involved *** tons of 16-gauge, pickled, hot-rolled sheets for delivery during the fourth quarter of 1984. ***, steel buyer for the firm, stated that ***.

Hungary.--*** provided the Commission with one specific allegation of a lost sale of hot-rolled carbon steel sheets to imports from Hungary. *** was cited in this single allegation, which involved *** tons of hot-rolled sheets in various sizes during December 1984. *** could not be reached for comment.

Romania.--U.S. producers did not report any allegations of lost sales of hot-rolled carbon steel sheets to imports from Romania.

Sweden.--*** provided the Commission with one specific allegation of a lost sale of hot-rolled carbon steel sheets to imports from Sweden. *** was cited in this single allegation, which involved *** tons of hot-rolled sheets in coils ***. ***, steel buyer for the firm, did not recall the alleged transaction, but stated that ***.

Venezuela.--U.S. producers did not report any allegations of lost sales of hot-rolled carbon steel sheets to imports from Venezuela.

1/ As indicated previously, the Commission's investigations concerning imports from Finland were terminated.

Lost revenue

U.S. producers did not report any specific allegations in which they sold domestically produced hot-rolled carbon steel sheets at reduced prices because of competition from hot-rolled sheets imported from any of the countries herein under investigation.

Transportation costs

Separate data are not currently available on costs incurred in the transportation of hot-rolled carbon steel sheets. However, transportation costs for hot-rolled sheets should be similar to those for cold-rolled sheets, which are discussed in part III of this report.

PART III. COLD-ROLLED CARBON STEEL PLATES AND SHEETS

Introduction

This part of the report presents information relating specifically to cold-rolled carbon steel sheets. As indicated previously, the Commission instituted the following preliminary investigations to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports of cold-rolled carbon steel sheets and plates:

Countervailing duty investigations:
Austria (investigation No. 701-TA-230 (Preliminary),
Sweden (investigation No. 701-TA-231 (Preliminary)), and
Venezuela (investigation No. 701-TA-232 (Preliminary)); and

Antidumping investigations:
Austria (investigation No. 731-TA-224 (Preliminary)),
Czechoslovakia (investigation No. 731-TA-225 (Preliminary)),
East Germany (investigation No. 731-TA-226 (Preliminary)),
Finland (investigation No. 731-TA-227 (Preliminary)),
Romania (investigation No. 731-TA-228 (Preliminary)), and
Venezuela (investigation No. 731-TA-229 (Preliminary)).

As stated earlier, Bethlehem, the petitioner in investigation No. 731-TA-227 (Preliminary) concerning cold-rolled carbon steel sheets from Finland, subsequently withdrew its petition, and the investigations by the Department of Commerce and the Commission were terminated.

The Products

Description and uses

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

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

The production of cold-rolled sheets begins with coils of hot-rolled sheets, which are decoiled, pickled, dried, oiled, and recoiled. Each coil is then sent to a cold-reduction mill (so called because the steel is passed through a series of reducing rolls without being reheated) to emerge as a thinner product, with a smoother finish and a higher strength-to-weight ratio than can be achieved by hot-rolling alone. The sheets are then coiled and, usually, annealed (heat treated) to restore the ductility lost during cold rolling. A portion, however, is sold in an unannealed, "full hard" condition. After the steel has been softened in the annealing furnace, it is passed through a temper mill, which finishes the cold-rolled sheets by imparting additional hardness, flatness, and surface quality. The product is then shipped to consumers in coils or cut lengths.

Cold-rolled carbon steel sheets are the largest volume steel mill product, having accounted for 22 percent of total U.S. producers' shipments of all carbon steel products (and 19 percent of such shipments of all steel mill products) in 1983. Major consumer markets for cold-rolled sheets are shown in table III-1. The automotive industry, the largest single consumer of cold-rolled sheets, accounted for, on average, 33 percent of cold-rolled sheet shipments during 1981-83; shipments to steel service centers and distributors averaged 27 percent over the same period. Other end markets for cold-rolled sheets include the electrical equipment and appliance industries.

Table III-1.--Cold-rolled carbon steel sheets: U.S. producers' shipments, by major markets, 1981-83, January-September 1983, and January-September 1984

Market	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 tons)				
Automotive	4,547	3,469	4,176	2,890	3,082
Steel service centers and distributors	3,328	2,798	3,777	2,783	2,902
Electrical equipment	1,215	871	1,143	830	895
Appliances, utensils, and cutlery	1,203	899	1,135	850	909
All other	3,455	2,529	2,764	2,060	2,234
Total	13,748	10,565	12,995	9,413	10,022
	Percent of total				
Automotive	33.1	32.8	32.1	30.7	30.8
Steel service centers and distributors	24.2	26.5	29.1	29.6	29.0
Electrical equipment	8.8	8.2	8.8	8.8	8.9
Appliances, utensils, and cutlery	8.8	8.5	8.7	9.0	9.1
All other	25.1	23.9	21.3	21.9	22.3
Total	100.0	100.0	100.0	100.0	100.0

Source: American Iron & Steel Institute.

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

U.S. tariff treatment

As mentioned, imports of cold-rolled carbon steel plates and sheets are classified for tariff purposes under TSUSA items 607.8320 (plates), 607.8350 (painted or varnished sheets), 607.8355 (annealed sheets not painted or varnished and having a minimum yield point of 40,000 pounds per square inch), and 607.8360 (all other cold-rolled sheets). The current U.S. rates of duty and the final column 1 MTN concession rates for such imports are shown in the following tabulation (in percent ad valorem and cents per pound):

	Rate of duty
Column 1:	
Jan. 1, 1985	6.1%
Jan. 1, 1987 1/	5.1%
LDDC	5.1%
Column 2	0.2¢ + 20.0%

1/ The applicable rate prior to the first staged reduction under the Tokyo round (i.e., effective Jan. 1, 1980) was 8.0 percent ad valorem.

Imports of these products are not eligible for duty-free treatment under the Generalized System of Preferences. However, such imports, if the product of designated beneficiary countries, are eligible for duty-free entry under the CBI, and imports from LDDC's are granted the preferential rates shown. An explanation of the applicability of column 1, column 2, CBI, and LDDC rates of duty is presented in part I of this report.

In addition to the import duties shown above, countervailing duties are currently in effect with respect to imports from Argentina (Apr. 26, 1984), Brazil (June 22, 1984), Spain (Jan. 3, 1983), and Korea (January 1985). 1/ In other actions in recent years, the Commission determined that there was no reasonable indication that an industry in the United States was materially injured, or threatened with material injury, by reason of allegedly subsidized and LTFV imports from Belgium, Luxembourg, and the United Kingdom.

Petitioners withdrew unfair trade complaints involving cold-rolled sheets from France, Italy, the Netherlands, and West Germany to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the Arrangement, exports from the EC to the United States of 10 categories of steel products are to be limited to specified shares of apparent U.S. consumption from November 1, 1982, through December 31, 1985. Cold-rolled carbon steel sheets are included in a category in which exports are limited to 5.11 percent of consumption. An antidumping complaint involving cold-rolled sheets from South Africa was also withdrawn by the petitioner following a declaration by the exporter to restrain shipments of such merchandise to the United States.

1/ Imports from South Africa are also subject to countervailing duties (Sept. 7, 1982); the current level, however, is 0 percent. The weighted-average subsidies for other countries were as follows: Argentina, 5.44 percent ad valorem; Brazil, 36.95 percent; and Spain, 38.25 percent.

In January 1985, the Commission made a negative injury determination with respect to LTFV imports of cold-rolled carbon steel sheets from Argentina (investigation No. 731-TA-175 (Final)). A final antidumping case involving imports of cold-rolled sheets from Spain (investigation No. 731-TA-177 (Final)) was terminated following withdrawal of the petition on January 18, 1985.

U.S. Producers

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

Firm	Market share	Location
Armco	***	Ashland, KY Middletown, OH
Bethlehem	***	Burns Harbor, IN Lackawanna, NY Sparrows Point, MD
Inland	***	East Chicago, IN
LTV	***	Aliquippa, PA Cleveland, OH East Chicago, IN Gadsden, AL Hennepin, IL Niles, OH Pittsburgh, PA Warren, OH
National	***	Detroit, MI Granite City, IL Portage, IN Weirton, WV 1/
Rouge	***	Detroit, MI
U.S. Steel	***	Cleveland, OH Dravosburg, PA Fairfield, AL Fairless Hills, PA Gary, IN Pittsburgh, PA

1/ This plant is now independently owned and operated.

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

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 20 firms that imported cold-rolled carbon steel plates and sheets from the countries subject to these investigations during October 1983-September 1984. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of cold-rolled carbon steel sheets 1/ decreased from 15.2 million tons in 1981 to 12.1 million tons in 1982, but then rose to 15.3 million tons in 1983; apparent U.S. consumption during January-September 1984, at 12.6 million tons, was 15 percent greater than such consumption during January-September 1983 (table III-2). According to industry sources, the increase in apparent consumption during 1983 was due primarily to increasing demand in the automotive industry. As shown in the table, imports took an increasing share of the market, from 10 percent in 1981 to 15 percent in 1983 and 21 percent during January-September 1984.

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

Table III-2.--Cold-rolled carbon steel sheets: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

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

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

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

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of cold-rolled carbon steel sheets fell sharply from 12.8 million tons in 1981 to 9.2 million tons in 1982, and then rose to 12.1 million tons in 1983 (table III-3). Production during January-September 1984 was 9.6 million tons, representing an increase of 8 percent from that reported in the corresponding period of 1983. Total productive capacity for cold-rolled sheets declined slightly during 1981-83, from 18.1 million tons in 1981 to 17.3 million tons in 1983. Capacity utilization, which decreased from 70.6 percent in 1981 to 51.5 percent in 1982, increased to 70.0 percent in 1983 and 77.7 percent during January-September 1984. 1/

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

Table III-3.--Cold-rolled carbon steel sheets: U.S. production, capacity, 1/ and capacity utilization, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
Production 2/					
1,000 short tons	12,762	9,157	12,093	8,958	9,638
Capacity--do	18,067	17,768	17,274	12,961	12,411
Capacity utilization 3/ percent	70.6	51.5	70.0	69.1	77.7

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

2/ U.S. producers submitting useful data together accounted for 91 percent of total shipments of cold-rolled carbon steel sheets in 1983, as reported by the American Iron & Steel Institute.

3/ Calculated from unrounded numbers.

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

U.S. producers' domestic shipments 1/

U.S. producers' domestic shipments of cold-rolled sheets are presented in table III-4. Domestic shipments of cold-rolled sheets fell from 10.9 million tons in 1981 to 8.1 million tons in 1982, or by 26 percent; shipments recovered in 1983, rising to 10.2 million tons. During January-September 1984, shipments rose by 10 percent compared with shipments in the corresponding period of 1983. Ten firms reported shipments by type of customer during January-September 1984. Of reported shipments to SSC's during the period, 93 percent were to unrelated distributors and 7 percent to related outlets. Of reported shipments to end users, 94 percent were to unrelated customers and 6 percent to related end users.

1/ Responses to questionnaires sent in the instant investigations represented approximately 40 percent of the U.S. cold-rolled carbon steel sheet industry. Since information representing over 90 percent of the industry has since become available from questionnaires sent in connection with investigation No. 701-TA-218 (Final), Certain Cold-Rolled Carbon Steel Products From the Republic of Korea, that information has been presented.

Table III-4.--Cold-rolled carbon steel sheets: U.S. producers' domestic shipments, 1/ 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
Quantity--------1,000 tons--	10,883	8,084	10,219	7,568	8,308
Value------million dollars--	4,820	3,574	4,538	3,339	3,891
Unit value 2/------per ton--	$443	$442	$444	$441	$468

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires. Excludes intercompany and intracompany transfers.

2/ Calculated from unrounded numbers.

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

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

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

1/ Including exports and intercompany and intracompany transfers.

U.S. producers' exports

U.S. producers' exports of cold-rolled sheets, as reported in response to the Commission's questionnaires, were 0.2 percent or less of producers' total shipments of cold-rolled sheets in each of the periods covered by these investigations. Such exports declined from 27,869 tons in 1981 to *** tons in 1982 and *** tons in 1983. 1/ Exports fell by 5 percent during January-September 1984 compared with exports in the corresponding period of 1983 (table III-5).

1/ These figures are lower than those shown in table III-2 because of incomplete coverage by questionnaires of exporters (e.g., export data were not collected from SSC's).

Table III-5.--Cold-rolled carbon steel sheets: U.S. producers' exports, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
Quantity----------tons--	27,869	***	***	***	***
Value--------1,000 dollars--	13,287	***	***	***	***
Unit value---------per ton--	$477	$***	$***	$***	$***

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

U.S. producers' inventories

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

	Inventories
As of Dec. 31--	
1980----------	938
1981----------	970
1982----------	682
1983----------	936
As of Sept. 30--	
1983----------	883
1984----------	951

U.S. employment, wages, and productivity

The average number of production and related workers producing cold-rolled carbon steel sheets fell by 26 percent in 1982 but rose by 17 percent in 1983 to 31,861 workers (table III-6). The number of such workers rose by 1 percent during January-September 1984 compared with employment in the corresponding period of 1983. 1/ Similarly, hours worked by

1/ Respondents to the Commission's questionnaire were asked to identify reductions in the number of production and related workers producing cold-rolled carbon steel sheets of at least 5 percent, or 50 workers, that occurred during January 1981 through September 1984. They were asked to provide the date of each reduction, the number of workers affected, the reason for the reduction, and the duration of the reduction. Two companies, which together accounted for *** percent of reported employment of production and related workers producing cold-rolled sheets in 1983, provided the requested information. ***. The remaining respondents did not provide quantified data.

Table III-6.--Average number of production and related workers producing cold-rolled carbon steel sheets and hours paid 1/ for such workers, 1981-83, January-September 1983, and January-September 1984 2/

Item	1981	1982	1983	January-September--	
				1983	1984
Production and related workers:					
Number	36,507	27,179	31,861	31,726	32,024
Percentage change	3/	-25.6	17.2	3/	0.9
Hours paid for production and related workers:					
Number-------1,000 hours--	73,656	52,592	64,245	47,471	49,666
Percentage change	3/	-28.6	22.2	3/	4.6

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

2/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires and not all that did provided useful employment data.

3/ Not available.

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

these workers dropped by 29 percent from 1981 to 1982, but rose by 22 percent in 1983. Hours worked rose by 5 percent during January-September 1984 compared with those in January-September 1983.

Wages and total compensation 1/ paid to production and related workers producing cold-rolled carbon steel sheets are shown in table III-7. Data on these workers' productivity, hourly compensation, and unit labor costs are presented in table III-8. As shown, productivity decreased by 0.3 percent in 1982 and increased by 9.7 percent in 1983 and by 2.0 percent during January-September 1984. Hourly compensation and unit labor costs rose in 1982 but fell in 1983. Hourly compensation rose by 3 percent during January-September 1984 compared with that in the first nine months of 1983, and unit labor costs fell by 6.5 percent during the same period.

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

Table III-7.--Wages and total compensation 1/ paid to production and related workers producing cold-rolled carbon steel sheets, 1981-83, January-September 1983, and January-September 1984 2/

Item	1981	1982	1983	January-September--	
				1983	1984
Wages paid:					
Value----million dollars--	1,106	831	930	703	756
Percentage change---------	3/	-24.9	11.9	3/	7.5
Total compensation:					
Value----million dollars--	1,443	1,150	1,372	1,048	1,046
Percentage change---------	3/	-20.3	19.3	3/	-0.2

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

2/ Understated to the extent that all U.S producers did not respond to the Commission's questionnaires and not all that did provided useful employment data.

3/ Not available.

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

Table III-8.--Labor productivity, hourly compensation, and unit labor costs in the production of cold-rolled sheets, 1981-83, January-September 1983, and January-September 1984 1/

Item	1981	1982	1983	January-September--	
				1983	1984
Labor productivity:					
Quantity---tons per hour--	0.1574	0.1570	0.1722	0.1723	0.1758
Percentage change----------	2/	-0.3	9.7	2/	2.0
Hourly compensation: 3/					
Value----------per hour--	$15.02	$15.80	$14.47	$14.81	$15.22
Percentage change----------	2/	5.2	-8.4	2/	2.8
Unit labor costs: 4/					
Value----------per ton--	$124.50	$139.32	$124.00	$128.15	$119.83
Percentage change----------	2/	11.9	-11.0	2/	-6.5

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires and not all that did provided useful employment data.

2/ Not available.

3/ Based on wages paid excluding fringe benefits.

4/ Based on total compensation paid.

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

Financial experience of U.S. producers

Operations on cold-rolled carbon steel sheets.--Income-and-loss data were received from nine firms, accounting for about 88 percent of total shipments of cold-rolled carbon steel sheets (as reported by the AISI) in 1983. These data are presented in table III-9. The nine responding producers' net sales of such merchandise declined from $*** in 1981 to $*** in 1982, or by 26 percent, and then rose by 27 percent to $*** in 1983. During the interim period ended September 30, 1984, net sales increased by 16 percent to $4.3 billion, compared with $3.7 billion in the interim period of 1983.

All nine responding firms reported operating losses in 1982, and eight did so in 1981 and 1983. Combined operating losses of the reporting firms grew from $*** in 1981 to $*** in 1982, and then fell to $*** in 1983. During the interim period of 1984, the operating loss declined significantly, by 88 percent, to $43 million, equivalent to 1.0 percent of net sales, compared with an operating loss of $371 million, or 10.0 percent of net sales in the interim period of 1983. Four firms sustained operating losses in the interim period of 1984, while all nine firms reported such losses in the interim period of 1983. In the aggregate, the nine responding firms experienced negative cash flows during 1981-83, ranging from $*** million in 1983 to $*** million in 1982. U.S. producers reported a positive cash flow of $96 million in the interim period ended September 30, 1984.

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

Item	1981	1982	1983	Interim period ended Sept. 30--	
				1983	1984
Net sales--million dollars--	***	***	***	3,713	4,306
Cost of goods sold----do----	***	***	***	3,921	4,199
Gross profit or (loss) do----	(***)	(***)	(***)	(208)	107
General, selling, and administrative expenses million dollars--	***	***	***	163	150
Operating income or (loss) 3/----------do----	(***)	(***)	(***)	(371)	(43)
Depreciation and amortization expense 4/ million dollars--	***	***	***	130	139
Cash flow or (deficit) from operations 4/ million dollars--	(***)	(***)	(***)	(241)	96
As a share of net sales:					
Gross profit or (loss) percent--	(***)	(***)	(***)	(5.6)	2.5
Operating income or (loss)----------do----	(***)	(***)	(***)	(10.0)	(1.0)
Cost of goods sold--do----	***	***	***	105.6	97.5
General, selling, and administrative expenses---------percent--	***	***	***	4.4	3.5
Number of firms reporting losses----------	8	9	8	9	4

1/ A division of National Steel Corp. was purchased by its employees and became a separate entity called Weirton Steel Corp. in January 1984. Hence, technically, three are 10 producers reporting data in 1984.

2/ U.S. producers submitting useful data together accounted for about 88 percent of total shipments of cold-rolled carbon steel sheets in 1983, as reported by the AISI.

3/ In its questionnaire, the Commission asked producers to provide interest expense and other (nonoperating) income or expense information in order to determine net income or loss before income taxes. However, only three producers, which together accounted for *** percent of reported 1983 net sales, and *** provided such data. Two firms did not report those line items and the remaining four firms did not allocate those expenses. Instead, they reported zero. Thus, data on interest expense, other income or expense, and net income or loss before income taxes are not presented in the table.

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

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

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

Period	Capital expenditures	Research and development expenses
1981	***	***
1982	***	***
1983	***	***
January-September--		
1983	29,052	1/ 4,066
1984	2/ 24,214	1/ 4,072

1/ Data are for four firms.
2/ Data are for four firms, ***.

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

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

Consideration factors

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

U.S. importers' inventories

The Commission requested the major importers of cold-rolled carbon steel sheets to provide information concerning their imports and inventories. Responding importers reported holding inventories of the subject imports only during January-September 1984. These inventories totaled *** tons from three of the countries under investigation as follows: Czechoslovakia, *** tons; East Germany, *** tons; and Venezuela, *** tons.

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

U.S. imports and market penetration

Imports from all sources.--Aggregate U.S. imports of cold-rolled carbon steel sheets increased steadily and by more than 50 percent, from 1.5 million tons in 1981 to 2.3 million tons in 1983; such imports during January September 1984 amounted to 2.6 million tons, representing an increase of 67 percent over the level in January-September 1983 (table III-10). Market penetration of cold-rolled sheets imported from all countries increased steadily from 10.1 percent of apparent U.S. consumption in 1981 to 15.3 percent in 1983 and 20.6 percent during January-September 1984 (table III-11).

Imports from Austria--No imports of cold-rolled carbon steel sheets from Austria entered the United States during 1981-82. In 1983, 13,000 tons of cold-rolled sheets were imported. During January-September 1984, 94,000 tons were imported from Austria, compared with under 500 tons in the corresponding period of 1983. In 1983, the first year Austria supplied cold-rolled sheets to the U.S. market, it accounted for 0.1 percent of U.S. consumption. In January-September 1984, Austria's share of the U.S. market rose to 0.7 percent.

Imports from Czechoslovakia.--No imports of cold-rolled sheets from Czechoslovakia entered the United States during 1981-83. In January-September 1984, Czechoslovakia supplied 5,000 tons of cold-rolled sheets to the U.S. market, accounting for under 0.05 percent of U.S. consumption.

Imports from East Germany.--No imports of cold-rolled sheets from East Germany entered the United States in 1981 or 1982. In 1983, East Germany supplied 2,000 tons, which represented less than 0.05 percent of U.S. consumption. During January-September 1984, imports of cold-rolled sheets from East Germany totaled 71,000 tons, or 0.6 percent of U.S. consumption.

Imports from Finland 1/.--Imports of cold-rolled sheets from Finland were under 1,000 tons in 1981 and 1982, but then increased to 22,000 tons in 1983, These imports totaled 54,000 tons during January-September 1984, compared with 16,000 tons in the corresponding period of 1983. U.S. market penetration by Finnish cold-rolled sheets amounted to less than 0.05 percent in 1981 and 1982, 0.1 percent in 1983, and 0.4 percent in January-September 1984.

1/ As indicated previously, the Commission's investigations concerning imports from Finland were terminated.

Table III-10.--Cold-rolled carbon steel sheets: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Source	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 short tons)				
Austria	0	0	13	2/	94
Czechoslovakia	0	0	0	0	5
East Germany	0	0	2	1	71
Finland	2/	1	22	16	54
Romania	0	0	0	0	8
Sweden	2/	1	8	6	53
Venezuela	2	2/	41	22	41
Korea	101	66	191	124	316
Brazil	19	45	343	217	204
Argentina	2/	104	3/ 130	3/ 92	116
South Africa	40	42	103	74	73
Spain	62	48	67	51	218
Japan	383	296	559	347	616
West Germany	380	396	309	197	240
All other	559	601	553	403	481
Total	1,546	1,599	3/ 2,341	3/ 1,550	2,590
	Value (million dollars)				
Austria	-	-	4	4/	30
Czechoslovakia	-	-	-	-	1
East Germany	-	-	1	4/	20
Finland	4/	4/	7	5	19
Romania	-	-	-	-	2
Sweden	4/	4/	2	2	19
Venezuela	1	4/	13	8	12
Korea	38	24	61	39	109
Brazil	8	15	101	63	62
Argentina	4/	33	37	26	36
South Africa	14	15	30	21	22
Spain	26	19	19	14	70
Japan	155	124	204	129	238
West Germany	150	146	113	71	92
All other	211	221	183	132	177
Total	603	598	773	508	908

1/ Includes imports under TSUSA items 607.8344, 607.8350, 607.8355, and 607.8360. Although imports of cold-rolled plates under TSUSA item 607.8320 (which is believed to consist principally of pickled plates) are included within the scope of these investigations, such imports are believed to be negligible.

2/ Less than 500 tons.

3/ Revised by the staff of the U.S. International Trade Commission.

4/ Less than $500,000.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table III-11.--Cold-rolled carbon steel sheets: 1/ Ratios of imports from selected sources and U.S. producers' domestic shipments to apparent U.S. consumption, 2/ 1981-83, January-September 1983, and January-September 1984

(In percent)

Item	1981	1982	1983	January-September--	
				1983	1984
Imports from--					
Austria	-	-	0.1	3/	0.7
Czechoslovakia	-	-	-	-	3/
East Germany	-	-	3/	3/	.6
Finland	3/	3/	.1	.1	.4
Romania	-	-	-	-	.1
Sweden	3/	3/	.1	.1	.4
Venezuela	3/	3/	.3	.2	.3
Korea	.7	.5	1.2	1.1	2.5
Brazil	.1	.4	2.2	2.0	1.6
Argentina	3/	.9	.8	.8	.9
South Africa	.3	.3	.7	.7	.6
Spain	.4	.4	.4	.5	1.7
All others	8.6	10.7	9.4	8.7	10.8
Total imports	10.1	13.2	15.3	14.2	20.6
U.S. producers' shipments	89.9	86.8	84.7	85.8	79.4

1/ Includes imports under TSUSA items 607.8350, 607.8355, and 607.8360. Although imports of cold-rolled sheets entered under TSUSA item 607.8320 are included within the scope of these investigations, such imports are believed to be negligible.

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

3/ Less than 0.05 percent.

Source: Tables 2 and 10 and official statistics of the U.S. Department of Commerce.

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

Imports from Romania.--No imports of cold-rolled sheets from Romania entered the United States during 1981-83. In January-September 1984, Romania supplied 8,000 tons of cold-rolled sheets to the U.S. market, accounting for 0.06 percent of U.S. consumption.

Imports from Sweden.-- Imports of cold-rolled sheets from Sweden totaled 59 tons in 1981, 554 tons in 1982, and 8,000 tons in 1983. Imports from Sweden increased sharply during January-September 1984, totaling 53,000 tons, compared with the 6,000 tons imported in the year-earlier period. Sweden's share of the U.S. cold-rolled sheet market was negligible in 1981 and 1982, 0.05 percent in 1983, and 0.4 percent during January-September 1984.

Imports from Venezuela.-- Imports of cold-rolled sheets from Venezuela declined from 2,000 tons in 1981 to under 500 tons in 1982, and then rose to 41,000 tons in 1983. During January-September 1984, cold-rolled sheet imports from Venezuela increased by 82 percent when compared with those in the year-earlier period. Imports of cold-rolled sheets from Venezuela supplied less than 0.05 percent of apparent U.S. consumption of such merchandise in 1981 and 1982 and 0.3 percent in 1983 and January-September 1984.

Information concerning the customs districts through which the subject imports enter the United States during January-September 1984, as compiled from official statistics of the U.S. Department of Commerce, is presented in the following tabulation:

Country and customs district	Share of total imports	Country and customs district	Share of total imports
	Percent		Percent
Austria:		Romania:	
Chicago, IL	29.9	Chicago, IL	58.5
Houston, TX	18.7	Houston, TX	9.4
New Orleans, LA	13.3	Bridgeport, CT	9.4
Detroit, MI	11.3	Mobile, AL	9.2
Philadelphia, PA	9.3	Miami, FL	5.8
Subtotal	82.5	Savannah, GA	1.1
All other	17.5	Subtotal	93.4
Total	100.0	All other	6.6
		Total	100.0
Czechoslovakia:			
Los Angeles, CA	44.6	Sweden:	
Philadelphia, PA	28.7	Philadelphia, PA	24.4
Chicago, IL	24.6	Bridgeport, CT	16.7
Detroit, MI	2.0	New Orleans, LA	15.0
Total	100.0	Houston, TX	14.4
		Chicago, IL	8.8
East Germany:		Subtotal	79.3
Philadelphia, PA	38.2	All other	20.7
Chicago, IL	24.6	Total	100.0
New Orleans, LA	20.6		
Houston, TX	6.4	Venezuela:	
Subtotal	89.8	New York, NY	24.3
All other	10.2	Chicago, IL	16.3
Total	100.0	Bridgeport, CT	15.1
		Detroit, MI	13.8
Finland:		Houston, TX	11.8
Houston, TX	34.5	Charleston, SC	11.4
New Orleans, LA	18.0	Cleveland, OH	7.3
Chicago, IL	14.6	Total	100.0
Bridgeport, CT	10.9		
Duluth, MN	5.9		
Detroit, MI	5.3		
Subtotal	89.2		
All other	10.8		
Total	100.0		

Prices

Market conditions for products that use cold-rolled sheets directly affect the price of cold-rolled sheets. Typical industries which use cold-rolled sheets are the automobile industry, the construction industry, and the energy and utility industries. For example, the automobile industry now produces cars that use substantially less steel than in the past, a result of downsizing and of substitution of other products for steel. This has reduced the demand for steel sheets and has had a dampening effect on sheet prices. However, automobile production increased during 1983 and January-March 1984 (table II-13), which helped keep the demand and resultant prices for cold-rolled sheets from declining further. The share of total shipments of cold-rolled sheets going to that market remained steady at about one-third through the period 1981-83 (table III-1).

Other large users of cold-rolled sheets are the household appliance industry and the heating and air-conditioning industry. Industrial production in these markets followed trends similar to that of the auto industry--remaining relatively stable during January-September 1981, decreasing in 1982, and then strengthening through 1983 and into 1984.

Prices for cold-rolled carbon steel sheets are usually quoted f.o.b. mill on a dollars-per-ton basis. Prices consist of a base price plus additional charges for extras such as variations in length, width, thickness, and chemistry. Price changes are accomplished by changing the base, the extras, or a combination of both. Domestic producers usually equalize freight charges in order to stay competitive in any particular market.

Domestic producers and importers were asked to supply average net selling prices to SSC's and end users for three specific products to determine trends in prices of cold-rolled carbon steel sheets. 1/ Weighted-average prices and indexes of the data are presented in tables III-12 and III-13.

Domestic price trends--Average domestic producers' selling prices of two of the representative cold-rolled carbon steel sheet products sold to SSC's (products 10 and 11) reflect a common trend. Quarterly prices declined irregularly from January-March 1982 (the base period) through January-March 1983, to levels 8 percent and 9 percent, respectively, below their initial period values. Prices of these products then generally rose through July-September 1984 to levels 7 percent and 10 percent, respectively, above their base-period values. Changes in the average price of the third representative product sold to SSC's (product 12), which is of a higher quality than products 10 and 11, were more sluggish than those of the other two products. The quarterly price of product 12 declined irregularly from January-March 1982 through July-September 1983, to a level 8 percent below its initial period value, then recovered to its initial period value by January-March 1984 and held at approximately this level through July-September 1984.

1/ These products and their specifications are listed in app. D. The three representative cold-rolled carbon steel sheet products are Nos. 10, 11, and 12.

Table III-12.--Cold-rolled carbon steel sheets sold to SSC's: Weighted-average net selling prices for sales of domestic products and for sales of imports from Austria, East Germany, Romania, Sweden, and Venezuela, and indexes of those prices, 1/ by types of products and by quarters, January 1982-September 1984

Product and period	Sales to SSC's of merchandise from--											
	Domestic firms		Austria		East Germany		Romania		Sweden		Venezuela	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton		Per ton		Per ton		Per ton	
Product 10:												
1982:												
January-March	$***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	100	-	-	-	-	-	-	-	-	-	-
July-September	***	100	-	-	-	-	-	-	-	-	-	-
October-December	***	94	-	-	-	-	-	-	-	-	-	-
1983:												
January-March	***	92	-	-		-	-	-	-	-	-	-
April-June	***	92	-	-		-	-	-	-	-	$***	100
July-September	***	93	-	-	-	-	-	-	-	-	***	101
October-December	***	96	$***	100	-	-	-	-	-	-	-	-
1984:												
January-March	***	101	***	104	$***	100	-	-	$***	100	-	-
April-June	***	105	***	107	***	104	$***	100	***	100	-	-
July-September	***	107	***	114	-	-	-	-	***	109	-	-
Product 11:												
1982:												
January-March	***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	99	-	-	-	-	-	-	-	-	-	-
July-September	***	98	-	-	-	-	-	-	-	-	-	-
October-December	***	95	-	-	-	-	-	-	-	-	-	-
1983:												
January-March	***	91	-	-	-	-	-	-	-	-	-	-
April-June	***	94	-	-	-	-	-	-	-	-	***	100
July-September	***	93	-	-	-	-	-	-	-	-	***	112
October-December	***	96	-	-	-	-	-	-	-	-	***	116
1984:												
January-March	***	101	-	-	***	100	-	-	-	-	***	109
April-June	***	105	-	-	-	-	-	-	-	-	***	113
July-September	***	110	-	-	-	-	-	-	-	-	***	122
Product 12:												
1982:												
January-March	***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	96	-	-	-	-	-	-	-	-	-	-
July-September	***	96	-	-	-	-	-	-	-	-	-	-
October-December	***	92	-	-	-	-	-	-	-	-	-	-
1983:												
January-March	***	95	-	-	-	-	-	-	-	-	-	-
April-June	***	92	-	-	-	-	-	-	-	-	-	-
July-September	***	92	-	-	-	-	-	-	-	-	-	-
October-December	***	93	***	100	-	-	-	-	-	-	-	-
1984:												
January-March	***	100	-	-	-	-	-	-	-	-	-	-
April-June	***	101	-	-	-	-	-	-	-	-	-	-
July-September	***	100	***	111	-	-	-	-	-	-	-	-

1/ First period with data = 100.

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

Table III-13.--Cold-rolled carbon steel sheets sold to end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Austria, East Germany, Sweden, and Venezuela, and indexes of those prices, 1/ by types of products and by quarters, January 1982-September 1984

Product and period	Sales to end users of merchandise from—									
	Domestic firms		Austria		East Germany		Sweden		Venezuela	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton		Per ton		Per ton	
Product 10:										
1982:										
January-March	$***	100	-	-	-	-	-	-	-	-
April-June	***	99	-	-	-	-	-	-	-	-
July-September	***	99	-	-	-	-	$***	100	-	-
October-December	***	95	-	-	-	-	***	111	-	-
1983:										
January-March	***	95	-	-		-	-	-	-	-
April-June	***	96	-	-		-	-	-	-	-
July-September	***	98	-	-	-		-	-	-	-
October-December	***	98	$***	100	-	-	-	-	-	-
1984:										
January-March	***	102	-	-	-	-	-	-	-	-
April-June	***	103	-	-	-	-	-	-	-	-
July-September	***	105	***	105	$***	100	-	-	-	-
Product 11:										
1982:										
January-March	***	100	-	-	-	-	-	-	-	-
April-June	***	99	-	-	-	-	-	-	-	-
July-September	***	100	-	-	-	-	-	-	-	-
October-December	***	100	-	-	-	-	-	-	-	-
1983:										
January-March	***	95	-	-	-	-	-	-	-	-
April-June	***	95	-	-	-	-	-	-	-	-
July-September	***	97	-	-	-	-	-	-	-	-
October-December	***	100	-	-	-	-	-	-	-	-
1984:										
January-March	***	101	-	-	-	-	-	-	$***	100
April-June	***	104	-	-	-	-	-	-	***	103
July-September	***	106	-	-	-	-	-	-	-	-
Product 12:										
1982:										
January-March	***	100	-	-	-	-	-	-	-	-
April-June	***	99	-	-	-	-	-	-	-	-
July-September	***	100	-	-	-	-	-	-	-	-
October-December	***	99	-	-	-	-	-	-	-	-
1983:										
January-March	***	100	-	-	-	-	-	-	-	-
April-June	***	101	-	-	-	-	-	-	-	-
July-September	***	102	-	-	-	-	-	-	-	-
October-December	***	105	-	-	-	-	-	-	-	-
1984:										
January-March	***	104	-	-	-	-	-	-	-	-
April-June	***	104	-	-	-	-	-	-	-	-
July-September	***	106	-	-	-	-	-	-	-	-

1/ First period with data = 100.

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

Domestic producers' weighted-average selling prices of the representative cold-rolled carbon steel sheet products sold to end users generally show patterns similar to the trends of selling prices to SSC's. Prices of product 12 sold to end users were firmer than similar prices for products 10 and 11, although product 12 prices to end users rose more quickly than prices to SSC's. In 1982, prices of product 12 sold to end users fluctuated within 1 percent of its January-March 1982 (the base period) value before generally rising through July-September 1984, to a level 6 percent above its initial period value.

Import price trends.--As was true in the preceding parts of this report, in general, few price data were reported by importers of cold-rolled carbon steel sheets from the countries subject to these investigations. No data were received on selling prices of such merchandise imported from Czechoslovakia or Finland. The information obtained on prices received by importers of cold-rolled sheets from the other countries subject to these investigations is shown in tables III-12 and III-13 and is discussed, by country, in the following sections.

Austria.--Reported quarterly selling price data were generally insufficient to develop trends in prices of the imported Austrian cold-rolled carbon steel sheet products sold to SSC's or end users. The major exception was in the product 10 category where reported selling prices of the imported Austrian product sold to SSC's increased steadily from October-December 1983 through July-September 1984, by approximately 14 percent (table III-12). This compares with an approximately 11-percent increase in the average price of the competing domestic product sold to SSC's during this period.

East Germany.--Reported quarterly selling price data were insufficient to develop trends in prices of the imported East German cold-rolled carbon steel sheet products sold to SSC's or end users.

Romania.--Reported quarterly selling price data were insufficient to develop trends in prices of the imported Romanian cold-rolled carbon steel sheet products sold to SSC's or end users.

Sweden.--Reported quarterly selling price data were generally insufficient to develop trends in prices of the imported Swedish cold-rolled carbon steel sheet products sold to SSC's or end users. The major exception was in the product 10 category, where the reported selling price of the imported Swedish product sold to SSC's increased by approximately 9 percent from January-March 1984 through July-September 1984. This compares with an approximately 6-percent increase in the weighted-average price of the competing domestic product sold to SSC's during this period.

Venezuela.--Reported quarterly selling price data were generally insufficient to develop trends in prices of the imported Venezuelan cold-rolled carbon steel sheet products sold to SSC's or end users. The major exception was in the product 11 category, where the reported selling price of the imported Venezuelan product sold to SSC's increased by approximately 22 percent from April-June 1983 through July-September 1984. This compares with an approximately 17-percent increase in the weighted-average price of the competing domestic product sold to SSC's during this period.

Lost sales

U.S. producers did not report any allegations of sales of cold-rolled carbon steel sheets lost to imports of such merchandise from Austria, Czechoslovakia, Romania, Sweden, or Venezuela. Allegations made concerning imports of such sheets from East Germany and Finland are discussed below.

East Germany.--*** provided the Commission with one specific allegation of a lost sale of cold-rolled carbon steel sheets to imports from East Germany. *** was cited in this single allegation, which involved *** tons during February 1984. *** stated that ***.

Finland 1/.--*** provided the Commission with one specific allegation of a lost sale of cold-rolled carbon steel sheet to imports from Finland. *** was cited in this single allegation, which involved *** tons during February 1984. *** stated that ***.

Lost revenue

Austria.--*** reported two specific instances in which it allegedly sold cold-rolled carbon steel sheets at reduced prices because of competition from imports of such sheets imported from Austria. The two allegations, which involved two SSC's, amounted to *** tons of material sold during June 1984.

*** was cited in one lost revenue allegation involving *** tons of domestic cold-rolled sheets allegedly purchased in June 1984. *** of the firm stated that the buyer of carbon steel products was out of town and could not be reached for comment.

*** was cited in the other lost revenue allegation involving *** tons of domestic cold-rolled sheets allegedly purchased in June 1984. ***, steel buyer for the firm, stated that ***.

Czechoslovakia.--U.S. producers did not report any instances in which they sold domestically produced cold-rolled sheets at reduced prices allegedly due to competition from imports of such sheets from Czechoslovakia.

East Germany.--U.S. producers did not report any specific allegations in which they sold cold-rolled carbon steel sheets at reduced prices due to competition from cold-rolled carbon steel sheets imported from East Germany. However, *** provided the Commission with six instances in which its cold-rolled sheets and East German sheets were being offered for sale to the same customers. These six instances covered the fourth quarter of 1984 and the first and second quarters of 1985. One instance specified a minimum quantity of *** tons, for delivery in the first quarter of 1985; the other five instances did not include any quantities. The Commission's staff investigated the one allegation where a quantity was specified.

1/ As indicated previously, the Commission's investigations concerning imports from Finland were terminated.

*** was cited in a sales offer involving a minimum of *** tons of cold-rolled sheets for delivery in the first quarter of 1985. *** reported offering its discounted price of $*** per ton against an alleged $*** per ton for the East German sheets. *** did not want to discuss his firm's purchases over the telephone, but did state that ***.

Finland 1/.--U.S. producers did not report any specific allegations in which they sold cold-rolled carbon steel sheets at reduced prices because of competition from imported cold-rolled carbon steel sheets from Finland. Again, however, *** provided the Commission with two instances in which its cold-rolled sheets and Finnish sheets were being offered for sale to the same customers. These two instances, which covered the first and second quarters of 1985, did not specify any quantities.

*** was the purchaser cited in one sales offer instance, which was for delivery of an unspecified amount of cold-rolled sheets in ***. *** alleged that in this instance their net realized f.o.b. price of $*** per ton was competing against a delivered price of $*** per ton for the Finnish sheets. ***, steel buyer for the firm, stated that ***.

*** was the purchaser cited in the other sales offer instance, which was for delivery of an unspecified amount of cold-rolled sheets in ***. *** alleged that in this instance their net realized f.o.b. price of $*** per ton was competing against a delivered price of $*** per ton for the Finnish sheets. ***, steel buyer for the firm, stated that ***.

Romania.--U.S. producers did not report any specific allegations in which they sold cold-rolled carbon steel sheets at reduced prices due to competition from imports of such merchandise from Romania.

Sweden.--U.S. producers did not report any specific allegations in which they sold cold-rolled carbon steel sheets at reduced prices due to competition from imported cold-rolled sheets from Sweden. Again, however, *** provided the Commission with one instance in which its cold-rolled sheets and Swedish sheets were being offered for sale to the same customer. This single instance, which covered the second quarter of 1985, did not specify any quantities. *** was the purchaser cited in this instance, which involved a minimum of *** tons of cold-rolled sheets for delivery in the second quarter of 1985. *** reported offering its discounted price of $*** per ton against an alleged $*** per ton for the Swedish sheets. ***, steel purchaser for the firm, stated that ***.

Venezuela.--U.S. producers did not report any specific allegations in which they sold cold-rolled carbon steel sheets at reduced prices due to competition from imports of cold-rolled carbon steel sheets from Venezuela. *** again provided the Commission with one instance in which its cold-rolled sheets and Venezuelan sheets were being offered for sale to the same customer--***. This instance involved a minimum of *** tons of cold-rolled sheets for delivery in the first quarter of 1985. *** reported offering its discounted price of $*** per ton against an alleged $*** per ton for the Venezuelan sheets. *** stated that ***.

1/ As indicated previously, the Commission's investigations concerning imports from Finland were terminated.

Transportation costs 1/

Five domestic producers, with mills located in *** reported relevant transportation data for cold-rolled sheets. No importers provided data.

Distance shipped and transport mode used.--Data on distance shipped and mode used are presented, by firm and mill location, in table III-14. Although no common pattern characterizes distance shipped, truck transport was the dominant mode used for 10 of the 11 mills providing such data. In 1983, *** percent or more of eight mills' shipments of cold-rolled sheets were by truck; the remaining three firms shipped *** percent, *** percent, and *** percent of their respective shipments of cold-rolled sheets by truck. The pattern of distances shipped by the 11 reporting cold-rolled sheet mills varies. Shipments to purchasers within a 200-mile radius or less range from *** percent (***'s *** mill) to *** percent (***'s *** mill). Shipments to purchasers located 200 to 500 miles from the respective mills range from *** percent (***'s *** mill) to *** percent (***'s *** mill) of total cold-rolled sheet shipments. Shipments to locations over 500 miles from these mills range from *** percent (***'s *** mill) to *** percent (***'s *** mill).

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

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

In an attempt to make some comparisons of freight costs incurred by domestic mills versus those incurred by vendors of imported cold-rolled sheets, the staff contacted purchasers located in various markets. Facts on competitive freight cost advantages and disadvantages of buying imported

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1/ The information in this section was obtained by the Commission from questionnaires returned in connection with investigations Nos. 731-TA-169, 171, 175, 177, 178, 180, and 182 (Final), Certain Carbon Steel Products From Argentina, Australia, Finland, and Spain. See section I of this report for an explanation of the importance of transportation factors in the steel industry and the types of data requested by the Commission in those questionnaires.

Table III-14.--Cold-rolled carbon steel sheets: Distance shipped and transport mode used, as a share of 1983 shipments, by firms and by mill locations

* * * * * * *

Table IV-15.--Cold-rolled carbon steel sheets: Transportation costs to specific market areas, by truck and rail, by firms and by mill locations, 1983

* * * * * * *

cold-rolled carbon steel sheets, as related by one specific purchaser, are sketched below; more facts relevant to purchases of carbon steel products in general are presented in part I of this report.

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

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

PART IV. GALVANIZED CARBON STEEL SHEETS

Introduction

This part of the report presents information relating specifically to galvanized carbon steel sheets. As indicated previously, the Commission instituted the following preliminary investigations 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 galvanized carbon steel sheets:

Countervailing duty investigations:
Austria (investigation No. 701-TA-233 (Preliminary)) and
Venezuela (investigation No. 701-TA-234 (Preliminary)); and

Antidumping investigations:
Austria (investigation No. 731-TA-230 (Preliminary)),
East Germany (investigation No. 731-TA-231 (Preliminary)),
Romania (investigation No. 731-TA-232 (Preliminary)), and
Venezuela (investigation No. 701-TA-233 (Preliminary)).

The Products

Description and uses

For purposes of these investigations, galvanized carbon steel sheets are defined as carbon steel flat-rolled products which have been coated or plated with zinc; under 0.1875 inch in thickness; whether or not corrugated or crimped; in coils or cut to length; over 12 inches in width; not cut, not pressed, and not stamped to nonrectangular shape; as provided for in items 608.0730, 608.1310, 608.1320, and 608.1330 of the TSUSA.

Galvanized carbon steel sheets are coated or plated with zinc for protection against corrosion. The two principal methods for galvanizing sheets are the electrolytic and continuous hot-dip galvanizing processes. In electrolytic coating, the steel sheets are covered with zinc by means of an electric current. They are referred to as cold or electrogalvanized sheets and have a uniform dull gray matte appearance. Continuous hot-dip galvanizing is the more widely used galvanizing process. In this operation, coils are passed continuously through a bath of molten zinc, with the trailing end of one coil being joined to the leading end of the next coil. The sheets most commonly used in this process are cold-rolled sheets in coil form, although hot-rolled pickled sheets are sometimes used. In a typical continuous hot-dip galvanizing process, the sheets are uncoiled and cleaned to provide for better zinc adherence. This cleaning can be either acid or alkaline. The sheets are heated in an annealing furnace to provide the appropriate physical properties and dipped into a hot-dip zinc pot. As the sheets surface, an air wipe is used to control the thickness of the zinc coating. The zinc cools and solidifies before receiving a chemical treatment to prevent surface stains. The sheets are then recoiled or cut to length.

SSC's, the automotive industry, and the construction industry are the principal consumers of galvanized sheets, accounting for approximately 33, 29, and 27 percent, respectively, of total shipments in 1983 (table IV-1).

Table IV-1.--Galvanized carbon steel sheets: U.S. producers' shipments, by major markets, 1981-83, January-June 1983, and January-June 1984

Market	1981	1982	1983	January-June--	
				1983	1984
	Quantity (1,000 tons)				
Steel SSC's	1,817	1,631	1,993	1,000	1,066
Automotive	1,161	1,157	1,749	724	1,118
Construction and contractors' products	1,911	1,399	1,625	807	831
All other	913	932	760	400	389
Total	5,802	5,119	6,127	2,931	3,404
	Percent of total				
Steel SSC's	31.3	31.9	32.5	34.1	31.3
Automotive	20.0	22.6	28.5	24.7	32.8
Construction and contractors' products	32.9	27.3	26.5	27.5	24.4
All other	15.8	18.2	12.5	13.6	11.4
Total	100.0	100.0	100.0	100.0	100.0

Source: American Iron & Steel Institute.

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

U.S. tariff treatment

As previously mentioned, imports of galvanized carbon steel sheets are classified for tariff purposes under TSUSA items 608.0730, 608.1310, 608.1320, and 608.1330. The current U.S. rates of duty and the final column 1 MTN concession rate for such imports are shown in table IV-2. Imports of galvanized carbon steel sheets are not eligible for duty-free treatment under the Generalized System of Preferences. Imports of these products from CBI countries are eligible for duty-free treatment and imports from LDDC's are granted the preferential rates shown. An explanation of the applicability of column 1, column 2, CBI, and LDDC rates of duty is presented in part I of this report.

Table IV-2.--Galvanized carbon steel sheets: U.S. rates of duty, as of Jan. 1, 1980, Jan. 1, 1985, and Jan. 1, 1987

(Cents per pound; percent ad valorem)

TSUSA item No.	Article	Rate of duty			
		Col. 1			Col. 2
		Jan. 1, 1980 1/	Jan. 1, 1985	Jan. 1, 1987 2/	
608.0730	Galvanized carbon steel sheets valued not over 10¢ per pound.	9%	6.7%	5.5%	0.2¢ + 20%.
608.1300	Galvanized carbon steel sheets valued over 10¢ per pound. 3/	0.1¢ + 8%	7.2%	6.5%	21.5%.

1/ Rate of duty prior to Tokyo-round concessions.

2/ This is also the LDDC rate.

3/ The statistical breakouts for TSUS item 608.13 identify painted or varnished galvanized sheets (item 608.1310), other galvanized sheets having a minimum yield point of 40,000 psi (item 608.1320), and other galvanized sheets having a yield point of less than 40,000 psi (item 608.1330).

In addition to import duties, countervailing duties are currently in effect with respect to imports from Korea, South Africa, and Spain. 1/ In other actions in recent years, the Commission determined that there was no reasonable indication that an industry in the United States was materially injured, or threatened with material injury, by reason of imports (alleged to be both subsidized and sold in the United States at LTFV) from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany.

Galvanized sheets are included in the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the Arrangement, exports from the EC to the United States of 10 categories of steel products are to be limited to specified shares of apparent U.S. consumption from November 1, 1982, through December 31, 1985. Galvanized carbon steel sheets are included in a category in which exports are limited to 3.27 percent of consumption.

1/ Dumping margins for current investigations, outstanding countervailing duty orders issued since January 1983, and terminated (other than negative) title VII cases since January 1983 are presented in table IV-3. The weighted-average subsidies for other countries are 10.12 percent for Spain and 0 percent for South Africa.

Table IV-3.—Galvanized carbon steel sheets: Pending title VII investigations, outstanding countervailing orders since January 1983, and terminated (other than negative) title VII cases since January 1983, most recent dumping/subsidy margins, by countries and by firms, 1981-83, January-September 1983, and January-September 1984

Investigation/ order/country and firm	Weighted-average margin	Date of bond or order 1/	Ratio of imports to apparent U.S. consumption				
			1981	1982	1983	Jan.-Sept.—	
						1983	1984
	Percent		Percent				
Pending antidumping investigations:							
Austria	2/	2/	3/	3/	3/	.0	.2
East Germany	2/	2/	.0	.0	.1	3/	.2
Romania	2/	2/	.0	.0	.0	.0	.1
Venezuela	2/	2/	.0	3/	.1	3/	.3
Pending countervailing investigations:							
Austria	4/	4/	3/	3/	3/	.0	.2
Venezuela	4/	4/	.0	3/	.1	3/	.3
Outstanding countervailing order:							
Republic of Korea:		Feb. 18, 1983	.5	.7	1.8	1.6	1.8
POSCO	1.74	do					
Dongjin	1.74	do					
Union Steel	1.36	do					
All other	1.74	do					
Terminated antidumping investigations:							
Australia 5/	38.22	July 25, 1984	0.7	0.6	1.3	1.4	1.5
Spain: 5/		July 25, 1984	.3	.4	.8	.8	1.1
Ensidesa	19.52	do					
AHV	24.38	do					
All other	21.48	do					
Terminated countervailing investigation: Mexico 6/	4.98	Feb. 10, 1984	3/	.1	.8	.8	.9

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 a requirement for the posting of bond.

3/ Less than 0.05 percent.

4/ This is one of the instant investigations. To date, there is no determination of imports of products receiving countervailable subsidies nor a requirement for the posting of bond.

5/ Terminated Jan. 22, 1985, following withdrawal of the petition.

6/ Terminated Apr. 18, 1984, following withdrawal of petition after Mexico announced the implementation of an export restraint policy. This case was filed only with the Commerce Department because no injury determination was required.

Finally, in January 1985 the Commission terminated final antidumping investigations concerning galvanized sheets from Australia and Spain (investigations Nos. 731-TA-178 (Final) and 731-TA-180 (Final)) following withdrawal of the petitions.

U.S. Producers

There are about 16 firms in the United States that have the capacity to produce galvanized carbon steel sheets. Their names and plant locations are shown in the following tabulation:

Firm	Location
Armco	Ashland, KY
	Middletown, OH
Atlantic Steel Co	Atlanta, GA
Bethlehem	Lackawanna, NY
	Sparrows Point, MD
Cyclops	Dover, OH
	Mansfield, OH
	New Haven, CT
Dolan Steel Co	Bridgeport, CT
Greer Steel Co	Dover, OH
	Ferndale, MI
Inland	East Chicago, IN
Interlake	Chicago, IL
LTV	East Chicago, IN
	Cleveland, OH
	Gadsden, AL
	Hennepin, IL
	Pittsburgh, PA
	Warren, OH
National	Granite City, IL
	Mansfield, OH
	Portage, IN
Pinole Point Steel Co	Richmond, CA
Pittsburgh-Canfield Co	Canfield, OH
Sharon Steel Co	Hubbard, OH
	Sharon, PA
U.S. Steel	Cleveland, OH
	Dravosburg, PA
	Fairfield, AL
	Fairless Hills, PA
	Farrell, PA
	Gary, IN
	Pittsburg, CA
Weirton	Weirton, WV
Wheeling-Pittsburgh	Martins Ferry, OH
	Steubenville, OH

The seven largest integrated producers account for the bulk of U.S. production of galvanized sheets, as shown in the following tabulation, which shows the principal producers and each firm's share of total U.S. producers' shipments of galvanized carbon steel sheets (as reported by AISI) in 1983:

Firm	Share of shipments (percent)
Armco	***
Bethlehem	***
Inland	***
LTV 1/	***
National 2/	***
U.S. Steel	***
Wheeling-Pittsburgh	***
Total	***

1/ The share of 1983 producers' shipments is for J&L and Republic combined.
2/ The share of 1983 producers' shipments includes the Weirton, WV, plant.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 20 firms that imported galvanized carbon steel sheets from Austria, East Germany, Romania, and Venezuela during October 1983-September 1984. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of galvanized sheets decreased from 7.0 million tons in 1981 to 6.3 million tons in 1982, but then rose to 7.9 million tons in 1983. Apparent consumption of galvanized sheets during January-September 1984, at 7.0 million tons, was 23 percent greater than consumption during January-September 1983 (table IV-4). According to industry sources, the increase in apparent consumption during 1983 and 1984 was due primarily to increasing demand in the automotive industry. Imports took an increasing share of the U.S. market, rising from 18.2 percent of consumption in 1981 to 22.5 percent in 1983 and 29.2 percent in January-September 1984.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of galvanized carbon steel sheets, as reported in responses to the Commission's questionnaires, fell sharply from 5.2 million tons in 1981 to 4.2 million tons in 1982, and then rose to 5.3 million tons in 1983; such production during January-June 1984, at 3.0 million tons, was

Table IV-4.--Galvanized carbon steel sheets: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1981	5,802	1,283	50	7,035	22.1	18.2
1982	5,119	1,183	21	6,281	23.1	18.8
1983	6,127	1,771	35	7,863	28.9	22.5
Jan.-Sept--						
1983	4,477	1,235	27	5,685	27.6	21.7
1984	4,959	2,033	23	6,969	41.0	29.2

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

19 percent greater than production during January-June 1983 (table IV-5). Productive capacity remained essentially constant at 7.2 million to 7.3 million tons per year during the periods covered by this report. Capacity utilization, which decreased from 70.3 percent in 1981 to 57.5 percent in 1982, increased to 72.8 percent in 1983 and 81.8 percent during January-June 1984.

Table IV-5.--Galvanized carbon steel sheets: U.S. production, capacity, 1/ and capacity utilization, 2/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Production-------1,000 short tons--	5,150	4,207	5,258	2,516	2,999
Capacity----------do----	7,329	7,321	7,223	3,629	3,668
Capacity utilization------percent--	70.3	57.5	72.8	69.3	81.8

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

2/ U.S. producers submitting usable data together accounted for 84 percent of total shipments of galvanized sheets in 1983, as reported by the American Iron & Steel Institute.

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

Four firms, accounting for about 33 percent of U.S. production in 1983, provided information concerning their production of galvanized carbon steel sheets for the January-September periods of 1983 and 1984. These firms' aggregate production of galvanized sheets increased by about 13 percent in January-September 1984, compared with their production in the corresponding period of 1983. During the same period, the four firms' capacity to produce galvanized sheets declined by 3 percent. With the increase in production and decrease in capacity, utilization of production capacity increased from 54 percent to 61 percent, as shown in the following tabulation:

Item	January-September 1983	January-September 1984
Production---------1,000 short tons--	1,482	1,668
Capacity----------do-----	2,752	2,740
Capacity utilization--------percent--	54	61

U.S. producers' domestic shipments

U.S. producers' domestic shipments of galvanized sheets, as reported in responses to the Commission's questionnaires, decreased from 4.5 million tons in 1981 to 3.9 million tons in 1982, and then increased to 4.7 million tons in 1983; such shipments during January-June 1984, at 2.7 million tons, were 18 percent greater than in the period a year earlier (table IV-6).

Table IV-6.--Galvanized carbon steel sheets: U.S. producers' domestic shipments, 1/2/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Quantity---------1,000 short tons--	4,472	3,879	4,705	2,247	2,660
Value-----------million dollars--	2,437	2,098	2,516	1,181	1,496
Unit value 3/----------per ton--	$545	$541	$535	$526	$562

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

2/ Excludes intercompany and intracompany transfers.

3/ Calculated from unrounded numbers.

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

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

	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
1981	5,802	5,047	87
1982	5,119	4,336	85
1983	6,127	5,171	84
January-June--			
1983	2,931	2,495	85
1984	3,404	2,920	86

1/ Including exports and intercompany and intracompany transfers.

During January-September 1984, domestic shipments, as reported by four firms, increased by 16 percent compared with the level of their shipments in the corresponding period of 1983, as shown in the following tabulation:

Item		January-September 1983	January-September 1984
Quantity	1,000 short tons	1,343	1,556
Value	million dollars	667	840

U.S. producers' exports

U.S. producers' exports of galvanized sheets, as reported in responses to the Commission's questionnaires, decreased from *** tons in 1981 to *** tons in 1982 and *** tons in 1983; however, producers' exports during January-June 1984, at *** tons, were 187 percent greater than in the period a year earlier (table IV-7).

Table IV-7.--Galvanized carbon steel sheets: U.S. producers' export shipments, 1/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June-- 1983	January-June-- 1984
Quantity (short tons)	***	***	***	***	***
Value (1,000 dollars)	***	***	***	***	***
Unit value (per ton)	***	***	***	***	***

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

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

During January-September 1984, exports of galvanized sheets, as reported by four producers, increased nearly thirteenfold compared with exports during the corresponding period of 1983, as shown in the following tabulation:

Item	January-September 1983	January-September 1984
Quantity--------short tons--	***	***
Value--------1,000 dollars--	***	***

U.S. producers' inventories

End-of-period inventories of galvanized sheets, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1980-83 and January-June 1984. Such inventories were equal to 7 to 9 percent of the responding producers' (annualized) shipments in each of those periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of tons):

	Inventories
As of Dec. 31--	
1980--------	366
1981--------	470
1982--------	341
1983--------	427
As of June 30--	
1983--------	361
1984--------	507

Inventories of galvanized sheets reported by four producers increased from 197,000 tons as of September 30, 1983, to 231,000 tons as of September 30, 1984. Such inventories as a share of their annualized shipments remained virtually unchanged over the period, as shown below:

Item	As of Sept. 30-- 1983	1984
Inventories--------1,000 short tons--	197	231
Ratio of inventories to annualized shipments-----percent--	10.1	10.3

U.S. employment, wages, and productivity

Data on U.S. employment, wages, and productivity in establishments producing galvanized carbon steel sheets, as reported in responses to the Commission's questionnaires, are provided in table IV-8 (number of employees and hours worked by production and related workers) and table IV-9 (wages and

Table IV-8.--Average number of employees, total and production and related workers, in U.S. establishments producing galvanized carbon steel sheets, and hours paid 1/ for the latter, 2/ 3/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Average employment:					
All employees:					
Number	194,864	147,253	135,697	131,631	140,049
Percentage change 4/	5/	-24.4	-7.8	-10.6	3.2
Production and related workers producing--					
All products:					
Number	162,514	118,800	110,699	107,916	119,479
Percentage change 4/	5/	-26.9	-6.8	-9.2	7.9
Galvanized sheets:					
Number	14,568	12,837	13,556	13,087	14,686
Percentage change 4/	5/	-11.9	5.6	1.9	8.3
Hours worked by production and related workers producing--					
All products:					
Number-------1,000 hours--	323,958	225,242	223,353	108,146	126,272
Percentage change	5/	-30.5	-0.8	5/	16.8
Galvanized sheets:					
Number-------1,000 hours--	28,391	24,616	27,053	12,992	15,175
Percentage change	5/	-13.3	9.9	5/	16.8

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

2/ Nonproduct-specific data may be overstated since a multipurpose questionnaire was used which requested total employment and production and related workers information for all products manufactured in establishments producing any of the subject products of the investigations covered in this report (not just galvanized-sheet-producing establishments).

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

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

5/ Not available.

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

Table IV-9.--Wages and total compensation 1/ paid to production and related workers in establishments producing galvanized carbon steel sheets 2/ and labor productivity, hourly compensation, and unit labor costs in the production of galvanized sheets, 3/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Wages paid to production and related workers producing--					
All products:					
Value----million dollars--	4,963	3,728	3,265	1,576	1,937
Percentage change----------	4/	-24.9	-12.4	4/	22.9
Galvanized sheets:					
Value----million dollars--	431	380	396	189	225
Percentage change----------	4/	-11.8	4.2	4/	19.0
Total compensation paid to production and related workers producing--					
All products:					
Value----million dollars--	6,512	5,240	4,987	2,450	2,698
Percentage change----------	4/	-19.5	-4.8	4/	10.1
Galvanized sheets:					
Value----million dollars--	565	556	592	291	318
Percentage change----------	4/	-1.6	6.5	4/	9.3
Labor productivity:					
Quantity-----tons per hour--	0.1569	0.1474	0.1679	0.1659	0.1734
Percentage change 5/--------	4/	-6.1	13.9	12.6	3.3
Hourly compensation: 6/					
Value-------------per hour--	$15.17	$15.42	$14.62	$14.58	$14.83
Percentage change 5/--------	4/	1.6	-5.2	-5.4	1.4
Unit labor costs: 7/					
Value-------------per ton--	$126.84	$153.16	$130.38	$134.86	$120.96
Percentage change 5/--------	4/	20.8	-14.9	-11.9	-7.2

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

2/ Nonproduct-specific data may be overstated since a multipurpose questionnaire was used which requested total production and related workers information for all products manufactured in establishments producing any of the subject products of the investigations covered in this report (not just galvanized-sheet-producing establishments).

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

4/ Not available.

5/ Percentage change for each January-June period is calculated using the data for the prior complete year.

6/ Based on wages paid excluding fringe benefits.

7/ Based on total compensation paid.

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

total compensation 1/ paid to production and related workers, labor productivity, hourly compensation, and unit labor costs). The ratio of total production and related workers to total employees ranged from a low of 81 percent in 1982 to a high of 85 percent during January-June 1984; production and related workers producing galvanized sheets accounted for 9 percent (1981) to 12 percent (1983, January-June 1983, and January-June 1984) of total production and related workers.

The average number of production and related workers producing galvanized carbon steel sheets fell by 12 percent in 1982, but rose 6 percent in 1983 to 13,556 and by another 8 percent, to 14,686, in January-June 1984. Similarly, hours worked by these workers, which dropped by 13 percent in 1982, rose by 10 percent in 1983 and by 17 percent during January-June 1984 (compared with the period a year earlier).

The average wage for production and related workers producing galvanized sheets, which was $15.17 per hour in 1981, rose by 2 percent in 1982, dropped by 5 percent in 1983, and then rose by 1 percent to $14.83 per hour during January-June 1984. Labor productivity, which was 0.16 ton of galvanized sheets produced per hour worked during 1981, decreased by 6 percent in 1982 and then increased by 14 percent in 1983 and an additional 3 percent during January-June 1984. Unit labor costs increased by 21 percent in 1982 to $153 per ton and then decreased by 15 percent in 1983 and an additional 7 percent during January-June 1984.

Four firms, accounting for about 33 percent of production, provided the following data concerning employment in producing galvanized carbon steel sheets during January-September 1983 and January-September 1984:

Item	January-September 1983	January-September 1984
Average number of production and related workers	6,120	6,743
Hours worked---1,000 hours	9,323	10,634
Wages paid---million dollars	125	157
Total compensation---do	205	208
Labor productivity---tons per hour	0.1590	0.1569
Hourly compensation	$13.43	$14.81
Unit labor costs---per ton	$138.41	$124.98

The total number of production and related workers engaged in producing galvanized carbon steel sheets by these firms increased by 10 percent from January-September 1983 to January-September 1984. The productivity of such employees, as measured by tons produced per hour, decreased by about 1 percent, and their average hourly total compensation (wages plus fringe benefits) decreased by 11 percent. As a result of the sharp drop in hourly

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

total compensation, the unit labor costs of these four firms declined by 10 percent from January-September 1983 to January-September 1984.

Financial experience of U.S. producers

Operations on galvanized carbon steel sheets.--Income-and-loss data were received from nine firms, accounting for 82 percent of total shipments of galvanized carbon steel sheets (as reported by AISI) in 1983. These data are presented in table IV-10. The nine responding producers' net sales of such merchandise declined from *** in 1981 to *** in 1982, or by 15 percent, and then rose in 1983 to the 1981 level of sales. During the interim period ended June 30, 1984, net sales rose by 29 percent to $1.7 billion, compared with $1.3 billion in the corresponding period of 1983.

The nine firms sustained aggregate operating losses during 1981-83. Such losses were ***, or *** percent of sales, in 1981 and 1983, and ***, or *** percent of net sales, in 1982. However, during the interim period ended June 30, 1984, the financial condition of responding producers improved dramatically as they reported an aggregate operating income of $136 million, or 8.2 percent of net sales, compared with an operating loss of $73 million, or 5.6 percent of net sales, in the interim period of 1983. During the interim period ended June 30, 1984, only one firm reported an operating loss, compared with six firms in 1981, eight in 1982, four in 1983, and eight in the interim period of 1983. In the aggregate, the nine responding firms experienced negative cash flows of *** in 1982 and $36 million in the interim period ended June 30, 1983, compared with positive cash flows of *** in 1981, *** in 1983, and $180 million in the interim period ended June 30, 1984.

Four firms, accounting for about 33 percent of U.S. production, provided information concerning their financial experience for the interim periods ending September 30, 1983, and September 30, 1984. The information provided by these firms shows total net sales increasing by 24 percent and the ratio of operating income to net sales improving from a loss of 11.1 percent during interim 1983 to a profit of 6.0 percent during interim 1984, as shown below:

Item	Interim period ending Sept. 30-- 1983	1984
Net sales----------million dollars--	726	900
Cost of goods sold----------do----	786	821
Gross profit or (loss)----------do----	(59)	79
General, selling, and administrative (GSA) expenses--------million dollars--	21	24
Operating income or (loss)----------do----	(80)	54
Depreciation and amortization------do----	16	20
As a percent of net sales:		
Cost of goods sold----------percent--	108.2	91.1
Gross profit or (loss)----------do----	(8.2)	8.8
GSA expenses----------do----	2.9	2.7
Operating income or (loss)-------do----	(11.1)	6.0

Table IV-10.--Income-and-loss experience of 9 U.S. producers 1/ on their operations producing galvanized carbon steel sheets, 2/ accounting years 1981-83 and interim periods ended June 30, 1983, and June 30, 1984

Item	1981	1982	1983	Interim period ended June 30--	
				1983	1984
Net sales-------million dollars--	***	***	***	1,291	1,664
Cost of goods sold---------do----	***	***	***	1,316	1,471
Gross profit or (loss)-----do----	***	***	***	(25)	193
General, selling, and administrative expenses-------do----	***	***	***	48	57
Operating income or (loss) 3/----------do----	***	***	***	(73)	136
Depreciation and amortization expense included above 4/----------do----	***	***	***	37	44
Cash flow or (deficit) from operations 4/-------do----	***	***	***	(36)	180
As a share of net sales:					
Gross profit or (loss) percent--	***	***	***	(1.9)	11.6
Operating income or (loss) percent--	***	***	***	(5.6)	8.2
Cost of goods sold-------do----	***	***	***	101.9	88.4
General, selling, and administrative expenses----percent--	***	***	***	3.7	3.4
Number of firms reporting operating losses----------	6	8	4	8	1

1/ A division of National Steel Corp. was purchased by its employees and become a separate entity called Weirton Steel Corp. in January 1984. Hence, technically, there are 10 producers reporting data in 1984.

2/ U.S. producers submitting usable data together accounted for 82.2 percent of total shipments of galvanized carbon steel sheets in 1983, as reported by the American Iron & Steel Institute.

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

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

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

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

	Capital expenditures	Research and development expenses
1981	***	***
1982	***	***
1983	***	***
January-June--		
1983	4,802	1/ 2,699
1984	2/ 12,970	1/ 2,742

1/ Data are for 3 firms.
2/ Data are for 4 firms, ***.

Total capital expenditures declined from *** in 1981 to *** in 1982, and then rose over two and one-half times to *** in 1983, largely because *** reported almost *** in such expenses in that year. During January-June 1984, capital expenditures rose by 170 percent to $13.0 million, largely because of increased expenditures by *** and the inclusion of *** incurred by ***, compared with $4.8 million in January-June 1983. Research and development expenses dropped from *** in 1981 to *** in 1983 and remained at about $2.7 million during January-June of both 1983 and 1984.

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

Consideration factors

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

U.S. importers' inventories

The Commission requested the major importers of galvanized carbon steel sheets from the countries under investigation to provide information concerning their imports and inventories. The importers reported information only for January-September 1984; such data are shown below:

Country	Imports 1/	Ratio of reported imports to total imports	Inventories 1/	Ratio of inventories to reported imports
	Short tons	Percent	Short tons	Percent
Austria	***	***	***	***
East Germany	***	***	***	***
Romania	***	***	***	***
Venezuela	***	***	***	***

1/ As reported by questionnaire respondents.

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

U.S. imports and market penetration

Imports from all sources.--Aggregate U.S. imports of galvanized carbon steel sheets increased irregularly from 1.3 million tons in 1981 to 1.8 million tons in 1983; during January-September 1984, such imports amounted to 2.0 million tons--65 percent more than such imports a year earlier (table IV-11). Total imports of galvanized sheets, as a share of the U.S. market, increased steadily from 18.2 percent in 1981 to 29.2 percent in January-September 1984 (table IV-12). The largest foreign suppliers of galvanized sheets to the U.S. market in 1983 were Japan, Canada, West Germany, Korea, and Australia, as shown in the following tabulation (in percent of total imports):

Country	Share of total imports
Japan	48.4
Canada	9.8
West Germany	8.4
Korea	8.1
Australia	5.6
South Africa	4.4
Spain	3.6
All other	11.7
Total	100.0

Table IV-11.--Galvanized carbon steel sheets: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 short tons)				
Austria	1	2/	2/	0	15
East Germany	0	0	4	2	17
Romania	0	0	0	0	8
Venezuela	0	2/	7	2/	23
Australia	48	36	99	78	102
Spain	19	27	63	46	80
Japan	752	662	857	603	1,065
Canada	140	114	174	123	206
West Germany	123	148	148	93	117
Korea	37	41	144	102	128
South Africa	31	33	79	56	52
All other	134	123	196	132	222
Total	1,283	1,183	1,771	1,235	2,033
	Value (million dollars)				
Austria	3/	3/	3/	-	6
East Germany	-	-	1	3/	5
Romania	-	-	-	-	2
Venezuela	-	3/	3	3/	9
Australia	20	15	37	29	40
Spain	9	12	21	15	28
Japan	360	314	396	278	518
Canada	63	55	80	57	98
West Germany	54	64	61	38	52
Korea	17	18	56	39	53
South Africa	14	14	28	19	20
All other	65	54	78	52	94
Total	602	547	762	527	927

1/ Includes imports under TSUSA items 608.1310, 608.1320, and 608.1330 for January 1983-September 1984 and imports under item 608.1300 for 1981 and 1982. Imports of galvanized sheets under TSUSA item 608.0730 (which are those valued at less than 10 cents per pound) are included within the scope of these investigations, but such imports are believed to be negligible.

2/ Less than 500 short tons.

3/ Less than $0.5 million.

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

Table IV-12.--Galvanized carbon steel sheets: 1/ Ratios of imports from selected sources and U.S. producers' domestic shipments to apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

(In percent)

Item	1981	1982	1983	January-September--	
				1983	1984
Imports from:					
Austria	2/	2/	2/	-	0.2
East Germany	-	-	0.1	2/	.2
Romania	-	-	-	-	.1
Venezuela	-	2/	.1	2/	.3
Australia	0.7	0.6	1.3	1.4	1.5
Spain	.3	.4	.8	.8	1.1
All other	17.2	17.8	20.3	19.5	25.7
Total imports	18.2	18.8	22.5	21.7	29.2
U.S. producers' shipments	81.8	81.2	77.5	78.3	70.8
Total	100.0	100.0	100.0	100.0	100.0

1/ Includes imports under TSUSA items 608.1310, 608.1320, and 608.1330.
2/ Less than 0.05 percent.

Source: Tables IV-4 and IV-11.

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

Imports from Austria.--Imports of galvanized sheets from Austria increased from less than 500 tons annually in 1982 and 1983 to 15,000 tons during January-September 1984. Such imports accounted for 0.2 percent of apparent U.S. consumption in January-September 1984.

Imports from East Germany.--Imports of galvanized sheets from East Germany increased from 4,000 tons in 1983 to 17,000 tons in January-September 1984. Such imports, as a share of apparent U.S. consumption, increased from 0.1 percent in 1983 to 0.2 percent in January-September 1984.

Imports from Romania.--There were no imports of galvanized sheets from Romania during 1981-83. In January-September 1984, 8,000 tons of galvanized sheets from Romania entered the United States. These imports accounted for 0.1 percent of the U.S. market during this period.

Imports from Venezuela.--Imports of galvanized sheets from Venezuela increased from 7,000 tons in 1983 to 23,000 tons in January-September 1984. These imports accounted for 0.1 percent of the U.S. market in 1983 and 0.3 percent in January-September 1984.

Cumulated imports.--Aggregate imports of galvanized sheets from Austria, East Germany, Romania, and Venezuela increased from 11,000 tons in 1983 to 63,000 tons in January-September 1984. Such imports accounted for 0.1 percent of apparent U.S. consumption in 1983 and 0.9 percent of the market in January-September 1984.

According to counsel for the Venezuelan producer and exporters, about two-thirds of the galvanized sheets imported from that country are thin-gauged sheets equivalent to 24 gauge or thinner. 1/ Counsel argues that such galvanized sheets should not be cumulated with imports of galvanized sheets from the other countries under investigation because the galvanized sheets from these other countries are all thicker than those imported from Venezuela. Thus, counsel concludes that these other galvanized sheets do not compete in the U.S. market with imported Venezuelan sheets. 2/

The Commission's staff contacted counsel for the Austrian producer and the major importers of galvanized sheets from East Germany and Romania. They stated that *** of the Austrian or Romanian material was 24 gauge or thinner and that about *** tons of the imported East German galvanized sheets were thin gauge material. 3/

Information concerning the distribution of imports of galvanized sheets by customs districts, as compiled from official statistics of the U.S. Department of Commerce, is presented in the tabulation on the following page.

Prices

Market conditions for products that use galvanized sheets directly affect the price of galvanized sheets. Typical industries which use galvanized sheets are the automobile industry, the construction industry, and the energy and utility industries. For example, the automobile industry now produces cars that use substantially less steel than in the past, a result of downsizing and of substitution of other products for steel. This has reduced the demand for steel sheets and has had a dampening effect on sheet prices. However, automobile production increased during 1983 and 1984 (table II-13), which helped keep the demand and resultant prices for galvanized sheet from declining further. The share of total shipments of galvanized sheets going to that market increased from 20 percent in 1981 to almost 33 percent in the first half of 1984 (table IV-1). Other large users of galvanized sheets include the household appliance industry and the heating and air-conditioning industry. Industrial production in these markets followed trends similar to that of the auto industry--remaining stable during January-September 1981, decreasing in 1982, and then strengthening through 1983 and into 1984.

1/ Letter of Jan. 17, 1985, from counsel for the Venezuelan producer.
2/ Post conference brief of the Venezuelan producer, pp. 14 and 15.
3/ Telephone conversations on Jan. 16, 1985, and Jan. 17, 1985, with the Commission's staff.

Country and customs district	Share of total imports (Percent)	Country and customs district	Share of total imports (Percent)
Austria:		Romania:	
Houston, TX	45.1	Bridgeport, CT	45.0
Bridgeport, CT	19.1	Chicago, IL	29.1
New Orleans, LA	11.7	Mobile, AL	9.4
Savannah, GA	8.5	Savannah, GA	6.2
Providence, RI	8.4	Subtotal	89.7
Subtotal	92.8	All other	10.3
All other	7.2	Total	100.0
Total	100.0		
East Germany:		Venezuela:	
Chicago, IL	33.3	Houston, TX	45.5
New York, NY	32.5	Philadelphia, PA	17.4
Philadelphia, PA	13.8	San Francisco, CA	8.9
Houston, TX	6.5	Los Angeles, CA	8.6
Miami, FL	6.3	New Orleans, LA	8.0
Subtotal	92.4	Miami, FL	6.6
All other	7.6	Wilmington, NC	5.0
Total	100.0	Total	100.0

Prices of galvanized sheets are usually quoted f.o.b. mill in terms of dollars per ton. 1/ Prices consist of a base price for each product plus additional charges for extras such as variations in length, width, thickness, chemistry, and so forth. Price changes are accomplished by changing the base price, the charges for extras, or both. According to industry sources, discounting of prices for some products increased during 1982 compared with that in 1981. Published prices during the period January 1982-September 1984 did not reflect market price reality.

The Commission asked domestic producers and importers for their average net selling prices to SSC's and end users for four specified galvanized sheet products, by quarters, during January 1982-September 1984. 2/ Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in

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

2/ Specifications of the four galvanized sheet products (products 13, 14, 15, and 16) are listed in app. D.

many different transactions and do not include delivery charges. Such data do not provide a viable method for comparing levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect any discounting that may have occurred. Weighted-average prices and indexes of the data so obtained are presented in table IV-13 and IV-14.

Trends in prices of domestic galvanized sheets.--Quarterly net selling prices for galvanized sheet product 13 to SSC's were generally stable except for a 10-percent increase in mid-1982. The initial price of product 13 was $*** dollars per ton in January-March 1982 and the final price was $*** per ton in July-September 1984. Quarterly net selling prices for products 14 and 16 sold to SSC's were stable before increasing during 1984 by 8 percent and 5 percent, respectively. Prices for product 15 decreased through 1983 by 6 percent before increasing in 1984 to a level 9 percent above the initial January-March 1982 price.

Prices of products 13, 15, and 16 to end users generally decreased from 1982 through 1983 before increasing in 1984. The final price increases over the initial prices in January-March 1982 were 5 percent, 4 percent, and 11 percent, respectively. Prices of product 14 fell through April-June 1983 before increasing to slightly below the initial price level.

Trends in prices of imported galvanized sheets.--Few price data were reported by importers of galvanized sheets from the countries subject to these investigations. The information so obtained is shown in tables IV-13 and IV-14 and is discussed, by country of origin of the galvanized sheets, in the following sections.

Austria.--There was only one reported net selling price of imported Austrian galvanized sheets to SSC's and no prices to end users. This price was for a sale of galvanized sheet product 14 in January-March 1984 (table IV-13); the import price was *** percent below the respective domestic price. 1/

East Germany.--No prices were reported for sales of galvanized sheets imported from East Germany to SSC's; however, two prices were reported for sales of galvanized sheet product 16 to end users (table IV-14). These prices were *** and *** percent below the respective domestic prices in those quarters, April-June 1984 and July-September 1984, respectively.

Venezuela.-- Responses to questions concerning quarterly net selling prices of Venezuelan galvanized carbon steel sheets to SSC's were also sparse. Three observations of prices received for sales of galvanized sheet product 13 ranged from $*** to $*** per ton (table IV-13). Two of these import prices were below the weighted-average prices received by U.S. producers and the third was above the domestic price. Product 14's one price observation was *** percent below the domestic price. Product 15 had two price observations,

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1/ As noted earlier, however, these are average prices charged in many different transactions and do not provide a viable method for comparing levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area.

Table IV-13. Galvanized carbon steel sheets sold to SSC's: Weighted-average net selling prices for sales of domestic products and for sales of imports from Austria and Venezuela, and indexes 1/ of those prices, by types of products and by quarters, January 1982-September 1984

Product and period	Sales to SSC's of merchandise from--					
	Domestic firms		Austria		Venezuela	
	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton	
Product 13:						
1982:						
January-March	$***	100	-	-	-	-
April-June	***	105	-	-	-	-
July-September	***	111	-	-	-	-
October-December	***	99	-	-	-	-
1983:						
January-March	***	99	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	96	-	-	-	-
October-December	***	99	-	-	$***	100
1984:						
January-March	***	102	-	-	***	97
April-June	***	102	-	-	-	-
July-September	***	99	-	-	***	117
Product 14:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	103	-	-	-	-
July-September	***	104	-	-	-	-
October-December	***	100	-	-	-	-
1983:						
January-March	***	99	-	-	-	-
April-June	***	100	-	-	-	-
July-September	***	101	-	-	-	-
October-December	***	101	-	-	-	-
1984:						
January-March	***	102	$***	100	***	100
April-June	***	108	-	-	-	-
July-September	***	111	-	-	-	-

See footnote at end of table.

Table IV-13. Galvanized carbon steel sheets sold to SSC's: Weighted-average net selling prices for sales of domestic products and for sales of imports from Austria and Venezuela, and indexes 1/ of those prices, by types of products and by quarters, January 1982-September 1984--Continued

Product and period	Sales to SSC's of merchandise from--					
	Domestic firms		Austria		Venezuela	
	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton	
Product 15:						
1982:						
January-March	$***	100	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	96	-	-	-	-
October-December	***	94	-	-	-	-
1983:						
January-March	***	91	-	-	-	-
April-June	***	92	-	-	-	-
July-September	***	95	-	-	-	-
October-December	***	94	-	-	$***	100
1984:						
January-March	***	97	-	-	***	98
April-June	***	104	-	-	-	-
July-September	***	109	-	-	-	-
Product 16:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	95	-	-	-	-
July-September	***	96	-	-	-	-
October-December	***	97	-	-	-	-
1983:						
January-March	***	93	-	-	-	-
April-June	***	97	-	-	***	100
July-September	***	108	-	-	-	-
October-December	***	98	-	-	-	-
1984:						
January-March	***	101	-	-	-	-
April-June	***	107	-	-	-	-
July-September	***	105	-	-	***	127

1/ First period with data = 100.

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

Table IV-14. Galvanized carbon steel sheets sold to end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Venezuela and East Germany, and indexes 1/ of those prices, by types of products and by quarters, January 1982-September 1984

Product and period	Sales to end users of merchandise from--					
	Domestic firms		Venezuela		East Germany	
	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton	
Product 13:						
1982:						
January-March	$***	100	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	98	-	-	-	-
October-December	***	97	-	-	-	-
1983:						
January-March	***	93	-	-	-	-
April-June	***	97	-	-	-	-
July-September	***	98	-	-	-	-
October-December	***	97	-	-	-	-
1984:						
January-March	***	105	-	-	-	-
April-June	***	103	-	-	-	-
July-September	***	105	-	-	-	-
Product 14:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	94	-	-	-	-
October-December	***	92	-	-	-	-
1983:						
January-March	***	88	-	-	-	-
April-June	***	89	-	-	-	-
July-September	***	98	-	-	-	-
October-December	***	98	-	-	-	-
1984:						
January-March	***	99	-	-	-	-
April-June	***	102	-	-	-	-
July-September	***	97	-	-	-	-

See footnote at end of table.

Table IV-14. Galvanized carbon steel sheets sold to end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Venezuela and East Germany, and indexes 1/ of those prices, by types of products and by quarters, January 1982-September 1984--Continued

Product and period	Sales to end users of merchandise from--					
	Domestic firms		Venezuela		East Germany	
	Amount	Index	Amount	Index	Amount	Index
	Per ton		Per ton		Per ton	
Product 15:						
1982:						
January-March	$***	100	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	96	-	-	-	-
October-December	***	94	-	-	-	-
1983:						
January-March	***	91	-	-	-	-
April-June	***	95	-	-	-	-
July-September	***	103	-	-	-	-
October-December	***	93	-	-	-	-
1984:						
January-March	***	102	-	-	-	-
April-June	***	104	-	-	-	-
July-September	***	104	-	-	-	-
Product 16:						
1982:						
January-March	***	100	-	-	-	-
April-June	***	102	-	-	-	-
July-September	***	100	-	-	-	-
October-December	***	98	-	-	-	-
1983:						
January-March	***	96	-	-	-	-
April-June	***	98	-	-	-	-
July-September	***	100	-	-	-	-
October-December	***	98	-	-	-	-
1984:						
January-March	***	103	-	-	-	-
April-June	***	109	$***	100	$***	100
July-September	***	111	-	-	***	96

1/ First period with data = 100.

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

which were *** and *** percent below the respective domestic prices. Product 16 also had two price observations, which were *** percent below and *** percent above the respective domestic prices.

There was one quarterly net selling price of Venezuelan galvanized sheets sold to end users. The single price was for product 16, and it was *** percent below the respective weighted-average domestic price (table IV-14).

Lost sales

Austria.--U.S. producers did not report any allegations of sales of galvanized carbon steel sheets lost to imports from Austria.

East Germany.--*** provided the Commission with one specific allegation of a lost sale of galvanized sheets to imports from East Germany. *** was cited in this single allegation, which involved *** tons during February 1984. *** stated that ***.

Romania.--*** provided the Commission with one specific allegation of a lost sale of galvanized sheets to imports from Romania. *** was cited in this single allegation, which involved *** tons during October 1984. *** stated that ***.

Venezuela.--*** provided the Commission with one specific allegation of a lost sale of galvanized sheets to imports from Venezuela. *** was cited in this single allegation, which involved *** tons during September 1983. *** stated that ***.

Lost revenue

Austria.--U.S. producers did not report any specific instances in which they sold galvanized carbon steel sheets at reduced prices because of competition from galvanized sheets imported from Austria.

East Germany.--*** reported two specific instances in which it allegedly sold galvanized sheets at reduced prices due to competition from East Germany. The two allegations, which involved ***, amounted to *** tons of galvanized sheets sold during the fourth quarter of 1984. *** was cited in both lost revenue allegations, one involving *** tons of galvanized sheets and the other *** tons. Both sales occurred during the fourth quarter of 1984. *** stated that in the first instance his firm ***. In the second instance, *** stated that his firm ***. According to ***, in both instances the U.S. producer ***.

*** provided the Commission with one instance in which its galvanized sheets and East German sheets were being offered for sale to the same customer. *** was the purchaser cited in this instance, which involved *** tons of galvanized sheets for delivery in the first quarter of 1985. *** reported offering its discounted price of $*** per ton against an alleged $*** per ton for the East German sheets. *** did not want to discuss his firm's purchases over the telephone, but did state that ***.

Romania.--U.S. producers did not report any specific instances in which they sold galvanized carbon steel sheets at reduced prices because of competition from such merchandise imported from Romania.

Venezuela.--*** provided the Commission with one instance in which its galvanized sheets and Venezuelan sheets were being offered for sale to the same customer. *** was the purchaser cited in this instance, which involved an unspecified amount of galvanized sheets for delivery in the first quarter of 1985. *** reported offering its discounted price of $*** per ton against an alleged $*** per ton for the Venezuelan sheets. *** stated that ***.

Transportation costs 1/

Five domestic producers, with mills located in *** reported relevant data on transportation relating to galvanized sheets. No importers provided data on transportation factors.

Distance shipped and transport mode used.--*** percent of ***'s galvanized sheet shipments from *** are to locations 500 miles or less from that plant (table IV-15). About *** percent of these shipments are to purchasers within a radius of 200 miles. Within the latter market area, the ratio of truck to rail usage is almost *** to 1. For distances over 500 miles, the truck to rail ratio falls to *** to 1. Trucks account for a *** to 1 share of distant market shipments from the *** mill.

*** ships *** percent of its galvanized sheets to locations 500 miles or less from its *** mill but *** percent of galvanized sheets shipped from its *** mill fall within that radius. *** percent of such shipments from the *** mill go to locations 500 miles or less distant. Overall, about *** of these galvanized sheets are shipped by truck. ***'s market is *** percent within a radius of 500 miles or less from its *** mill but only *** percent from its *** mill. *** percent of total *** shipments of galvanized sheets is by truck. *** ships *** percent of the *** galvanized sheets by barge. *** sells *** percent of its galvanized sheets to purchasers located 500 miles or less from its *** mill.

Transportation costs to specific market areas.--Five domestic steel producers provided transportation cost data by market area for a total of 11 mills (table IV-16). The geographic breadth of galvanized sheet mill locations creates a diverse pattern of freight costs from different mills to each of the respective market areas. For example, freight costs by truck to the Chicago area from the respondent mills serving that market range from *** percent, or $*** per ton (from ***'s *** mill), to *** percent, or $*** per ton (from ***'s *** mill). To the Philadelphia/New York market, the range is from *** percent, or $*** per ton (from ***'s *** mill) to *** percent, or $*** per ton (from ***'s *** mill). 2/

1/ See sec. I of this report for an explanation of the importance of transportation factors in the steel industry.

2/ Transportation costs from *** mills are higher still--$*** to $*** per ton; however, data are not available on transportation cost as a percent of delivered cost for this company.

Table IV-15.--Galvanized carbon steel sheets: Distance shipped and transport mode used, as a share of 1983 shipments, by firms and by mill locations

* * * * * * *

Table IV-16.--Galvanized carbon steel sheets: Transportation costs to specific market areas, by truck and rail, by firms and by mill locations, 1983

* * * * * * *

The data show that freight cost by rail for long hauls is less costly than by truck. For example, savings amount to about *** percent ($*** per ton) shipping by rail from ***'s *** mill to the Atlanta market area, or *** percent ($*** per ton) shipping by rail from the *** mill to the Houston/New Orleans market. For short hauls, rail can be a more costly mode than truck. For example, freight by truck from *** to Chicago amounts to *** percent of delivered price, or $*** per ton; by rail the cost is *** percent, or $*** per ton.

In an attempt to make some comparisons of freight costs incurred by domestic mills versus those incurred by vendors of imported galvanized sheets, the staff contacted purchasers located in various markets. Facts on competitive freight cost advantages and disadvantages of buying imported carbon steel products as related by specific purchasers are sketched in sections I and III. Freight cost comparisons in terms of dollars per ton are applicable to plates, cold-rolled sheets, galvanized sheets, and structural shapes (except for extra-length structural shapes).

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

PART V. CARBON STEEL STRUCTURAL SHAPES

Introduction

This part of the report presents information relating specifically to carbon steel structural shapes. As indicated previously, the Commission instituted preliminary investigations to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly LTFV imports of carbon steel structural shapes from Norway (investigation. No. 731-TA-234 (Preliminary)) and Poland (investigation No. 731-TA-235 (Preliminary)).

The Products

Description and uses

For purposes of these investigations, carbon steel structural shapes are defined as hot-rolled, forged, extruded, or drawn, or cold-formed or cold-finished, angles, shapes, and sections; not drilled, not punched, and not otherwise advanced; and, if cold formed, weighing over 0.29 pound per linear foot. Such angles, shapes, and sections do not conform completely to the specifications given in the headnotes to schedule 6, part 2 of the TSUS for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rails, joint bars, or tie plates, and do not include any tubular products. The shapes must have a maximum cross-sectional dimension of 3 inches or more and are currently provided for in items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045 of the TSUSA. Structural shapes having a maximum cross-sectional dimension of less than 3 inches are generally referred to as bar-size shapes and are not covered by these investigations.

Carbon steel structural shapes are steel products produced by passing reheated semifinished steel products, such as blooms and billets, through a series of grooved rolls. The rolls gradually shape the products to desired contours and dimensions (making the products identifiable from other finished steel products by their cross-sectional configuration and shape). Usually such products consist of flat surfaces which are shaped into wide-flange beams, H-piles, I-beams, angles, channels, bulb angles, tees, and zees. Standard shapes such as angles, channels, and standard beams are produced on structural mills, with the type of product determined by the shape of the pass grooves. These differ from structural mills used for producing wide-flange beams and H-piles, which are equipped with supplementary vertical rolls and horizontal edging rolls.

Special sections are structural shapes other than regular shapes (e.g., I-beams, wide-flange beams, H-beams, and so forth) which are designed for specialized applications by the purchaser. Such sections are often produced by specially designed rolls and are frequently used as moving parts in complex machinery.

Major markets for carbon steel structural shapes, as reported by AISI, are presented in table V-1. During the periods covered by this report, 49 to 52 percent of shipments have been for construction and contractor's products.

Table V-1.--Carbon steel structural shapes: U.S. producers' shipments, by major markets, 1981-83, January-June 1983, and January-June 1984

Market	1981	1982	1983	January-June-- 1983	January-June-- 1984
	Quantity (1,000 tons)				
Construction and contractor's products	1,928	1,470	1,421	661	821
SSC's	1,056	576	387	186	286
Machinery, industrial equipment, and tools	164	88	54	25	34
Shipbuilding and marine equipment	122	40	32	17	26
All other	692	703	834	432	524
Total	3,962	2,877	2,728	1,321	1,691
	Percent of total				
Construction and contractor's products	48.7	51.1	52.1	50.0	48.6
SSC's	26.6	20.0	14.2	14.1	16.9
Machinery, industrial equipment, and tools	4.1	3.0	2.0	1.9	2.0
Shipbuilding and marine equipment	3.1	1.4	1.2	1.3	1.5
All other	17.5	24.5	30.5	32.7	31.0
Total	100.0	100.0	100.0	100.0	100.0

Source: American Iron & Steel Institute.

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

U.S. tariff treatment

As previously mentioned, imports of carbon steel structural shapes are classified for tariff purposes under TSUSA items 609.8005 (H-piles), 609.8015 (other wide-flange shapes or sections), 609.8035 (angles), 609.8041 (channels), and 609.8045 (all other structural shapes). The current column 1 rate of duty for carbon steel structural shapes is 0.9 percent ad valorem, modified as a result of the Tokyo round of the MTN from the 1-cent-per-pound rate in effect prior to January 1, 1982; there are no further duty modifications scheduled. The current column 2 rate of duty is 2.0 percent ad valorem. Imports of these products from CBI countries are eligible for duty-free treatment. An explanation of the applicability of column 1, column 2, and CBI rates of duty is presented in part I of this report.

In addition to the import duties shown above, countervailing duties are currently in effect with respect to imports from Spain and South Africa and dumping duties are in effect with respect to imports from Canada. In other actions in recent years, the Commission determined that there was no

reasonable indication that an industry in the United States was being materially injured, or threatened with material injury, by reason of imports (alleged to be subsidized) from Brazil.

Petitioners withdrew unfair trade complaints involving structural shapes from Belgium, France, Luxembourg, the United Kingdom, and West Germany to bring into effect the Arrangement Concerning Trade in Certain Steel Products, which was concluded by the European Coal and Steel Community and the United States in October 1982. Under the Arrangement, exports from the EC to the United States of 10 categories of steel products are to be limited to specified shares of apparent U.S. consumption from November 1, 1982, through December 31, 1985. Structural shapes are included in a category in which exports are limited to 9.91 percent of consumption.

The Commission terminated investigation No. 731-TA-182 (Final), Carbon Steel Structural Shapes from Spain, upon receipt of petitioner's (U.S. Steel) letter of withdrawal, dated January 18, 1985.

U.S. Producers

The domestic carbon steel structural shapes industry consists of approximately 18 firms operating a total of 29 facilities. They are widely scattered throughout the United States and produce a variety of shapes in assorted sizes, weights, and dimensions. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of carbon steel structural shapes (as reported by the AISI) in 1983:

Firm	Share of shipments (percent)
Bethlehem	***
Chaparral	***
Inland	***
LTV	***
North Star	***
Northwestern	***
Nucor	***
U.S. Steel	***

As shown, the top five producers accounted for 69 percent of producers' shipments in 1983. Most are equipped not only with standard structural or bar rolls for rolling most standard shapes such as angles, channels, and standard beams, but also with universal structural mills for rolling wide-flange beams and H-piles. Bethlehem and U.S. Steel, are fully integrated firms that roll a wide range of structural shapes. Bethlehem rolls structural shapes at three

locations and U.S. Steel presently rolls structuralshapes at four plants. 1/ Inland, * * *, is a fully integrated producer equipped with one structural mill and four bar mills. Other integrated producers of structural shapes include LTV and CF&I.

The remaining producers, including Nucor and Chaparral--* * *--are nonintegrated producers. These producers are generally small-market mills that roll small angles, channels, and standard beams on an assortment of bar or light-structural mills. Nonintegrated mills are primarily concentrated in the Southern States and represent a growing sector of the domestic steel industry. Principal producers of carbon steel structural shapes and their plant locations are shown in the following tabulation:

Producer	Location
Armco	Houston Works, TX 1/ Middletown, OH
Bethlehem	Bethlehem, PA 1/ Los Angeles, CA Seattle, WA
Atlantic Steel Co	Atlanta, GA
Bayou Steel	LaPlace, LA
BW Steel, Inc. (Calumet Steel Co.)	Chicago Heights, IL
Cascade Steel Rolling Mills (Oregon Div.)	McMinnville, OR
CF&I (Colorado Fuel and Iron)	Pueblo, CO 1/
Chaparral Steel Corp	Midlothian, TX 1/
Conners Steel Co	Birmingham, AL
Continental	Joliet, IL
Florida Steel Co	Jackson, TN
Inland	East Chicago, IN 1/
LTV	Aliquippa, PA
North Star Steel Co	Minneapolis, MN

1/ In September 1981, U.S. Steel closed its 46-inch structural mill at South Works (Illinois) indefinitely and in May 1982, ceased all operations at its Fairfield (Alabama) works, which produced certain structural shapes on a 24-inch structural mill.

Producer	Location
Northwest Steel Rolling Mills, Inc--	Seattle, WA
Northwestern----------	Sterling, IL 1/
Nucor Corp----------	Darlington, SC Norfork, NE Jewett, TX Plymouth, UT
U.S. Steel----------	Homestead, PA 1/ Clairton, PA South Works, IL 1/ Geneva, UT 1/

1/ Facility that can roll wide-flange beams, H-piles, and most standard structural shapes.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 20 firms that imported carbon steel structural shapes from Norway and Poland during October 1983-September 1984. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of carbon steel structural shapes decreased from 6.1 million tons in 1981 to 4.3 million tons in 1982 and 1983; during January-September 1984 such consumption, at 4.1 million tons, was 38 percent greater than that in the period a year earlier (table V-2). As shown in the table, imports took an increasing market share, from 32.1 percent in 1981 to 34.0 percent in 1983 and 41.0 percent in January-September 1984.

Table V-2.--Carbon steel structural shapes: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1981	4,260	1,959	107	6,112	46.0	32.1
1982	2,877	1,462	46	4,293	50.8	34.1
1983	2,902	1,477	37	4,342	50.9	34.0
January-September--						
1983	1,973	1,044	30	2,987	52.9	35.0
1984	2,441	1,685	17	4,109	69.0	41.0

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

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of carbon steel structural shapes, as reported in responses to the Commission's questionnaires, fell sharply from 3.9 million tons in 1981 to 2.6 million tons in 1982, and then decreased slightly to 2.5 million tons in 1983; however, such production during January-June 1984, at 1.6 million tons, exceeded the level of production a year earlier by 37 percent (table V-3). Capacity decreased from 6.6 million tons in 1981 to an annualized 5.6 million tons in January-June 1984. Capacity utilization decreased from 60 percent in 1981 to 40 percent in 1982 and then increased to 41 percent in 1983 and 56 percent in January-June 1984.

Table V-3.--Carbon steel structural shapes: U.S. production, capacity 1/ and capacity utilization, 2/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Production-------1,000 short tons--:	3,933	2,637	2,521	1,153	1,582
Capacity----------do----:	6,558	6,556	6,211	3,086	2,806
Capacity utilization------percent--:	60.0	40.2	40.6	37.4	56.4

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

2/ U.S. producers submitting usable data together accounted for 87 percent of total shipments of structural shapes in 1983, as reported by the American Iron & Steel Institute.

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

Six firms, accounting for approximately 70 percent of U.S. production, provided information concerning their production of carbon steel structural shapes for the periods of January-September 1983 and January-September 1984. These firms reported an increase in production and a decline in capacity during 1984 when compared with the period a year earlier. Consequently, capacity utilization increased in January-September 1984 to 48.0 percent, as shown in the following tabulation:

Item	January-September--	
	1983	1984
Production----------1,000 short tons--:	2,202	2,480
Capacity----------do----:	5,541	5,164
Capacity utilization----------percent--:	39.7	48.0

U.S. producers' domestic shipments

U.S. producers' domestic shipments of carbon steel structural shapes, as reported in responses to the Commission's questionnaires, fell from 3.6 million tons in 1981 to 2.5 million tons in 1982 and 2.4 million tons in 1983; such shipments during January-June 1984, however, at 1.5 million tons, were 32 percent greater than producers' domestic shipments during the period a year earlier (table V-4).

Table V-4.--Carbon steel structural shapes: U.S. producers' domestic shipments, 1/2/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Quantity----------1,000 tons--	3,643	2,530	2,371	1,112	1,467
Value----------million dollars--	1,552	1,064	851	411	515
Unit value 3/----------per ton--	$426	$420	$359	$370	$351

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

2/ Excludes intercompany and intracompany transfers.

3/ Calculated from the unrounded numbers.

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

A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of structural shapes is presented in the following tabulation:

	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
1981----------	4,260	3,894	91
1982----------	2,877	2,672	93
1983----------	2,902	2,531	87
Jan.-June--			
1983--------	1,321	1,184	90
1984--------	1,692	1,545	91

1/ Including exports and intercompany and intracompany transfers.

U.S. producers' domestic shipments increased 8 percent during January-September 1984 when compared with those in the corresponding period of 1983, as shown in the following tabulation:

Item	January-September--	
	1983	1984
Quantity----------1,000 tons--	2,102	2,281
Value----------million dollars--	712	779

U.S. producers' exports

U.S. producers' exports of carbon steel structural shapes, as reported in responses to the Commission's questionnaires, decreased continually in all periods covered by this report, from * * * tons in 1981 to * * * tons in 1982, * * * tons in 1983, and * * * tons in January-June 1984 (compared with * * * tons in the period a year earlier) (table V-5).

Table V-5.--Carbon steel structural shapes: U.S. producers' export shipments, 1/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Quantity----------tons--	***	***	***	***	***
Value----------1,000 dollars--	***	***	***	***	***
Unit value----------per ton--	***	***	***	***	***

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

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

U.S. producers' exports of structural shapes continued to decline during January-September 1984, falling by 16 percent compared with exports in the corresponding period of 1983, as shown in the following tabulation:

Item	January-September--	
	1983	1984
Quantity----------tons--	***	***
Value----------1,000 dollars--	***	***

U.S. producers' inventories

End-of-period inventories of carbon steel structural shapes, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1980-83 and January-June 1984. Such inventories were equal to 7 to 10 percent of the responding producers' (annualized) shipments in each of the periods covered by this report. Reported end-of-period inventories, which do not reconcile with reported production and reported total shipments because of imprecise data supplied by two producers, are shown in the following tabulation (in thousands of tons):

	Inventories
As of Dec. 31--	
1980	232
1981	277
1982	243
1983	240
As of June 30--	
1983	213
1984	275

Inventories of carbon steel structural shapes held as of September 30, 1984, by six producers totaled 284,000 tons, compared with 243,000 tons held in inventory at September 30, 1983, as shown in the following tabulation:

Item	As of Sept. 30--	
	1983	1984
Inventories--1,000 short tons	243	284
Ratio of inventories to annualized shipments--percent	9.9	10.5

U.S. employment, wages, and productivity

Data on U.S. employment, wages, and productivity in establishments producing carbon steel structural shapes, as reported in responses to the Commission's questionnaires, are provided in table V-6 (number of employees and hours worked by production and related workers) and table V-7 (wages and total compensation 1/ paid to production and related workers, labor productivity, hourly compensation, and unit labor costs). The ratio of total production and related workers to total employees ranged from a low of 83 percent in 1982 and 1983 to a high of 88 percent during January-June 1984; production and related workers producing structural shapes accounted for 6 percent (January-June 1983) to 8 percent (1981) of total production and related workers.

The average number of production and related workers producing carbon steel structural shapes fell by 34 percent in 1982 and by another 10 percent in 1983 to 6,385; during the January-June 1984 period, however, the average number of such production and related workers rose 7 percent. Similarly, hours worked by these workers, which dropped by 34 percent in 1982, and by 6 percent in 1983, rose by 20 percent during January-June 1984 (compared with those in the period a year earlier).

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

Table V-6.--Average number of employees, total and production and related workers, in U.S. establishments producing carbon steel structural shapes, and hours paid 1/ for the latter, 2/ 3/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Average employment:					
All products:					
Number	166,311	123,088	112,347	108,982	114,755
Percentage change 4/	5/	-26.0	-8.7	-11.5	2.1
Production and related workers producing--					
All products:					
Number	141,760	101,635	93,483	91,383	100,507
Percentage change 4/	5/	-28.3	-8.0	-10.1	7.5
Structural shapes:					
Number	10,787	7,063	6,385	5,743	6,806
Percentage change 4/	5/	-34.5	-9.6	-18.7	6.6
Hours worked by production and related workers producing--					
All products:					
Number-------1,000 hours--	284,649	193,838	189,463	92,191	106,587
Percentage change	5/	-31.9	-2.3	5/	15.6
Structural shapes:					
Number-------1,000 hours--	21,182	13,921	13,018	5,797	6,978
Percentage change	5/	-34.3	-6.5	5/	20.4

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

2/ Nonproduct-specific data may be overstated since a multipurpose questionnaire was used which requested total employment and production and related workers information for all products manufactured in establishments producing any of the subject products of the investigations covered in this report (not just structural-shapes-producing establishments).

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

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

5/ Not available.

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

Table V-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing carbon steel structural shapes 2/ and labor productivity, hourly compensation, and unit labor costs in the production of structural shapes, 3/ 1981-83, January-June 1983, and January-June 1984

Item	1981	1982	1983	January-June--	
				1983	1984
Wages paid to production and related workers producing--					
All products:					
Value----million dollars--	4,331	3,166	2,706	1,304	1,636
Percentage change----------	4/	-26.9	-14.5	4/	25.5
Structural shapes:					
Value----million dollars--	309	198	174	78	101
Percentage change----------	4/	-35.9	-12.1	4/	29.5
Total compensation paid to production and related workers producing--					
All products:					
Value----million dollars--	5,688	4,455	4,221	2,058	2,282
Percentage change----------	4/	-21.7	-5.3	4/	10.9
Structural shapes:					
Value----million dollars--	402	291	267	121	142
Percentage change----------	4/	-27.6	-8.2	4/	17.4
Labor productivity:					
Quantity-----tons per hour--	0.1330	0.1343	0.1498	0.1516	0.1560
Percentage change 5/--------	4/	1.0	11.5	12.9	4.1
Hourly compensation: 6/					
Value-------------per hour--	$14.59	$14.25	$13.39	$13.52	$14.43
Percentage change 5/--------	4/	-2.3	-6.0	-5.1	7.8
Unit labor costs: 7/					
Value-------------per ton--	$142.60	$155.43	$136.89	$137.79	$130.64
Percentage change 5/--------	4/	9.0	-11.9	-11.3	-4.6

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

2/ Nonproduct-specific data may be overstated since a multipurpose questionnaire was used which requested total production and related workers information for all products manufactured in establishments producing any of the subject products of the investigations covered in this report (not just structural-shapes-producing establishments).

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

4/ Not available.

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

6/ Based on wages paid excluding fringe benefits.

7/ Based on total compensation paid.

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

The average wage for production and related workers producing structural shapes, which was $14.59 per hour in 1981, decreased by 2 percent in 1982 and 6 percent in 1983 before increasing, by 8 percent, to $14.43 during January-June 1984. Labor productivity, which was 0.13 ton of structural shapes produced per hour worked during 1981, increased by 1 percent in 1982, 12 percent in 1983, and by an additional 4 percent during January-June 1984. Unit labor costs increased by 9 percent in 1982 to $155 per ton and then decreased by 12 percent in 1983 and an additional 5 percent during January-June 1984.

Six firms reported information on employment, wages, and productivity for the periods of January-September 1983 and January-September 1984. These data indicate that the increase in productivity 1/ more than offset the rise in wages during January-September 1984, which resulted in the lower unit labor costs shown in the following tabulation:

Item	January-September--	
	1983	1984
Number of employess	7,146	7,561
Hours worked----------1,000 hours--	8,647	9,442
Wages paid----------million dollars--	117	139
Total compensation----------do----	178	185
Labor productivity--------tons per hour--	0.1459	0.1503
Hourly compensation	$13.49	$14.72
Unit labor costs----------per ton--	$142.00	$130.42

Financial experience of U.S. producers

Operations on carbon steel structural shapes.--Income-and-loss data were received from seven firms, accounting for 73 percent of total shipments of carbon steel structural shapes (as reported by AISI) in 1983. These data are presented in table V-8. The seven responding producers' net sales of such merchandise declined from * * * in 1981 to * * * in 1983, or by 45 percent. During the interim period ended June 30, 1984, net sales rose by 25 percent to $476 million compared with $382 million in the interim period of 1983.

1/ Chaparral Steel Co., petitioner for these investigations concerning carbon steel structural shapes, * * *. At the conference, Mr. Gordon Forward, Chaparral's President and Chief Executive Officer, stated that Chaparral's high labor productivity gives his firm a tremendous advantage in the marketplace. Mr. Forward emphasized that his firm's total labor cost is less than any foreign supplier's cost of transporting a ton of structural steel to the United States. Consequently, according to Mr. Forward, Chaparral can compete with any foreign supplier regardless of that country's cost for labor.

Table V-8.--Income-and-loss experience of 7 U.S. producers on their operations producing carbon steel structural shapes, 1/ accounting years 1981-83 and interim periods ended June 30, 1983, and June 30, 1984

Item	1981	1982	1983	Interim period ended June 30-- 1983	1984
Net sales-------million dollars--	***	***	***	382	476
Cost of goods sold---------do----	***	***	***	448	528
Gross profit or (loss)-----do----	***	***	***	(66)	(52)
General, selling, and administrative expenses-------do----	***	***	***	22	20
Operating (loss) 2/--------do----	***	***	***	(88)	(72)
Depreciation and amortization expense included above 3/-----------------do----	***	***	***	15	18
Cash flow or (deficit) from operations 3/------------do----	***	***	***	(73)	(54)
As a share of net sales:					
Gross profit or (loss) percent--	***	***	***	(17.3)	(10.9)
Operating (loss)---------do----	***	***	***	(23.0)	(15.1)
Cost of goods sold-------do----	***	***	***	117.3	110.9
General, selling, and administrative expenses----percent--	***	***	***	5.8	4.2
Number of firms reporting operating losses----------	3	5	6	6	6

1/ U.S. producers submitting usable data together accounted for 72.7 percent of total shipments of carbon steel structural shapes in 1983, as reported by the American Iron & Steel Institute.

2/ In its questionnaire, the Commission asked producers to provide interest expense and other (nonoperating) income or expense information in order to determine net income or loss before income taxes. However, only 1 producer, * * *, provided such data; 4 firms did not report those line items and the remaining 2 firms did not allocate those expenses, instead reporting 0. Thus, data on interest expense, other income or expense, and net income or loss before income taxes are not presented in the table.

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

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

The seven firms sustained aggregate operating losses throughout the period of investigation, ranging from a low of * * *, or * * * percent of net sales, in 1981 to a high of * * *, or * * * percent of net sales, in

1983. During the interim period ended June 30, 1984, the operating loss declined to $72 million, or 15.1 percent of net sales, compared with $88 million, or 23.0 percent of net sales in the interim period of 1983. Six out of seven responding firms reported operating losses in 1983 and the interim period ended June 30, 1984, compared with five firms that posted losses in 1982 and three that did so in 1981.

In the aggregate, the seven responding firms experienced a positive cash flow of * * * in 1981, compared with negative cash flows of * * * in 1982 and * * * in 1983. U.S. producers reported negative cash flows of $73 million and $54 million in the interim periods of 1983 and 1984, respectively.

Capital expenditures and research and development expenses.--Two out of the seven U.S. producers which provided financial information supplied data relative to their capital expenditures for buildings, machinery, and equipment used in the production of carbon steel structural shapes, as well as their expenditures for research and development, as shown in the following tabulation (in thousands of dollars):

	Capital expenditures	Research and development expenses
1981	***	***
1982	***	***
1983	***	***
January-June--		
1983	***	1/ ***
1984	***	1/ ***

1/ Data are for only 1 producer, * * *.

Capital expenditures decreased from * * * in 1981 to * * * in 1983 and increased from * * * in January-June 1983 to * * * in January-June 1984. Research and development expenses increased from * * * in 1981 to * * * in 1983 and declined to * * * in January-June 1984, compared with * * * during the corresponding period of 1983.

Five firms, accounting for approximately 52 percent of carbon steel structural shape shipments, reported information on their financial experience during January-September 1983 and January-September 1984. These data show that despite an increase in net sales operating losses continued, but were reduced in the interim period of 1984, compared with the interim period of 1983. A summary of the financial information provided by these firms is presented in the following tabulation:

Item	Interim period ending Sept. 30--	
	1983	1984
Net sales----------million dollars--	484	521
Cost of goods sold----------do----	576	574
Gross profit or (loss)----------do----	(91)	(52)
General, selling, and administrative expenses----------million dollars--	24	22
Operating income or (loss) million dollars--	(116)	(75)
Depreciation and amortization million dollars--	21	21
As a percent of sales:		
Cost of goods sold----------percent--	119.0	110.0
Gross profit----------do----	(19.0)	(10.1)
General, selling, and administrative expenses----------percent--	5.0	4.3
Operating income or (loss)-------do----	(24.0)	(14.4)

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

Consideration factors

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

U.S. importers' inventories

The Commission sent questionnaires to 10 firms believed to have imported products subject to the investigations covered by this report. Three firms, accounting for approximately 65 percent of structural shapes imported from Poland during January-September 1984, reported no end-of-period inventories for any of the periods examined. None of the responding firms reported any imports of structural shapes from Norway.

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

U.S. imports and market penetration

Imports from all sources.--Aggregate U.S. imports of carbon steel structural shapes declined from 2.0 million tons in 1981 to about 1.5 million tons in 1982 and 1983; such imports during January-September 1984, at 1.7 million tons, were 61 percent greater than those in the period a year earlier (table V-9). Market penetration of carbon steel structural shapes from all countries increased from 32.1 percent of apparent U.S. consumption in 1981 to 34.0 percent in 1983 and 41.0 percent in January-September 1984 (table V-10).

Imports from Norway.--No imports of carbon steel structural shapes from Norway entered the United States in 1981 or 1982 and only a small amount entered in 1983 (all in October-December). During January-September 1984 such imports from Norway increased sharply, totaling 38,000 tons for that 9-month period. In January-September 1984, imports from Norway accounted for 0.9 percent of apparent U.S. consumption.

Imports from Poland.--Imports of carbon steel structural shapes from Poland fluctuated downward during 1981-83, decreasing from 17,000 tons in 1981 to 10,000 tons in 1983. Imports of structural shapes from Poland decreased from 0.3 percent of apparent U.S. consumption in 1981 to under 0.05 percent in 1982, before rising to 0.2 percent in 1983. Poland's market share in January-September 1984 was equal to Norway's at 0.9 percent.

Table V-9.--Carbon steel structural shapes: 1/ U.S. imports for consumption, by principal sources, 1981-83, January-September 1983, and January-September 1984

Item	1981	1982	1983	January-September--	
				1983	1984
	Quantity (1,000 short tons)				
Norway	0	0	1/	0	38
Poland	17	1	10	4	37
Spain	238	173	125	101	259
Japan	646	436	452	281	571
Belgium/Luxembourg	403	317	198	160	160
Canada	224	149	185	120	177
United Kingdom	136	81	111	88	66
South Africa	108	118	108	85	114
All other	186	186	289	205	264
Total	1,959	1,462	1,477	1,044	1,685
	Value (million dollars)				
Norway	-	-	2/	-	8
Poland	5	2/	2	1	7
Spain	86	61	30	24	62
Japan	229	159	134	85	163
Belgium/Luxembourg	145	106	54	44	46
Canada	81	54	57	37	57
United Kingdom	51	30	32	25	23
South Africa	40	37	27	22	29
All other	76	67	77	54	86
Total	708	514	412	291	467

1/ Includes imports under TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045.

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

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

Table V-10.--Carbon steel structural shapes: 1/ Ratios of imports from Norway, Poland, and all countries to apparent U.S. consumption, 1981-83, January-September 1983, and January-September 1984

(In percent)

Source	1981	1982	1983	January-September--	
				1983	1984
Norway	-	-	2/	-	0.9
Poland	0.3	2/	0.2	0.1	0.9
Total, all countries	32.1	34.1	34.0	35.0	41.0

1/ Includes imports under TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045.

2/ Less than 0.05 percent.

Source: Tables IV-2 and IV-9.

Cumulated imports.--Aggregate imports of carbon steel structural shapes from Norway and Poland increased from 10,000 tons in 1983 to 75,000 tons in January-September 1984. Such imports accounted for 0.2 percent of apparent U.S. consumption in 1983 and 1.8 percent in January-September 1984.

Information concerning the distribution of imports of structural shapes by customs districts during January-September 1984, as compiled from official statistics of the U.S. Department of Commerce, is presented in the following tabulation (in percent):

Customs district	Norway	Poland
Houston, TX	28.0	25.2
New Orleans, LA	17.4	14.6
Wilmington, NC	9.3	6.8
Tampa, FL	8.9	5.5
Bridgeport, CT	8.4	19.9
Baltimore, MD	6.8	4.1
Savannah, GA	5.7	8.6
Subtotal	84.5	84.7
All other	15.5	15.3
Total	100.0	100.0

Prices

The demand for and respective prices of carbon steel structural shapes, like those of carbon steel plates, depend largely on the level of activity in the construction industry. The construction industry, in turn, is highly influenced by the business cycle, particularly movements in interest rates, and the level of Government spending. Because of falling construction levels, demand for carbon steel structural shapes decreased in 1980, fell sharply in 1982, and remained low in 1983. As demand for structural shapes falls, competition and price discounting increase and the price of structurals softens. Public nonresidential building construction, measured by value put in place, was down 9.2 percent in real terms in 1981 from its peak in 1978. 1/ Nonbuilding construction on the same basis was 19.4 percent below the level of construction in 1978. 2/ Private nonresidential building construction (office buildings) was the only strong segment of this market in 1981 and in 1982. This segment weakened in 1983 but registered a 15-percent increase during January-September 1984 compared with construction in the corresponding period in 1983. Public nonresidential and nonbuilding construction continued their downward trend during 1982, a decline that extended through 1983. This trend reversed in January-September 1984 with a 14-percent increase over construction in the corresponding period of 1983.

U.S. producers that maintain published list prices usually quote prices for carbon steel products on an f.o.b. mill basis, whereas importers of such products generally quote prices either f.a.s. port of entry or f.o.b. warehouse. Prices consist of a base price for each product plus additional charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by changing the base price, the charges for extras, or both.

The Commission asked domestic producers and importers for their net selling prices to SSC's and end users for four representative carbon steel structural shape products, 3/ by quarters, during January 1982-September 1984. Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide a viable basis to compare levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these

---

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

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

3/ These four products (numbers 17 through 20) and their specifications are listed in app. D.

prices and should reflect any discounting that may have occurred. Weighted-average f.o.b. net selling prices reported by domestic producers and importers for sales to SSC's and end users, and indexes of those prices, are shown in table V-11.

Domestic price trends.--Quarterly net selling prices of the four domestic structural shape products sold to SSC's and to end users generally increased during January-June 1982, then decreased through September 1984. During the period January 1982-September 1984, price declines ranged from 12 index points (product 18) to 43 points (product 20) for sales to SSC's and from 17 points (product 18) to 27 points (product 19) for sales to end users. In contrast with other carbon steel product prices, the indexes of structural shape prices show that, except for product 19, prices did not turn up subsequent to October-December 1983, but continued to slide in sales to SSC's to levels that ranged from 5 to 10 points lower by July-September 1984 than they had been at yearend 1983. In sales to end users, prices slid to levels that ranged from 1 to 6 points below the yearend 1983 levels.

Price trends of carbon steel structural shapes imported from Norway and Poland.--Importers of structural shapes from Norway and Poland provided no price data for sales to either SSC's or end users.

Lost sales

Structural shapes imported from Norway.--* * * reported * * * instances of alleged lost sales of carbon steel structural shapes to imports from Norway. These allegations involved * * * tons purchased in * * *. The Commission staff investigated * * * allegations. Purchasers acknowledged buying a total of * * * tons of Norwegian structurals.

* * * was identified as purchasing * * * tons of structurals from Norway in * * *. The rejected domestic price was alleged to be * * * per ton, compared with * * * per ton for the Norwegian structurals. * * *, buyer for * * *.

* * * was named * * * as purchaser of * * * tons of structurals imported from Norway, * * *. The rejected domestic price was allegedly * * * per ton and the accepted import price was * * * per ton. * * *, structurals buyer for the firm, * * *.

* * * did not provide specific instances of lost sales to imports of Norwegian structurals but did report one alleged offer price for that imported product. * * * was named as receiving an offer price of * * * per ton for Norwegian structurals, compared with a domestic price of * * * per ton. * * * of the firm, * * *.

Table V-11.--Carbon steel structural shapes sold to SSC's and end users: Weighted-average net selling prices for sales of domestic products and for sales of imports from Poland and Norway, and the indexes 1/ of those prices, by types of products and by quarters, January 1982-September 1984

Product and period	Sales to SSC's of merchandise from--				Sales to end users of merchandise from--			
	Domestic firms		Poland and Norway 2/		Domestic firms		Poland and Norway 2/	
	Amount	Index	Amount	Index	Amount	Index	Amount	Inde
	Per ton		Per ton		Per ton		Per ton	
Product 17:								
1982:								
January-March	$***	100			$***	100		
April-June	***	99			***	104		
July-September	***	90			***	85		
October-December	***	90			***	86		
1983:								
January-March	***	93			***	85		
April-June	***	92			***	87		
July-September	***	100			***	88		
October-December	***	87			***	87		
1984:								
January-March	***	82			***	76		
April-June	***	85			***	81		
July-September	***	82			***	81		
Product 18:								
1982:								
January-March	***	100			***	100		
April-June	***	110			***	-		
July-September	***	105			***	98		
October-December	***	99			***	91		
1983:								
January-March	***	103			***	88		
April-June	***	105			***	90		
July-September	***	97			***	85		
October-December	***	94			***	86		
1984:								
January-March	***	88			***	78		
April-June	***	98			***	84		
July-September	***	88			***	83		
Product 19:								
1982:								
January-March	***	100			***	100		
April-June	***	102			***	102		
July-September	***	93			***	98		
October-December	***	90			***	93		
1983:								
January-March	***	91			***	88		
April-June	***	89			***	86		
July-September	***	80			***	77		
October-December	***	77			***	69		
1984:								
January-March	***	75			***	73		
April-June	***	85			***	73		
July-September	***	80			***	-		
Product 20:								
1982:								
January-March	***	100			***	100		
April-June	***	103			***	97		
July-September	***	93			***	84		
October-December	***	94			***	85		
1983:								
January-March	***	94			***	90		
April-June	***	67			***	90		
July-September	***	69			***	84		
October-December	***	67			***	75		
1984:								
January-March	***	68			***	73		
April-June	***	62			***	79		
July-September	***	57			***	74		

1/ First period with data=100.
2/ Importers of structurals from Poland and Norway provided no price data.

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

Structural shapes imported from Poland.--* * * reported no specific instances of lost sales to imported structurals from Poland but did report one example of an alleged offer of Polish structurals at low prices. * * * was named as receiving an offer price of * * * to * * * per ton for Polish channels. * * *'s price was over * * * per ton. * * *, purchasing agent * * *.

* * * did not report specific instances of lost sales but did provide salesman's call reports showing alleged offer prices for structural shapes (channels) imported from Poland. Commission staff investigated three of these instances.

* * * was named in several sales reports as receiving offer prices for Polish structurals. * * *.

* * * was identified in salesman's call reports as receiving offer prices for Polish sections at prices of * * * to * * * per ton in * * *. * * *, purchasing agent. * * *.

Lost revenue

Structural shapes imported from Norway.--No domestic producers reported specific instances of lost revenue from sales at reduced prices to meet competition from structural imports from Norway. As noted, however, * * * reported one example of an offer price of * * * per ton to * * * for imported structurals from Norway. * * *, vice president of that firm, * * *.

* * * identified * * * as an account that received offer prices for Norwegian structurals at * * * per ton. * * *'s buyer * * *.

Structural shapes imported from Poland.--No domestic producers reported specific instances of lost revenue from sales at reduced prices to meet competition from structurals imported from Poland. * * * reported an example of an offer price of * * * per ton on Polish channels in * * *. The purchaser did not wish to be contacted. * * *'s salesman's call reports, as noted above, * * *.

Transportation costs 1/

Five domestic producers, with mills located in * * *, reported relevant data on transportation relating to structural shapes. No importers provided data on transportation factors.

1/ See section I of this report for an explanation of the importance of transportation factors in the steel industry and the types of data requested by the Commission in its questionnaire.

Distance shipped and transport mode used.--* * * of * * *'s shipments of structural shapes from its * * * mill are to locations at a distance of 500 miles or less (table V-12). About * * * percent of these shipments are to purchasers within a radius of 200 miles. Within the latter market area, the ratio of truck to rail usage is almost 1 to 1. For distances over 500 miles, the truck to rail ratio falls to 1 to 3. * * * ships * * * percent of its structurals to locations 500 miles or less from its * * * mill; all of * * *'s shipments are by truck.

Table V-12.--Carbon steel structural shapes: Distance shipped and transport mode used, as a share of 1983 shipments, by types of mill, by firms, and by mill locations

* * * * * * *

Two * * * mills, * * * and * * *, provided data on the distance to their markets. * * * of * * *'s structural shape shipments go to locations 200 miles or less from its * * * mill. The balance goes to purchasers located less than 500 miles from the mill. Shipments are half by truck and half by rail. * * * sells * * * percent of its structural shapes to purchasers located 500 miles or less from its * * * mill.

Transportation costs to specific market areas.--Three domestic steel producers from a total of five mills provided transportation cost data by market areas, (table V-13). The geographic breadth of structural shape mill locations creates a diverse pattern of freight costs from different mills to each of the respective market areas. For example, freight costs by truck to the Chicago area from the respondent mills serving that market range from * * * percent of delivered cost, or * * * per ton (from * * * mill), to * * * percent, or * * * per ton (from * * * mill). To the Philadelphia/New York market, the range is from * * * percent, or * * * per ton (from * * * mill) to * * * percent, or * * * per ton (from * * * mill).

Table V-13.--Carbon steel structural shapes: Transportation costs to specific market areas, by means of trucks and rail, by types of mills, by firms, and by mill locations, 1983

* * * * * * *

The data show that freight cost by rail for long hauls is less costly than by truck. For example, savings amount to * * * percent of delivered cost (* * * per ton) shipping by rail from * * * mill to the Atlanta market area, or * * * percent (* * * per ton) shipping by rail from * * * mill to the Houston/New Orleans market. For short hauls, rail can be a more costly mode than truck. For example, freight by truck from * * * mill to the Chicago area amounts to * * * percent of delivered cost, or * * * per ton; by rail the cost is * * * percent, or * * * per ton.

In an attempt to make some comparisons of freight costs incurred by domestic mills versus those incurred by vendors of imported structural shapes, the staff contacted purchasers located in various markets. Facts on competitive freight cost advantages and disadvantages of buying imported carbon steel structural shapes, as related by specific purchasers, are sketched below; more facts relevant to purchases of carbon steel products in general (except for extra-length structural shapes) are presented in section I.

* * * provided transportation costs on structurals imported through the ports of Baltimore and Philadelphia. They are the same as recounted in section I for coiled plates--* * * per ton from the Baltimore dock to * * * yard, * * * per ton from Philadelphia, and * * * to * * * per ton for structurals shipped from domestic mills in Pennsylvania. * * *'s purchasing manager also buys from * * * and * * *, both * * * firms. Freight to Baltimore amounts to * * * per ton from * * *'s mill and * * * per ton from * * *'s mill.

* * * provided transportation cost data on imported structurals landed at the Port of Chicago. The importer, * * *, quotes * * * a landed "f.o.b. truck (destination) duty-paid" price. The firm's buyer stated that "in order to compete with domestic mills in the Chicago or northern Indiana area, importers quote delivered prices." Freight costs to * * * from such domestic mills amount to * * * to * * * per ton, he said. These domestic mills, at their option, can provide a contract (negotiated) rate.

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

APPENDIX A

NOTICE OF THE INVESTIGATIONS BY THE COMMISSION AND THE DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-225 through 234 (Preliminary) and 731-TA-213 through 235 (Preliminary)]

Certain Carbon Steel Products From Austria, Czechoslovakia, East Germany, Finland, Hungary, Norway, Poland, Romania, Sweden, and Venezuela

AGENCY: United States International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-225 through 234 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the following carbon steel products upon which bounties or grants are alleged to be paid:

Carbon steel plates, whether or not in coils, provided for in item 607.66 of the Tariff Schedules of the United States (TSUS), from—
Sweden [investigation No. 701-TA-225 (Preliminary)], and
Venezuela [investigation No. 701-TA-226 (Preliminary)]; and
Hot-rolled carbon steel sheets, provided for in TSUS items 607.67 and 607.83, from—
Austria [investigation No. 701-TA-227 (Preliminary)],
Sweden [investigation No. 701-TA-228 (Preliminary)], and
Venezuela [investigation No. 701-TA-229 (Preliminary)]; and
Cold-rolled carbon steel plates and sheets, provided for in TSUS item 607.83, from—
Austria [investigation No. 701-TA-230 (Preliminary)],
Sweden [investigation No. 701-TA-231 (Preliminary)], and
Venezuela [investigation No. 701-TA-232 (Preliminary)]; and
Galvanized carbon steel sheets, provided for in TSUS items 608.07 and 608.13, from—
Austria [investigation No. 701-TA-233 (Preliminary)], and
Venezuela [investigation No. 701-TA-234 (Preliminary)].

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-213 through 235 (Preliminary) under section 722(a) of the Tariff Act (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the following carbon steel products, which are alleged to be sold at less than fair value:

Carbon steel plates, whether or not in coils, provided for in TSUS item 607.66, from—
Czechoslovakia [investigation No. 731-TA-213 (Preliminary)],
East Germany [investigation No. 731-TA-214 (Preliminary)],
Hungary [investigation No. 731-TA-215 (Preliminary)],
Poland [investigation No. 731-TA-216 (Preliminary)], and
Venezuela [investigation No. 731-TA-217 (Preliminary)]; and
Carbon steel plates in coils, provided for in TSUS item 607.66, from Finland [investigation No. 731-TA-218 (Preliminary)]; and
Hot-rolled carbon steel sheets, provided for in TSUS items 607.67 and 607.83, from—
Austria [investigation No. 731-TA-219 (Preliminary)],
Finland [investigation No. 731-TA-220 (Preliminary)],
Hungary [investigation No. 731-TA-221 (Preliminary)],
Romania [investigation No. 731-TA-222 (Preliminary)], and
Venezuela [investigation No. 731-TA-223 (Preliminary)]; and
Cold-rolled carbon steel plates and sheets, provided for in TSUS item 607.83, from—
Austria [investigation No. 731-TA-224 (Preliminary)],
Czechoslovakia [investigation No. 731-TA-225 (Preliminary)],
East Germany [investigation No. 731-TA-226 (Preliminary)],
Finland [investigation No. 731-TA-227 (Preliminary)],
Romania [investigation No. 731-TA-228 (Preliminary)], and
Venezuela [investigation No. 731-TA-229 (Preliminary)]; and
Galvanized carbon steel sheets, provided for in TSUS items 608.07 and 608.13, from—
Austria [investigation No. 731-TA-230 (Preliminary)],
East Germany [investigation No. 731-TA-231 (Preliminary)],
Romania [investigation No. 731-TA-232 (Preliminary)], and
Venezuela [investigation No. 731-TA-233 (Preliminary)]; and
Carbon steel angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80, from—
Norway [investigation No. 731-TA-234 (Preliminary)], and
Poland [investigation No. 731-TA-235 (Preliminary)].

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 19, 1984.

FOR FURTHER INFORMATION CONTACT: Lawrence Rausch (202-523-0286) or Abigail Eltzroth (202-523-0289), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to petitions filed on December 19, 1984, by the United States Steel Corp., Pittsburg, PA, and Chaparral Steel Co., Midlothian, TX and on December 20, 1984, by Bethlehem Steel Corp., Bethlehem, PA.

Participation in these investigations

Persons wishing to participate in these investigations as parties must file an entry of apearance 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(c)), 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 Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on January 9, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Parties wishing to participate in the conference should contact Lawrence Rausch (202-523-0286) or Abigail Eltzroth (202-523-0289), not later than January 4,, 1985, to arrange for their appearance. Parties in support of the imposition of countervailing duty and/or intidumping 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 11, 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 Secretry to the Commission in

accordance with seaction 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, Aug. 15, 1984).

Authority: These investigations are being conducted under authority of the Tariff Acat 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 26, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-33950 Filed 12-31-84; 8:45 am]

BILLING CODE 7020-02-M

[C-307-403]

Initiation of Countervailing Duty Investigations—Certain Carbon Steel Products From Venezuela

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Venezuela of certain carbon steel products, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Venezuela materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before February 4, 1985. If our investigations proceed normally, we will make our preliminary determination on or before March 14, 1985.

EFFECTIVE DATE: January 14, 1985.

FOR FURTHER INFORMATION CONTACT: Tom Bombelles or Stuart Keitz, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, D.C. 20230. Telephone (202) 377-3174 or 377-1769.

SUPPLEMENTARY INFORMATION:

Petition

On December 19, 1984, we received a petition in proper form from the United States Steel Corporation of Pittsburgh, Pennsylvania, filed on behalf of U.S. industries producing certain carbon steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Venezuela of certain carbon steel products receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since Venezuela is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to these investigations, and the ITC is required to determine whether imports of the subject merchandise from Venezuela materially injure, or threaten material injury, to a U.S. industry.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain carbon steel products from Venezuela, and we have found that the petition meets those requirements. Therefore, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Venezuela of certain carbon steel products, as described in the "Scope of the Investigation" section of this notice, receive benefits which constitute subsidies. If our investigations proceed normally, we will make our preliminary determination on or before March 14, 1985.

Scope of the Investigation

The products covered by these investigations are certain carbon steel products, which are:

- carbon steel plate,
- hot-rolled carbon steel sheet,
- cold-rolled carbon steel sheet, and
- galvanized carbon steel sheet.

These products are more fully described in the Appendix to this notice.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Venezuela of certain carbon steel products receive benefits under the following programs which constitute subsidies. We are initiating investigations on the following allegations:

- Preferential Government Credit
  - —Preferential Government Loans
  - —Government Loan Guarantees
  - —Assumption of SIDOR's Hard Currency Debt
- Government Equity Infusions
- Import Duty Reductions
- Preferential Tax Incentives
- Regional Incentives
- Preferential Pricing of Inputs
- Export Subsidies

—Preferential Exchange Rates

—Export Certificates for Credit Against Income Taxes

—Preferential Export Financing
—Preferential Pricing of Inputs Used to Produce Exports

We are not initiating investigations on the following allegation:

• Government Grants to Steel Producers Petitioner alleges that the Venezuelan government provides grants to the steel industry. Petitioner does not provide any information demonstrating that producers or products under investigation benefit from such a program. We believe that any grants from the Venezuelan government to the steel indnstry will be investigated under the other subsidy allegations listed above.

Notification of ITC

Section 702(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 in our files. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

Dated: January 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

APPENDIX—Decription of Products: Venezuela

1. The term *"carbon steel plate"* covers hot-rolled carbon steel products, whether or not corrugated, or crimped; not pickled; not cold-rolled; not in coils, not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.6620, and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross/section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

2. The term *"hot-rolled carbon steel flat-rolled products"* covers hot-rolled carbon steel products, whether or not corrugated, or crimped; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; pickled and as currently provided for in item 607.8320 of the *TSUSA;* and not pickled and in coils; as currently provided in item 607.8610 or under 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 of the *TSUSA*.

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

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

[FR Doc. 85-1011 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-433-601]

Certain Carbon Steel Products From Austria; 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 carbon steel products from Austria are being, or are likely to be, sold in the United States at less than fair value. Sales at below the cost of production and critical circumstances also have been alleged. We are notifying the United States International Trade Commission (ITC) of the 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 these investigations proceed normally, the ITC will make its preliminary determinations on or before February 4, 1985, and we will make ours on or before May 28, 1985.

EFFECTIVE DATE: January 14, 1985.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, 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) 377-5288.

SUPPLEMENTARY INFORMATION:

The Petition

On December 19, 1984, we received a petition in proper form filed by United States Steel Corporation. 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 Austria 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 the United States prices on average export prices compiled by the U.S. Department of Commerce. The petition alleges that there are insufficient home market or third country sales of the subject merchandise at prices above the cost of production to determine fair value. Therefore, the petitioner based foreign market value on publicly available information on the costs of production for Voest-Alpine AG.

Based on the comparison of values calculated by the foregoing methods, the petitioner arrived at dumping margins ranging from 41.8 percent to 61 percent.

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 carbon steel products 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 investigations to determine whether certain carbon steel products from Austria are being, or are likely to be, sold in the United States at less than fair value. We will also investigate the allegation of sales below cost of production. If our investigation proceeds normally, we will make our preliminary determination by May 28, 1985.

Scope of Investigation

The products under investigation are hot-rolled sheet, cold-rolled sheet, and galvanized sheet. The term "*hot-rolled sheet*" covers hot-rolled carbon steel products, whether or not corrugated, crimped, not cold-rolled, not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal, and not clad; 0.1875 inch or more in thickness and over 8 inches in width and pickled, as currently provided for in item 607.8320 of the *Tariff Schedules of the United States, Annotated* (TSUSA), or 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.8710, 607.8720, 607.8730, 607.8740, or 607.8342.

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

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

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 nonpriviledged 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 4, 1985, whether there is a reasonable indication that imports of certain carbon

steel products from Austria are causing material injury, or threaten material injury, to a United States industry. If its determinations are negative the investigations will terminate; otherwise, they will proceed according to the statutory procedures.

January 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary, for Import Administration.

[FR Doc. 85-1025 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-435-401]

Certain Carbon Steel Products From Czechoslovakia; 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 carbon steel products from Czechoslovakia are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these actions so that it may determine whether imports of these products are causing material injury, or threaten material injury, to a United States industry. If these investigations proceed normally, the ITC will make its preliminary determinations on or before February 4, 1985, and the Department of Commerce will make its preliminary determinations on or before May 28, 1985.

EFFECTIVE DATE: January 14, 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 19, 1984, we received a petition in proper form filed by the United States Steel Corporation, filing on behalf of the U.S. industry producing certain carbon steel products. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Czechoslovakia 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 bases the United States price on the average unit value of certain carbon steel products imported from Czechoslovakia, as reported by the U.S. Department of Commerce, Bureau of the Census.

Petitioner claims that under section 773(c) of the Act, Czechoslovakia qualifies as a state-controlled economy, and that a surrogate country's prices should be used as the basis for determining the foreign market value of the merchandise under investigation. Petitioner chose Austria as a surrogate country, and bases foreign market value on constructed value of carbon steel plate and cold-rolled and hot-rolled carbon steel flat-rolled products, because they allege the Austrian firm is selling below cost of production.

Based on the comparison of prices calculated using the foregoing methodology, the petitioner alleges an average dumping marginof 85.8 percent for carbon steel plate and 84.9 percent for cold-rolled carbon steel flat-rolled products.

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 antidumping duty investigations and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition of certain carbon steel products 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 carbon steel products from Czechoslovakia are being, or are likely to be, sold in the United States at less than fair value.

Petitioner alleges that we also should initiate an investigation on plate in coil (TSUSA Item 607.8610), although there have been no imports since 1979, since the Czechoslovakian producers might divert production to that product once exports are subject to antidumping duties. In case of diversion to a different product, more than the speculative potential of future sales for export is necessary to meet the "likely to be sold" criterion of section 731 of the Act. At the very least there must be evidence of an irrevocable offer. No such evidence has been presented here. Therefore, we are not initiating with respect to this product. Of course, should the U.S. industry or the Department subsequently discover actual or likely sales of Czechoslovakian plate in coil for export to the U.S., an antidumping investigation could then be initiated.

In the course of our investigations, we will determine whether the economy of Czechoslovakia is state-controlled to an extent that sales of such or similar merchandise in the home market or third country markets do not permit determination of foreign market value. If it is determined to be a state-controlled economy, we will then choose a surrogate country for purposes of determining foreign market value. If our investigations proceed normally we will make our preliminary determinations by May 28, 1985.

Scope of Investigations

The products covered by these investigations are certain carbon steel products, including carbon steel plate and cold-rolled carbon steel flat-rolled products.

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

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

Notification of the ITC

Section 732(d) of the Act requires us to notify the ITC of these actions and to provide it with the information we used

to arrive at these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the consent of the Deputy Assisant Secretary for Import Administration.

Preliminary Determination by the ITC

The ITC will determine by February 4, 1985, whether there is a reasonable indication that imports of certain carbon steel products from Czechoslovakia are causing material injury, or threaten material injury, to a United States industry. If the ITC determinations are negative the investigations will terminate; otherwise, they will proceed according to the statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary, for Import Administration.

January 8, 1985.

[FR Doc. 85-1024 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-429-404]

Certain CArbon Steel Products From the German Democratic Republic; 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 carbon steel products from the German Democratic Republic (GDR) 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 determinations on or before February 4, 1985, and we will make ours on or before May 28, 1985.

EFFECTIVE DATE: January 14, 1985.

FOR FURTHER INFORMATION CONTACT: Raymond Busen, 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) 377-2830.

SUPPLEMENTARY INFORMATION:

The Petition

On December 19, 1984, we received a petition in proper form filed by United States Steel Corporation. 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 the GDR 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 the United States prices on average GDR export prices, as derived from U.S. Bureau of Census statistics.

The petitioner alleged that the GDR is a non-market economy and chose Austria as the appropriate surrogate country for the purpose of determining foreign market value. Using information contained in an Austrian steel producer's annual reports, the petitioner estimated that firm's costs of production. On the basis of these estimates, the petitioner further alleged that Austria's home market prices are below the cost of production and that foreign market value should be based on the constructed value of the merchandise, in accordance with section 773(e) of the Act.

By comparing the values calculated by the foregoing methods the petitioner alleged dumping margins of 104.1 percent for carbon steel plate, 85.0 percent for cold-rolled sheet, and 75.3 percent for galvanized sheet.

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 carbon steel products 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 carbon steel products from the GDR 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.

In the course of our investigations, we will determine whether the economy of the GDR is state-controlled to an extent that sales of such or similar merchandise in the home or third country market does not permit determination of foreign market value. If it is determined to be a state-controlled economy, we will then choose a surrogate country for purposes of determining foreign market value.

Scope of Investigations

The products under investigation are carbon steel plate, hot-rolled carbon steel flat-rolled products, cold-rolled carbon steel flat-rolled products, and galvanized carbon steel sheet.

The term *"carbon steel plate"* covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut; not pressed; and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.6620, and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

The term *"hot-rolled carbon steel flat-rolled products"* covers hot-rolled carbon steel flat-rolled products, whether or not corrugated, or crimped, not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width, pickled, and as currently provided for in item 607.8320 of the *TSUSA*; and in coils; as currently provided in item 607.8610 of the *TSUSA*.

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

The term *"galvanized carbon steel sheet"* covers hot- or cold-rolled carbon steel sheet which have been coated or plated with zinc including any material

which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0730, 608.1310, 608.1320, or 608.1330, of the *TSUSA*. Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc is not included.

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 these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by February 4, 1985, whether there is a reasonable indication that imports of certain carbon steel products from the GDR are causing material injury, or threaten material injury to, a United States industry. If its determination is negative these investigations will terminate; otherwise, they will proceed according to the statutory procedures.

Dated: January 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-1029 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-437-401]

Certain Carbon Steel Products From Hungary; 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 carbon steel products from Hungary are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these actions so that it may determine whether imports of these products are causing material injury, or threaten material injury, to a United States industry. If these investigations proceed normally, the ITC will make its preliminary determinations on or before February 4, 1985, and the Department of Commerce will make its preliminary determinations on or before May 28, 1985.

EFFECTIVE DATE: January 14, 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 19, 1984, we received a petition in proper form filed by the United States Steel Corporation, filing on behalf of the U.S. industry producing certain carbon steel products. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Hungary 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 bases the United States price on the average unit value of certain carbon steel products imported from Hungary, as reported by the U.S. Department of Commerce, Bureau of the Census.

Petitioner claims that under section 773(c) of the Act, Hungary qualifies as a state-controlled economy, and that a surrogate country's prices should be used as the basis for determining the foreign market value of the merchandise under investigation. Petitioner chose Spain as the surrogate country, and bases foreign market value on constructed value of certain carbon steel products, because they allege the Spanish firms are selling below cost of production.

Based on the comparison of prices calculated using the foregoing methodology, the petitioner alleged an average dumping margin of 52.0 percent for carbon steel plate and 49.5 percent for hot-rolled carbon steel flat-rolled products.

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 antidumping duty investigations and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on certain carbon steel products and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section of the Act, we are initiating antidumping duty investigations to determine whether certain carbon steel product from Hungary 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.

In the course of our investigations we will determine whether the economy of Hungary is state-controlled to an extent that sales of such or similar merchandise in the home or third country markets do not permit determination of foreign market value. If it is determined to be a state-controlled economy, we will then choose a surrogate country for purpose of determining foreign market value.

Scope of Investigations.

The products covered by these investigations are certain carbon steel products, including carbon steel plate and hot-rolled carbon steel flat-rolled products.

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

The term "hot-rolled carbon steel flat-rolled products" covers hot-rolled carbon steel products, whether or not corrugated or crimped, not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width and in coils, as currently provided for in item 607.8610 of the *TSUSA*; or under 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in

items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 of the *TSUSA*.

Notification of the ITC

Section 732(d) of the Act requires us to notify the ITC of these actions and to provide it with the information we used to arrive at these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided 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 Determinations by the ITC

The ITC will determine by February 4, 1985, whether there is a reasonable indication that imports or certain carbon steel products from Hungary are causing material injury, or threaten material injury, to a United States industry. If the ITC determinations are negative the investigations will terminate; otherwise, they will proceed according to the statutory procedures.

January 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary, for Import Administration.

[FR Doc. 85-1023 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-455-402]

Certain Carbon Steel Products From Poland; 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 carbon steel products from Poland 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 determinations on or before February 4, 1985, and we will make ours on or before May 28, 1985.

EFFECTIVE DATE: January 14, 1985.

FOR FURTHER INFORMATION CONTACT: Raymond Busen, 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) 377-2830.

SUPPLEMENTARY INFORMATION:

The Petition

On December 19, 1984, we received a petition in proper form filed by United States Steel Corporation. 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 Poland 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 the United States prices on average f.a.s. port of exit prices, as derived from U.S. Bureau of Census statistics.

The petitioner alleged that Poland is a non-market economy and chose Spain as the appropriate surrogate country for the purpose of determining foreign market value. Using information contained in Spanish steel producers' annual reports, the petitioner estimated those firms' costs of production. On the basis of these estimates, the petitioner further alleged that Spain's home market prices are below the cost of production and that foreign market value should be based on the constructed value of the merchandise, in accordance with section 773(e) of the Act.

By comparing the values calculated by the foregoing methods the petitioner alleged a dumping margin of 61.7 percent.

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 carbon steel products 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 carbon steel products from Poland are being, or are likely to be, sold in the United States at less than fair value. If our investigators proceed normally we will make our preliminary determinations by May 28, 1985.

Petitioner alleges that we also should initiate an investigation on plate in coil (TSUSA item 607.6610), although there have been no imports since 1979, since the Polish producers might divert production to that product once exports are subject to antidumping duties. In the case of diversion to a different product, more than the speculative potential of future sales for export is necessary to meet the "likely to be sold" criterion of section 731 of the Act. At the very least there must be evidence of an inevocable offer. No such evidence has been presented here. Therefore, we are not initiating with respect to this product. Of course, should the U.S. industry or the Department subsequently discover actual or likely sales of Polish plate in coil for export to the U.S., an antidumping investigation could then be initiated.

In the course of our investigation, we will determine whether the economy of Poland is state-controlled to an extent that sales of such or similar merchandise in the home or third country market does not permit determination of foreign market value. If it is determined to be a state-controlled economy, we will then choose a surrogate country for purposes of determining foreign market value.

Scope of Investigations

The products under investigation are carbon steel plate and hot-rolled carbon steel flat-rolled products.

The term "*carbon steel plate*" covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.6620, and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

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 these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information

in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by February 4, 1985, whether there is a reasonable indication that imports of certain carbon steel products from Poland are causing material injury, or threaten material injury to, a United States industry. If its determination is negative these investigations will terminate; otherwise, they will proceed according to the statutory procedures.

January 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary, for Import Administration.

[FR Doc. 85-1028 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-484-401]

Certain Carbon Steel Products From Romania; 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 carbon steel products from Romania are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these 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 determinations on or before February 4, 1985, and we will make ours on or before May 28, 1985.

EFFECTIVE DATE: January 14, 1985.

FOR FURTHER INFORMATION CONTACT: Raymond Busen, 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) 377-2830.

SUPPLEMENTARY INFORMATION:

The Petition

On December 19, 1984, we received a petition in proper form filed by United States Steel Corporation. 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 Romania 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 the United States prices on average f.a.s. port of exit prices, as derived from U.S. Bureau of Census statistics.

The petitioner alleged that Romania is a non-market economy and chose Spain as the appropriate surrogate country for the purpose of determining foreign market value. Using information contained in Spanish steel producers' annual reports, the petitioner estimated those firms' costs of production. On the basis of these estimates, the petitioner further alleged that Spain's home market prices are below the cost of production and that foreign market value should be based on the constructed value of the merchandise, in accordance with section 773(e) of the Act.

By comparing the values calculated by the foregoing methods the petitioner alleged dumping margins of 53.7 percent for hot-rolled sheet, 76.6 percent for cold-rolled sheet, and 48.9 percent for galvanized sheet.

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 carbon steel products 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 carbon steel products from Romania 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.

In a past antidumping duty investigation of hot-rolled carbon steel plate, we found Romania to be a state-controlled economy country (47 FR 35666). During the course of our investigation we will attempt to choose a surrogate country for the purpose of determining foreign market value, as use of a surrogate is the preferred method of determining foreign market value under Commerce regulations, 19 CFR 353.8.

SCOPE OF INVESTIGATIONS

The products under investigation are hot-rolled carbon steel flat-rolled products, cold-rolled carbon steel flat-rolled products, and galvanized carbon steel sheet.

The term *"hot-rolled carbon steel flat-rolled products"* covers hot-rolled carbon steel products, whether or not corrugated, or crimped; not cold rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width and pickled; as currently provided for in item 607.8320, of the *TSUSA*, or under 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.6710, 607.6720, 607.6730, 607.40, or 607.8342 of the *TSUSA*.

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

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

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 these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all

privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by February 4, 1985, whether there is a reasonable indication that imports of certain carbon steel products from Romania are causing material injury, or threaten material injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Dated: January 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-1027 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-307-402]

Certain Carbon Steel Products 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 carbon steel products 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 determinations on or before February 4, 1985, and we will make ours on or before May 28, 1985.

EFFECTIVE DATE: January 14, 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 19, 1984, we received a petition in proper form filed by the United States Steel Corporation. 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 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.

United States Price and Foreign Market Value

The petitioner based United States prices on average values, f.a.s. port of exit, derived from the Bureau of Census statistics. A lag time of sixty days (for shipping and delays in statistical reporting) was calculated from the date of shipment to the date of importation. Except for this adjustment the comparisons were made on a quarterly basis (respectively).

For plate, hot-rolled sheet, and cold-rolled sheet, the petitioner based foreign market value on Venezuelan producer Sidor's (96% to 100% of domestic production) annual report. Weighted average values were calculated from quarterly values calculated for the period July 1983 through September 1984. For galvanized sheet the petitioner based foreign market value on a price list issued by Lamigal, the only known Venezuelan producer of galvanized sheet. The weighted average value was calculated from quarterly values calculated for the period October 1983 through September 1984.

Sidor's annual report is for the fiscal year ending December 31, 1983. A thirty percent price increase was approved by the government of Venezuela in August 1984. The petitioner assumed that the prices for the fourth quarter in 1983 remained in effect through the second quarter of 1984. Petitioner increased these prices by thirty percent to calculate the prices for the third quarter of 1984.

Lamigal's price list was effective March 15, 1984. Petitioner assumed that Lamigal was granted a thirty percent price increase in March 1984 since other steel companies were granted price increases in August 1984. For the last quarter in 1983, and the first quarter in 1984, therefore, the petitioner reduced the price list prices by thirty percent.

Based on the comparison of values calculated by the foregoing methods the petitioner alleged weighted average dumping margins, as follows:

	Percent
Plate	20.46
Hot-rolled sheet	106.2
Cold-rolled sheet	94.3
Galvanized sheet	164.5

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 carbon steel products 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 carbon steel products 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 Investigation

The products under investigation are: (1) Carbon steel plate, (2) hot-rolled carbon steel flat-rolled products, (3) cold-rolled carbon steel flat-rolled products and, (4) galvanized carbon steel sheet.

1. The term *"carbon steel plate"* covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.6620, and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

2. The term *"hot-rolled carbon steel flat-rolled products"* covers hot-rolled carbon steel products, whether or not corrugated, crimped; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; pickled and as currently provided for in item 607.8320 of the *TSUSA*; and not pickled and in coils; as currently provided in item 607.6610 or under 0.1875 inch in thickness and over

12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 of the *TSUSA*.

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

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

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 4, 1985, whether there is a reasonable indication that imports of certain carbon steel products 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, they will proceed according to the statutory procedures.

Dated: January 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-1028 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-351-407]

Hot-Rolled Carbon Steel Sheet and Cold-Rolled Carbon Steel Sheet From Finland; Initiation of Antidumping Duty Investigations

AGENCY: International Trade Administration, Import Administration.

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 hot-rolled carbon steel sheet (hot-rolled sheet) and cold-rolled carbon steel sheet (cold-rolled sheet) from Finland 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 determinations on or before February 4, 1985, and we will make ours on or before May 29, 1985.

EFFECTIVE DATE: January 14, 1985.

FOR FURTHER INFORMATION CONTACT: Kenneth C. Stanhagen, 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) 377-1777.

SUPPLEMENTARY INFORMATION:

The Petition

On December 20, 1984, we received a petition in proper form filed by Bethlehem Steel Corporation. 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 Finland 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 petition also contained an allegation that sales in the home market were made at prices below the cost of producing the merchandise, pursuant to section 773(b) of the Tariff Act of 1930, as amended (19 U.S.C. 1677b(b)).

United States Price and Foreign Market Value

The petitioner based the United States prices on data obtained from the U.S. Customs Service on the unit values of imports on an f.a.s. basis.

The petitioner based foreign market value on the base prices of these products contained in published price lists of Rautaruukki Oy for the home market and petitioner's estimate of the average overall charge for extras using the charges specified in the price lists. The petitioner also alleged that sales in the home market were made at prices below the cost of producing the merchandise. Petitioner presents cost figures derived from the 1983 Annual Report of Rautaruukki Oy, which indicate that some of the home market prices calculated by petitioner are below cost. However, petitioner did not conduct a complete comparison of home market prices to production costs or present information regarding prices for sales to third countries. Therefore, we have accepted the home market prices calculated by petitioner as the basis for foreign market value. We intend to gather additional information on Rautaruukki Oy's cost of production during the course of this investigation.

Based on the comparison of values calculated by the foregoing methods, the petitioner arrived at dumping margins equal to 13.73 percent for hot-rolled sheet and 4.77 percent for cold-rolled sheet on a weighted average basis.

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 hot-rolled sheet and cold-rolled sheet from Finland 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 hot-rolled sheet and cold-rolled sheet from Finland 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 29, 1985.

Scope of Investigations

The products under investigation are hot-rolled carbon steel sheet and cold-rolled carbon steel sheet from Finland.

The term *"cold-rolled carbon steel sheet"* covers cold-rolled carbon steel products, whether or not corrugated or crimped; not painted or varnished; whether or not pickled; not cut, pressed

and not stamped to non-rectangular shapes; not coated or plated with metal; over 12 inches in width and under 0.1875 inch in thickness; other than annealed and having a minimum yield point of 40,000 psi; whether or not in coils; as currently provided for in item 607.8360 of the *Tariff Schedules of the United States. Annotated* (TSUSA).

The term *"hot-rolled carbon steel sheet"* covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled and not cold rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; in coils; as currently provided for in item 606.6710 of the *TSUSA*, or under 0.1875 inch in thickness and over 12 inches in width, whether or not in coils, as currently provided for in items 607.6710, 607.6720, 607.6730, and 607.6740 of the *TSUSA*.

Notification of ITC

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

Preliminary Determinations by ITC

The ITC will determine by February 4, 1985, whether there is a reasonable indication that imports of hot-rolled carbon steel sheet and cold-rolled carbon steel sheet from Finland are causing material injury, or threaten material injury, to a United States industry. If its determinations are negative the investigations will terminate; otherwise, they will proceed according to the statutory procedures.

Dated: January 8, 1985.

Alan F. Homer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-1030 Filed 1-11-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-403-401]

Carbon Steel Structural Shapes From Norway; 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 carbon steel structural shapes from Norway 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 4, 1985, and we will make ours on or before May 29, 1985.

EFFECTIVE DATE: January 16, 1985.

FOR FURTHER INFORMATION CONTACT: Paul Aceto, 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) 377-3534.

SUPPLEMENTARY INFORMATION:

The Petition

On December 20, 1984, we received a petition in proper form filed by Chaparral Steel Company. 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 Norway 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 Act.

The petitioner based the United States prices on offers for sale during the third quarter of 1984 of carbon steel structural shapes to U.S. purchasers, less freight, insurance, handling, and U.S. customs duties.

The petitioner based foreign market value on its own costs of production, adjusted for estimated differences in production costs in Norway.

By comparing the values calculated by the foregoing methods the petitioner arrived at a dumping margin of 56 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 carbon steel structural shapes 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 carbon steel structural shapes from Norway 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 29, 1985.

Scope of Investigation

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

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 Determination by ITC

The ITC will determine by February 4, 1985, whether there is a reasonable indication that imports of carbon steel structural shapes from Norway are causing material injury, or threaten material injury, to a United States industry. If its 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 9, 1985.

[FR Doc. 85-1202 Filed 1-15-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-455-403]

Carbon Steel Structural Shapes From Poland; 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 carbon steel structural shapes from Poland 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 4, 1985, and we will make ours on or before May 29, 1985.

EFFECTIVE DATE: January 16, 1985.

FOR FURTHER INFORMATION CONTACT: Paul Aceto, Office of Investigations, Imports Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377–3534.

SUPPLEMENTARY INFORMATION:

The Petition

On December 20, 1984, we received a petition in proper form filed by Chaparral Steel Company. 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 Poland 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 Act.

The petitioner based the United States prices on actual sales and offers for sale during the third quarter of 1984 of carbon steel structural shapes, to U.S. purchasers, less inland and ocean freight insurance, handling, and U.S. Customs duties.

The petitioner based foreign market value on the average entered value of carbon steel structural shapes imports into the United States from Japan and Canada in August, 1984.

The petitioner alleges that since Poland is a state-controlled economy, the foreign market value of its carbon steel structural shapes must be determined by using the surrogate country method, in accordance with section 773(c) of the Act. Petitioner claims that Japan and Canada should be used as surrogate countries for the purpose of determining foreign market value.

By comparing the values calculated by the foregoing methods the petitioner alleged a dumping margin of 47 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 carbon steel structural shapes 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 carbon steel structural shapes from Poland 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 29, 1985.

Scope of Investigation

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

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 order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by Februray 4, 1985, whether there is a reasonable indication that imports of carbon steel structural shapes from Poland are causing material injury, or threaten material injury, to a United States, industry. If its 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 9, 1985.

[FR Doc. 85–1203 Filed 1–15–85; 8:45 am]

BILLING CODE 3510-DS-M

[C–433–402]

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

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Austria of certain carbon steel products, as described in the "Scope of the Investigations" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Austria materially injure, or threaten material injury to, a U.S. industry. If our investigations proceed normally, the ITC will make its preliminary determination on or before February 4, 1985, and we will make ours on or before March 14, 1985.

EFFECTIVE DATE: January 16, 1985.

FOR FURTHER INFORMATION CONTACT: Alain Letort or Stuart Keitz, 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) 377–5050 or 377–1769.

SUPPLEMENTARY INFORMATION:

Petition

On December 19, 1984, we received a petition in proper form from the United States Steel Corporation of Pittsburgh, Pennsylvania, filed on behalf of the U.S. industries producing certain carbon steel products. In compliance with the filing requirements of 355.26 of the Commerce Regulations (19 CFR 355.26),

the petition alleges that manufacturers, producers, or exporters in Austria of certain carbon steel products receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since Austria is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to these investigations, and the ITC is required to determine whether imports of the subject merchandise from Austria materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain carbon steel products from Austria, and we have found that the petition meets these requirements. Therefore, we are initiating countervailing duty investigations to determine whether the manufacturers, producers, or exporters in Austria of certain carbon steel products, as described in the "Scope of the Investigations" section of this notice, receive subsidies.

Scope of the Investigations

The products covered by this investigation are certain carbon steel products, which comprise:

- Hot-rolled carbon steel sheet,
- Cold-rolled carbon steel sheet, and
- Galvanized carbon steel sheets.

These products are more fully described in the Appendix to this notice.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Austria of certain carbon steel products receive benefits under the following programs which constitute subsidies:

- Government Equity Infusions
- Government Grants to the Austria Steel Industry
- Preferential Export Financing
  - —Kontrollbank Export Credits
  - —Osterreichische Investitionskredit TOP–1 and TOP–2 Loans
  - —Export-oriented Research and Development Loans
- Labor Subsidies
  - —Government-funded Labor Training
  - —Special Assistance Act
- Local Incentives

Notification of ITC

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

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

January 8, 1985.

Appendix—Description of Products, Austria

1. The term *"hot-rolled carbon steel flat-rolled products"* covers hot-rolled carbon steel products, whether or not corrugated, or crimped; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width and pickled, as currently provided for in item 607.8320 of the *TSUSA*; and not pickled and in coils; as currently provided in item 607.6610, or under 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 of the *TSUSA*.

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

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

[FR Doc. 85–1204 Filed 1–15–85; 8:45 am]

BILLING CODE 3510–DS–M

[C–401–401]

Initiation of Countervailing Duty Investigations; Certain Carbon Steel Products from Sweden

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Sweden of certain carbon steel products, as described in the "Scope of the Investigations" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Sweden materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before February 4, 1985, and if our investigations proceed normally, we will make our preliminary determination on or before March 14, 1985.

EFFECTIVE DATE: January 16, 1985.

FOR FURTHER INFORMATION CONTACT: Alain Letort or Stuart Keitz, 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) 377–5050 or 377–1769.

SUPPLEMENTARY INFORMATION:

Petition

On December 19, 1984, we received a petition in proper form from the United States Steel Corporation of Pittsburgh, Pennsylvania, filed on behalf of the U.S. industries producing certain carbon steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Sweden of certain carbon steel products receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since Sweden is a "country under the Agreement" within the meaning of section 701(b) of the Act,

Title VII of the Act applies to these investigations, and the ITC is required to determine whether imports of the subject merchandise from Sweden materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain carbon steel products from Sweden, and we have found that the petition meets these requirements. Therefore, we are initiating countervailing duty investigations to determine whether the manufacturers, producers, or exporters in Sweden of certain carbon steel products, as described in the "Scope of the Investigations" section of this notice, receive subsidies.

Scope of the Investigations

The products covered by this investigation are certain carbon steel products, which comprise:

- Carbon steel plate,
- Hot-rolled carbon steel sheet, and
- Cold-rolled carbon steel sheet.

These products are more fully described in the Appendix to this notice.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Sweden of certain carbon steel products receive benefits under the following programs which constitute subsidies:

- Government Equity Infusions
- Government Grants
- Preferential Government Loans
- Government Loan Guarantees
- Regional Development Subsidies
- Research and Development Subsidies
- Inputs at Preferential Prices

Petitioner alleges that the state-owned Svenskst Staal AB (SSAB) steel company has an arrangement with Luossavaara-Kiirunavaara AB (LKAB), a state-owned mining company in Sweden, whereby it obtains iron ore at preferential rates.

Petitioner alleges further that LKAB has received large amounts of subsidies from the Swedish government, and that these subsidies to LKAB have been passed-through to SSAB, both companies being under common government ownership. However, the petition does not allege, nor does it provide any evidence, that the bounties or grants received by LKAB have a significant effect on the cost of manufacturing the subject steel products as required by section 613 of the Trade and Tariff Act of 1984. Therefore, we are not initiating an investigation of upstream subsidies at this time. We will promptly reconsider this question on the basis of any additional information provided during the investigation.

The petition does, however, adequately allege, for the purposes of section 701(b) of the Act, that LKAB is providing iron ore inputs to SSAB at preferential rates, and we are initiating our investigation with regard to this issue.

Notification of ITC

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

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

January 8, 1985.

Appendix—Description of Products, Sweden

1. The term *"carbon steel plate"* covers hot-rolled carbon steel products, whether or not corrugated, or crimped; not pickled; not cold-rolled; not in coils, not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in item 607.6620, and 607.6625 of the *TSUSA*. Semifinished products of solid rectangular cross-section with a width at least four times the thickness and processed only through primary mill hot-rolling are not included.

2. The term *"hot-rolled carbon steel flat-rolled products"* covers hot-rolled carbon steel products, whether or not corrugated, or crimped; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; 0.1875 inch or more in thickness and over 8 inches in width; pickled, and as currently provided for in item 607.8320 of the *TSUSA;* and not pickled and in coils; as currently provided for in item 607.6610 or under 0.1875 inch in thickness and over 12 inches in width, whether or not pickled, whether or not in coils, as currently provided for in items 607.6710, 607.6720, 607.6730, 607.6740, or 607.8342 of the *TSUSA*.

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

[FR Doc. 85-1205 Filed 1-15-85; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-225 through 234 (Preliminary)
and 731-TA-213 through 235 (Preliminary)

CERTAIN CARBON STEEL PRODUCTS FROM AUSTRIA, CZECHOSLOVAKIA, EAST GERMANY, FINLAND, HUNGARY, NORWAY, POLAND, ROMANIA, SWEDEN, 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 9, 1985, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, DC.

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

United States Steel Corp.
Pittsburgh, PA

John J. Mangan, Senior General Attorney-International Trade
Craig D. Mallick, Attorney
Peter Maloney, Vice President and Assistant to Chairman of the Board
John D. Ewing, General Manager-Sheet Products
Timothy J. Moran, General Manager-Heavy Products
Paul L. Fidel, Manager-International Trade and Ligitation Services

Law Offices of Stewart and Stewart—Counsel
Washington, DC
on behalf of—

Bethlehem Steel Corp.
Bethlehem, PA

Laird Patterson, General Attorney
Bethlehem Steel Corp.

Eugene L. Stewart—OF COUNSEL

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

Wiley & Rein—Counsel
Washington, DC
on behalf of—

Chaparral Steel Co.
Midlothian, TX

Gordon E. Forward, President
Jeffrey A. Werner, Senior Vice President
Gary M. Bolton, Manager of Marketing and Product Development

Charles Owen Verrill, Jr.)
Robert E. Nielsen) —OF COUNSEL

Cravath, Swaine & Moore—Counsel
New York, NY
on behalf of—

LTV Steel Co.
Inland Steel Co.
Armco, Inc.

Alan J. Hruska—OF COUNSEL

Heller, Ehrman, White & McAuliffe—Counsel
San Francisco, CA
on behalf of—

Gilmore Steel Corp., Oregon Steel Mills Div.
Portland, OR

Government Relations Associates
John W. Feist, Esq.

John H. Cutler—OF COUNSEL

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

Arent, Fox, Kinter, Plotkins & Kahn—Counsel
Washington, DC
on behalf of—

Voest-Alpine AG (Austria)

Stephen L. Gibson—OF COUNSEL

Herzfeld & Rubin, P.C.—Counsel
New York, NY
on behalf of—

Stalexport (Poland)

Theodore Ness)
Stuart Gold) —OF COUNSEL

Hale, Russel & Gray—Counsel
Washington, DC
on behalf of—

Svenskt Staal AB (Sweden)
Surahammars Bruk AB (Sweden)

Louis H. Kurrelmeyer—OF COUNSEL

Mudge, Rose, Guthrie, Alexander & Ferdon—Counsel
Washington, DC
on behalf of—

Venezuelan producers and exporters

Donald B. Cameron, Jr.)
Jeffrey S. Neeley) —OF COUNSEL

APPENDIX C

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

Past and pending Title VII investigations from 1981 to the present on the subject products and current import restraints, by product groups and by countries

Product group and source 1/	Action	Cite	Orders issued/ outstanding agreements/ current status
PLATES:			
BELGIUM	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC [TPM] 2/		
	Hot-Rolled Carbon Steel Plate	Terminated: 47 F.R. 5754 (Feb. 8, 1982); 701-TA-83(P), USITC Pub. 1207 (1982)	
	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-53(P) and 701-TA-86(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
	RESCISSION OF INVESTIGATION NOTICE BY ITA AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC 3/		
	Hot-Rolled Carbon Steel Plate	Dismissed: 49 F.R. 3503, (Jan. 27, 1984); 731-TA-146(P), USITC Pub. 1451 (1983)	
BRAZIL	SUSPENSION AFTER AFFIRMATIVE FINAL DETERMINATION BY USITC 4/		
	Hot-Rolled Carbon Steel Plate	Suspended: 48 F.R. 11190 (Mar. 16, 1983); 701-TA-87(F), USITC Pub. 1356 (1983)	BRAZILIAN AGREEMENT
	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC [TPM]		
	Hot-Rolled Carbon Steel Plate	Terminated: 47 F.R. 5754 (Feb. 8, 1982); 701-TA-84(P), USITC Pub. 1208 (1982)	
	AFFIRMATIVE FINAL DETERMINATION BY USITC		
	Flat-Rolled Carbon Steel Plate in Coils or Cut-to-length, whether or not coated with metal	731-TA-123(F), USITC Pub. 1499 (1984)	Outstanding antidumping duty order by ITA: 49 F.R. 10692 (Mar. 22, 1984) and 49 F.R. 18023 (Apr. 26, 1984)—allowance of security in place of estimated antidumping duties.
	TERMINATION BEFORE PRELIMINARY DETERMINATION BY USITC [PETITION WAS AMENDED]		
	Flat-Rolled Carbon Steel Plate	Terminated: 48 F.R. 54401 (Dec. 2, 1983); Initiated: 48 F.R. 52782 (Nov. 22, 1983), 701-TA-204	
	FINAL DETERMINATION PENDING BY USITC		
	Hot-Rolled Carbon Steel Plate in Coils	701-TA-205(P), USITC Pub. 1470 (1983)	
FEDERAL REPUBLIC OF GERMANY	TERMINATION AFTER PRELIMINARY AFFIRMATIVE DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-60(P) and 701-TA-93(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
	RECISSION OF INVESTIGATION NOTICE BY ITA AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC 5/		
	Hot-Rolled Carbon Steel Plate Including Coiled Plate	Dismissed: 49 F.R. 3503 (Jan. 27, 1984); 731-TA-147(P), USITC Pub. 1451 (1983)	

See footnotes at end of table.

Past and pending Title VII investigations from 1981 to the present on the subject products and current import restraints, by product groups and by countries

Product group and source 1/	Action	Cite	Orders issued/ outstanding agreements/ current status
PLATES—Continued:			
FINLAND	FINAL DETERMINATION PENDING BY USITC		
	Carbon Steel Plate Not In Coils	731-TA-169(P), USITC Pub. 1510 (1984)	
FRANCE	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	731-TA-54(P) and 701-TA-88(P), USITC Pub. 1221 (1981)	
ITALY	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	731-TA-55(P) and 701-TA-89(P), USITC Pub. 1221 (1982)	
LUXEMBOURG	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	731-TA-56(P) and 701-TA-90(P), USITC Pub. 1221 (1982)	
MEXICO	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY ITA ONLY 6/		
	Carbon Steel Plate	Terminated: 49 F.R. 17790 (Apr. 25, 1984); Initiated: 48 F.R. 55011 (Dec. 8, 1983)	MEXICAN AGREEMENT
NETHERLANDS	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	731-TA-57(P) and 701-TA-91(P), USITC Pub. 1221 (1982)	
REPUBLIC OF KOREA	FINAL DETERMINATION PENDING BY USITC		
	Hot-Rolled Carbon Steel Plate	731-TA-151(P), USITC Pub. 1459 (1983)	
	AFFIRMATIVE FINAL DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	701-TA-170(F), USITC Pub. 1346 (1983)	Outstanding countervailing duty order by ITA: 48 F.R. 7241 (Feb. 18, 1983)
ROMANIA	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC [TPM]		
	Hot-Rolled Carbon Steel Plate	Terminated: 47 F.R. 5754 (Feb. 8, 1982); 731-TA-51(P), USITC Pub. 1208 (1982)	
	SUSPENSION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC 7/	Suspended: 48 F.R. 317, Jan. 4, 1983); 731-TA-58(P), USITC Pub. 1221 (1982)	ROMANIAN AGREEMENT
SOUTH AFRICA	FINAL DETERMINATION PENDING BY USITC		
	Carbon Steel Plate Not in Coils	731-TA-170(P), USITC Pub. 1510 (1984)	ITA Term. 49 FR 23670 6/7/84
	Carbon Steel Plate in Coils	731-TA-172(P), USITC Pub. 1510 (1984)	
	FINAL AFFIRMATIVE COUNTERVAILING DUTY DETERMINATION BY ITA ONLY 8/:		
	Hot-Rolled Carbon Steel Plate	Final determination: 47 F.R. 39379 (Sept. 7, 1982); Initiated: 47 F.R. 5751 (Feb. 8, 1982)	Outstanding countervailing duty order by ITA: 47 F.R. 39379 (Sept. 7, 1982)
SPAIN	FINAL DETERMINATION PENDING BY USITC		
	Carbon Steel Plate Not in Coils	731-TA-171(P), USITC Pub. 1510 (1984)	ITC final pending
	Carbon Steel Plate in Coils	731-TA-173(P), USITC Pub. 1510 (1984)	

See footnotes at end of table.

Past and pending Title VII investigations from 1981 to the present on the subject products and current import restraints, by product groups and by countries

Product group and source 1/	Action	Cite	Orders issued/ outstanding agreements/ current status
PLATES—Continued:			
SPAIN—Con.	AFFIRMATIVE FINAL DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	701-TA-155(F), USITC Pub. 1331 (1982)	Outstanding countervailing duty order by ITA: 48 F.R. 51 (Jan. 3, 1983)
UNITED KINGDOM	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Plate	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-59(P) and 701-TA-92(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
SHEETS:			
ARGENTINA	FINAL DETERMINATION PENDING BY USITC		
	Cold-Rolled Carbon Steel Sheet	731-TA-175(P), USITC Pub. 1510 (1984)	ITC final pending
	AFFIRMATIVE FINAL COUNTERVAILING DUTY DETERMINATION; CASE FILED FILED WITH ITA ONLY 2/		
	Cold-Rolled Carbon Steel Sheet	Final determination: 49 F.R. 18006 (Apr. 26, 1984); Initiated: 48 F.R. 55014 (Dec. 8, 1983)	Outstanding countervailing duty order by ITA: 49 F.R. 18006 (Apr. 26, 1984)
AUSTRALIA	FINAL DETERMINATION PENDING BY USITC		
	Galvanized Carbon Steel Sheet	731-TA-178(P)and 701-TA-212(P), USITC Pub. 1510 (1984)	ITA neg. counter 49 FR 29998 7/25/84, anti-final past 49 FR 93733 10/31/84
BELGIUM	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Cold-Rolled Carbon Steel Sheet and Strip	731-TA-68(P) and 701-TA-102(P), USITC 1221 (1982)	
	Galvanized Carbon Steel Sheet	731-TA-75(P) and 701-TA-110(P), USITC Pub. 1221 (1982)	
	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058, (Oct. 29, 1982); 731-TA-61(P) and 701-TA-94(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
BRAZIL	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet	701-TA-95(P), USITC Pub. 1221 (1982)	
	Cold-Rolled Carbon Steel Sheet and Strip	701-TA-103(P), USITC Pub. 1221 (1982)	
	AFFIRMATIVE 49 FR 34313 8/29/84		
	Hot-Rolled Carbon Steel Sheet	731-TA-153(P) and 701-TA-206(P): USITC Pub. 1470 (1983)	Outstanding countervailing duty order by ITA: 49 F.R. 10692 (Mar. 22, 1984)
	FINAL DETERMINATION PENDING BY USITC		
	Cold-Rolled Carbon Steel Sheet	731-TA-154(P) and 701-TA-207(P): USITC Pub. 1470 (1983)	
FEDERAL REPUBLIC OF GERMANY	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Galvanized Carbon Steel Sheet	731-TA-81 and 701-TA-116(P), USITC Pub. 1221 (1982)	

See footnotes at end of table.

Past and pending Title VII investigations from 1981 to the present on the subject products and current import restraints, by product groups and by countries

Product group and source 1/	Action	Cite	Orders issued/ outstanding agreements/ current status
SHEETS—Continued:			
FEDERAL REPUBLIC OF GERMANY—Continued	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058, (Oct. 29, 1982); 731-TA-67(P) and 701-TA-101(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
	Cold-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058, (Oct. 29, 1982); 731-TA-74(P) and 701-TA-109(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
FRANCE	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Galvanized Carbon Steel Sheet	731-TA-76(P) and 701-TA-111(P), USITC Pub. 1221 (1982)	
	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058, (Oct. 29, 1982); 731-TA-62(P) and 701-TA-96(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
	Cold-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058, (Oct. 29, 1982); 731-TA-69(P) and 701-TA-104(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
ITALY	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Galvanized Carbon Steel Sheet	731-TA-77(P) and 701-TA-112(P), USITC Pub. 1221 (1982)	
	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-63(P) and 701-TA-97(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
	Cold-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-70(P) and 701-TA-105(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
LUXEMBOURG	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet and Strip	731-TA-64(P) and 701-TA-98(P), USITC Pub. 1221 (1982)	
	Cold-Rolled Carbon Steel Sheet and Strip	731-TA-71(P) and 701-TA-106(P), USITC Pub. 1221 (1982)	
	Galvanized Carbon Steel Sheet	731-TA-78(P) and 701-TA-113(P), USITC Pub. 1221 (1982)	
MEXICO	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY ITA ONLY 6/		
	Hot-Rolled, Cold-Rolled and Galvanized Carbon Sheet	Terminated: 49 F.R. 17790 (Apr. 25, 1984); Initiated: 48 F.R. 55013 (Dec. 8, 1983)	MEXICAN AGREEMENT
NETHERLANDS	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Galvanized Carbon Steel Sheet	731-TA-79(P) and 701-TA-114(P), USITC Pub. 1221 (1982)	

See footnotes at end of table.

Past and pending Title VII investigations from 1981 to the present on the subject products and current import restraints, by product groups and by countries

Product group and source 1/	Action	Cite	Orders issued/ outstanding agreements/ current status
SHEETS—Continued:			
NETHERLANDS—Continued	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC [NEG. FINAL DETERMINATION BY ITA]:		
	Cold-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 40725 (Sept. 15, 1982); 701-TA-107(P), USITC Pub. 1221 (1982)	
	Hot-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 40725 (Sept. 15, 1982); 701-TA-99(P), USITC Pub. 1221 (1982)	
	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-65(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMEN
	Cold-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-72(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMEN
REPUBLIC OF KOREA	AFFIRMATIVE FINAL DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet	701-TA-171(F), USITC Pub. 1346 (1983)	Outstanding countervailing duty order by ITA: 48 F.R. 7241 (Feb. 18, 1983)
	Galvanized Carbon Steel Sheet	701-TA-173(F), USITC Pub. 1346 (1983)	Outstanding countervailing duty order by ITA: 48 F.R. 7241 (Feb. 18, 1983)
	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Cold-Rolled Carbon Steel Sheet	701-TA-172(P), USITC Pub. 1261 (1983)	
SOUTH AFRICA	FINAL DETERMINATION PENDING BY USITC		
	Hot-Rolled Carbon Steel Sheet	731-TA-174(P), USITC Pub. 1510 (1984)	ITA terminated 46 FR 23670 6/7/84
	Cold-Rolled Carbon Steel Sheet	731-TA-176(P), USITC Pub. 1510 (1984)	
	Galvanized Carbon Steel Sheet	731-TA-179(P), USITC Pub. 1510 (1984)	
	AFFIRMATIVE FINAL COUNTERVAILING DUTY DETERMINATION, FILED WITH ITA ONLY 8/		
	Hot- and Cold-Rolled Carbon Sheet and Strip, and Galvanized Carbon Steel Sheet	Final determination: 47 F.R. 39379 (Sept. 7, 1982); Initiated: 47 F.R. 5751 (Feb. 8, 1982)	Outstanding countervailing duty order by ITA: 47 F.R. 39379 (Sept. 7, 1982)
SPAIN	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet	701-TA-156(P), USITC Pub. 1255 (1982)	
	FINAL DETERMINATION PENDING BY USITC		
	Cold-Rolled Carbon Steel Sheet	731-TA-177(P), USITC Pub. 1510 (1984)	
	Galvanized Carbon Steel Sheet	731-TA-180(P), USITC Pub. 1510 (1984)	
	AFFIRMATIVE FINAL DETERMINATION BY USITC		
	Cold-Rolled Carbon Steel Sheet	701-TA-157(F), USITC Pub. 1331 (1982)	Outstanding countervailing duty order by ITA: 48 F.R. 51 (Jan. 3, 1983)
	Galvanized Carbon Steel Sheet	701-TA-158(F), USITC Pub. 1331 (1982)	Outstanding countervailing duty order by ITA: 48 F.R. 51 (Jan. 3, 1983)

See footnotes at end of table.

Past and pending Title VII investigations from 1981 to the present on the subject products and current import restraints, by product groups and by countries

Product group and source 1/	Action	Cite	Orders issued/ outstanding agreements/ current status
SHEETS—Continued:			
UNITED KINGDOM	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Hot-Rolled Carbon Steel Sheet and Strip	701-TA-100(P), USITC Pub. 1221 (1982)	
	Cold-Rolled Carbon Steel Sheet and Strip	731-TA-73(P) and 701-TA-108(P), USITC Pub. 1221 (1982)	
	Galvanized Carbon Steel Sheet	731-TA-80(P) and 701-TA-115(P), USITC Pub. 1221 (1982)	
	TERMINATION BEFORE PRELIMINARY DETERMINATION BY USITC [PETITION WITHDRAWN]		
	Hot-Rolled Carbon Steel Sheet and Strip	Terminated: 47 F.R. 6117, (Feb. 10, 1982); Initiated: 47 F.R. 2955 (Jan. 20, 1982), 731-TA-66	
STRUCTURAL SHAPES:			
BELGIUM	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Carbon Steel Structural Shapes	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 701-TA-117(P) and 731-TA-82(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
BRAZIL	NEGATIVE PRELIMINARY DETERMINATION BY USITC		
	Carbon Steel Structural Shapes	701-TA-118(P), USITC Pub. 1221 (1982)	
FEDERAL REPUBLIC OF GERMANY	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 731-TA-86(P) and 701-TA-124(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
	Carbon Steel Structural Shapes		
FRANCE	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Carbon Steel Structural Shapes	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 701-TA-119(P) and 731-TA-83(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
ITALY	TERMINATION BEFORE PRELIMINARY DETERMINATION BY USITC [PETITION WITHDRAWN IN EXCHANGE FOR AN ANTIDUMPING INVESTIGATION]		
	Carbon Steel Structural Shapes	Terminated: 47 F.R. 6117 (Feb. 10, 1982), Initiated: 47 F.R. 2950 (Jan. 20, 1982) 701-TA-120	
LUXEMBOURG	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Carbon Steel Structural Shapes	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 701-TA-121(P) and 731-TA-84(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT
MEXICO	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY ITA ONLY 6/		
	Carbon Steel Structural Shapes	Terminated: 49 F.R. 17790 (Apr. 25, 1984); Initiated: 48 F.R. 55013 (Dec. 8, 1983)	MEXICAN AGREEMENT
NETHERLANDS	TERMINATION BEFORE PRELIMINARY DETERMINATION BY USITC [PETITION WITHDRAWN IN EXCHANGE FOR AN ANTIDUMPING INVESTIGATION]		
	Carbon Steel Structural Shapes	Terminated: 47 F.R. 6117 (Feb. 10, 1982); Initiated: 47 F.R. 2950 (Jan. 20, 1982), 701-TA-122	

See footnotes at end of table.

Past and pending Title VII investigations from 1981 to the present on the subject products and current import restraints, by product groups and by countries

Product group and source 1/	Action	Cite	Orders issued/ outstanding agreements/ current status
STRUCTURAL SHAPES—Con.:			
SOUTH AFRICA	FINAL DETERMINATION PENDING BY USITC		
	Carbon Steel Angles, Shapes and Sections	731-TA-181(P), USITC Pub. 1510 (1984)	ITA term. 49 FR 23670 6/7/84
	AFFIRMATIVE FINAL COUNTERVAILING DUTY DETERMINATION, FILED WITH ITA ONLY 8/		
	Carbon Steel Structural Shapes	Final determination: 47 F.R. 39379 (Sept. 7, 1982); Initiated: 47 F.R. 5751 (Feb. 8, 1982)	Final countervailing duty review by ITA: 47 F.R. 39379 (Sept. 7, 1982)
SPAIN	FINAL DETERMINATION PENDING BY USITC		
	Carbon Steel Angles, Shapes and Sections	731-TA-182(P), USITC Pub. 1510 (1984)	
	AFFIRMATIVE FINAL DETERMINATION BY USITC		
	Carbon Steel Angles, Shapes and Sections	701-TA-159(F), USITC Pub. 1331 (1982)	Countervailing duty orders by ITA: 48 F.R. 51 (Jan. 3, 1983)
UNITED KINGDOM	TERMINATION AFTER AFFIRMATIVE PRELIMINARY DETERMINATION BY USITC		
	Carbon Steel Structural Shapes	Terminated: 47 F.R. 49058 (Oct. 29, 1982); 701-TA-123(P) and 731-TA-85(P), USITC Pub. 1221 (1982)	U.S./E.C. STEEL ARRANGEMENT

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

2/ TPM is the abbreviation for Trigger Price Mechanism.

3/ ITA determined that petitioner did not represent the national hot-rolled carbon steel plate industry.

4/ A suspension agreement was negotiated in which the Government of Brazil agreed to offset with an export tax all benefits which were found to constitute subsidies on tool steel exported to the United States. 48 F.R. 11721 (Mar. 21, 1983). However, petitioners requested ITA to continue the investigation. An affirmative final determination was reached by ITA and USITC. The suspension agreement remains in effect unless terminated or violated. 48 F.R. 11190 (Mar. 16, 1983).

5/ ITA determined that petitioner did not represent the national hot-rolled carbon steel plate industry. The U.S. Court of International Trade has reversed ITA's dismissal of the regional industry in its antidumping petition and has remanded the case back to ITA for further proceedings.

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

7/ An agreement was reached with Metalimportexport, an exporter, in which Metalimportexport agreed to revise its prices to eliminate sales of this merchandise to the United States at less than fair value. 48 F.R. 317 (Jan. 4, 1983).

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

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

APPENDIX D

DESCRIPTIONS OF PRODUCTS COVERED IN THE PRICE SECTIONS

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

Plates in cut lengths:

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

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

Plates in coils (hot-rolled carbon steel bands):

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

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

Hot-rolled sheets:

Product 5: Hot-rolled carbon steel sheets, in coils, commercial quality, 0.25 percent carbon maximum, not pickled, 0.1210 inch through 0.1874 inch in thickness, over 36 inches through 72 inches in width.

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

Product 7: Hot-rolled carbon steel sheets, in coils, mill edge, commercial quality, 0.25 percent carbon maximum, not pickled, 0.1210 inch through 0.1874 inch in thickness, over 36 inches through 72 inches in width

Product 8: Hot-rolled carbon steel bands, in coils, commercial quality 0.25 percent carbon maximum, not pickled, 0.0810 inch through 0.1209 inch in thickness, over 48 inches through 72 inches in width

Product 9: Hot-rolled carbon steel bands, in coils, commercial quality 0.25 percent carbon maximum, not pickled, 0.0540 inch through 0.0610 inch in thickness, over 36 inches through 72 inches in width

Cold-rolled sheets:

Product 10: Cold-rolled carbon steel sheets, in coils, commercial quality, class 1, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Product 11: Cold-rolled carbon steel sheets, in coils, commercial quality, class 2, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Product 12: Cold-rolled carbon steel sheets, in coils, AKDQ A-620, 0.0280 inch through 0.0630 inch in thickness, 45 inches through 60 inches in width.

Galvanized sheets:

Product 13: Galvanized carbon steel sheets, in coils, commercial or lock-forming quality, G-90 coating, regular or minimum spangle, 0.017 inch through 0.018 inch in thickness, 24 inches through 48 inches in width.

Product 14: Galvanized carbon steel sheets, in coils, commercial or lock-forming quality, G-90 coating, regular or minimum spangle, 0.019 inch through 0.022 inch in thickness, 24 inches through 42 inches in width.

Product 15: Galvanized carbon steel sheets, in coils, commercial or lock-forming quality, G-90 coating, regular or minimum spangle, 0.019 inch through 0.022 inch in thickness, over 42 inches through 48 inches in width.

Product 16: Galvanized carbon steel sheets, in coils, commercial or lock-forming quality, G-40 or G-60 coating, regular or minimum spangle, 0.019 inch through 0.022 inch in thickness, 24 inches through 48 inches in width. (Specify whether coating is G-40 or G-60 in the prices provided.)

Structural shapes:

Product 17: Wide-flange carbon steel beams, A-36 or equivalent, 8 inches by 6-1/2 inches, 24-28 lbs/ft., 40-60 feet in length.

Product 18: Wide-flange carbon steel beams, A-36 or equivalent, 8 inches by 8 inches, 31-67 lbs./ft., 40-60 feet in length.

Product 19: Wide-flange carbon steel beams, A-36 or equivalent, 10 inches by 10 inches, 49-112 lbs./ft., 40-60 feet in length.

Product 20: Standard carbon steel I beams, A-36 or equivalent, 3 inches and over in maximum cross-sectional dimension, 50 lbs./ft. and under.

APPENDIX E

EXCHANGE-RATE TABLES

Table E-1.—U.S.-Austrian exchange rates 1/: Nominal exchange-rate equivalents of the Austrian schilling in U.S. dollars, real exchange-rate equivalents, and producer price indicators in the United States and Austria, indexed by quarters, January 1981-September 1984

Period	U.S. Producer Price Index	Austrian Producer Price Index	Nominal exchange-rate index	Real exchange-rate index 2/
			——Dollars per schilling——	
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	102.4	102.0	91.8	91.5
July-September	103.3	102.5	86.4	85.8
October-December	103.2	103.2	94.0	94.0
1982:				
January-March	104.0	105.6	89.8	91.2
April-June	104.2	107.5	88.8	91.1
July-September	104.8	104.2	84.7	84.2
October-December	104.8	103.4	84.1	83.0
1983:				
January-March	104.9	105.9	87.3	88.1
April-June	105.2	105.7	84.5	84.9
July-September	106.3	105.1	79.6	78.7
October-December	106.7	106.6	78.4	78.3
1984:				
January-March	108.0	109.8	77.6	78.9
April-June	108.7	110.7	77.6	79.1
July-September	108.4	109.0	77.6	78.0

1/ Exchange rates expressed in U.S. dollars per unit of schilling.

2/ The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the foreign country. Inflation in the United States averaged 2.2 percent annually during the period compared with 2.4 percent for Austria.

Source: International Monetary Fund, International Financial Statistics, January 1985.

Note.—January-March 1981=100.

Table E-2.--U.S.-Finnish exchange rates 1/: Nominal exchange-rate equivalents of the Finnish markka in U.S. dollars, real exchange-rate equivalents, and producer price indicators in the United States and Finland, indexed by quarters, January 1981-September 1984

Period	U.S. Producer Price Index	Finnish Producer Price Index	Nominal exchange-rate index	Real exchange-rate index 2/
			----Dollars per markka----	
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	102.4	103.4	93.1	94.0
July-September	103.3	105.4	88.0	89.8
October-December	103.2	107.8	91.5	95.6
1982:				
January-March	104.0	109.8	89.2	94.2
April-June	104.2	110.9	87.2	92.8
July-September	104.8	111.8	84.2	89.8
October-December	104.8	115.4	74.1	81.6
1983:				
January-March	104.9	115.1	74.6	81.9
April-June	105.2	116.1	73.3	80.9
July-September	106.3	117.7	70.7	78.3
October-December	106.7	119.4	69.7	78.0
1984:				
January-March	108.0	120.9	69.3	77.6
April-June	108.7	122.4	69.6	78.4
July-September	108.4	124.0	65.5	74.9

1/ Exchange rates expressed in U.S. dollars per unit of markka.

2/ The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the foreign country. Inflation in the United States averaged 2.2 percent annually during the period compared with 6.4 percent for Finland.

Source: International Monetary Fund, International Financial Statistics, January 1985.

Note.--January-March 1981=100.

Table E-3.—U.S.-Norwegian exchange rates 1/: Nominal exchange-rate equivalents of the Norwegian krone in U.S. dollars, real exchange-rate equivalents, and producer price indicators in the United States and Norway, indexed by quarters, January 1981-September 1984

Period	U.S. Producer Price Index	Norwegian Producer Price Index	Nominal exchange-rate index	Real exchange-rate index 2/
			Dollars per krone	
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	102.4	101.9	94.1	93.6
July-September	103.3	104.6	87.9	89.0
October-December	103.2	104.6	91.6	92.8
1982:				
January-March	104.0	107.4	89.8	92.7
April-June	104.2	107.4	88.0	90.7
July-September	104.8	110.2	80.5	84.6
October-December	104.8	113.0	74.8	80.6
1983:				
January-March	104.9	113.9	75.2	81.2
April-June	105.2	113.9	74.6	78.2
July-September	106.3	116.7	72.2	79.3
October-December	106.7	118.5	71.3	79.2
1984:				
January-March	108.0	121.3	69.5	78.1
April-June	108.7	121.3	69.1	77.1
July-September	108.4	124.1	63.9	73.2

1/ Exchange rates expressed in U.S. dollars per unit of krone.

2/ The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the foreign country. Inflation in the United States averaged 2.2 percent annually during the period compared with 6.4 percent for Norway.

Source: International Monetary Fund, International Financial Statistics, January 1985.

Note.—January-March 1981=100.

Table E-4.--U.S.-Swedish exchange rates 1/: Nominal exchange-rate equivalents of the Swedish krona in U.S. dollars, real exchange-rate equivalents, and producer price indicators in the United States and Sweden, indexed by quarters, January 1981-September 1984

Period	U.S. Producer Price Index	Swedish Producer Price Index	Nominal exchange-rate index	Real exchange-rate index 2/
			-----Dollars per krona----	
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	102.4	101.9	93.4	92.9
July-September	103.3	104.7	85.8	87.0
October-December	103.2	108.4	82.4	86.6
1982:				
January-March	104.0	113.1	79.3	86.2
April-June	104.2	115.0	77.1	85.1
July-September	104.8	116.8	73.9	82.4
October-December	104.8	124.3	62.0	73.5
1983:				
January-March	104.9	127.1	61.4	75.0
April-June	105.2	128.0	60.4	73.5
July-September	106.3	131.8	58.3	72.3
October-December	106.7	133.6	57.5	72.0
1984:				
January-March	108.0	137.4	57.1	72.6
April-June	108.7	139.3	56.9	72.9
July-September	108.4	141.1	54.1	70.4

1/ Exchange rates expressed in U.S. dollars per unit of krona.

2/ The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the foreign country. Inflation in the United States averaged 2.2 percent annually during the period compared with 11.0 percent for Sweden.

Source: International Monetary Fund, International Financial Statistics, January 1985.

Note.--January-March 1981=100.

Table E-5.--U.S.-Venezuelan exchange rates 1/: Nominal exchange-rate equivalents of the Venezuelan bolivar in U.S. dollars, real exchange-rate equivalents, and producer price indicators in the United States and Venezuela, indexed by quarters, January 1981-September 1984

Period	U.S. Producer Price Index	Venezuelan Producer Price Index	Nominal exchange-rate index 2/	Real exchange-rate index 3/
			----Dollars per bolivar---	
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	102.4	103.8	100.0	101.4
July-September	103.3	107.4	100.0	104.0
October-December	103.2	107.3	100.0	104.0
1982:				
January-March	104.0	111.2	100.0	107.0
April-June	104.2	112.7	100.0	108.1
July-September	104.8	116.5	100.0	111.1
October-December	104.8	114.2	100.0	109.0
1983:				
January-March	104.9	116.2	100.0	110.7
April-June	105.2	118.9	99.9	113.0
July-September	106.3	123.3	99.8	115.7
October-December	106.7	125.6	99.8	116.5
1984:				
January-March	108.0	130.0	77.1	99.8
April-June	108.7	136.0	57.2	71.6
July-September	108.4	4/ 145.1	57.2	76.6

1/ Exchange rates expressed in U.S. dollars per unit of bolivar.

2/ The Venezuelan bolivar because it had been pegged to the U.S. dollar at a ratio of 4.3 to one maintained its nominal value relative to the dollar during the period January 1981-March 1983 and then depreciated by 42.8 percent during the period April 1983-September 1984.

3/ The real value of a currency is the nominal value adjusted for the difference between inflation rates in the United States and the foreign country. Inflation in the United States averaged 2.2 percent annually during the period compared with 12.0 percent for Venezuela.

4/ Preliminary.

Source: International Monetary Fund, International Financial Statistics, January 1985.

Note.--January-March 1981=100.