

CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM INDIA, TAIWAN, TURKEY, AND YUGOSLAVIA

**Determinations of the Commission
in Investigations Nos. 701-TA-251-253
(Preliminary) Under the Tariff Act of
1930, Together With the Information
Obtained in the Investigations**

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**Determinations of the Commission
in Investigations Nos. 731-TA-271-274
(Preliminary) Under the Tariff Act 1930,
Together With the Information Obtained
in the Investigations**

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.—Information which would disclose confidential operations of individual concerns may not be published and therefor has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 701-TA-251-253 (Preliminary), and
731-TA-271-274 (Preliminary)

CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM
INDIA, TAIWAN, TURKEY, AND YUGOSLAVIA

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that industries in the United States are materially injured 2/ by reason of imports of the following welded carbon steel pipe and tube products which are alleged to be subsidized by the Governments of the specified countries:

standard pipes and tubes 3/ from India (inv. No. 701-TA-251 (Preliminary));

line pipes and tubes 4/ from Taiwan (inv. No. 701-TA-252 (Preliminary)); and

standard and line pipes and tubes from Turkey (inv. No. 701-TA-253 (Preliminary)).

The Commission also determines, pursuant to section 733(a) of the Act (19 U.S.C. § 1673b(a)), that there is a reasonable indication that industries in the United States are materially injured 2/ by reason of imports of the following welded carbon steel pipe and tube products which are alleged to be sold in the United States at less than fair value (LTFV):

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 determines that the domestic industries are materially injured or threatened with material injury.

3/ For purposes of these investigations, the term "welded carbon steel standard pipes and tubes" covers welded carbon steel pipes and tubes of circular cross section, 0.375 inch or more but not over 16 inches in outside diameter, provided for in items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925 of the Tariff Schedules of the United States Annotated (TSUSA).

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

standard pipes and tubes from India (inv. No. 731-TA-271 (Preliminary));

line pipes and tubes from Taiwan (inv. No. 731-TA-272 (Preliminary));

standard and line pipes and tubes from Turkey (inv. No. 731-TA-273 (Preliminary)); and

standard pipes and tubes from Yugoslavia (inv. No. 731-TA-274 (Preliminary)). 1/

The Commission further determines, pursuant to section 733(a) of the Act (19 U.S.C. § 1673b(a)), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Yugoslavia of welded carbon steel line pipes and tubes which are alleged to be sold in the United States at LTFV (inv. No. 731-TA-274 (Preliminary)). 1/

Background

On July 16, 1985, petitions were filed with the Commission and the Department of Commerce by counsel for the individual producer members of the Subcommittees on Standard and Line Pipe of the Committee on Pipe and Tube Imports, alleging that industries in the United States are materially injured or threatened with material injury by reason of subsidized imports of welded carbon steel standard pipes and tubes from India and Turkey, subsidized imports of welded carbon steel line pipes and tubes from Taiwan, LTFV imports of welded carbon steel standard pipes and tubes from India, Turkey, and

1/ Investigation No. 731-TA-274 (Preliminary) included both standard and line pipes and tubes from Yugoslavia. The Commission made an affirmative determination with respect to standard pipes and tubes and a negative determination with respect to line pipes and tubes.

Yugoslavia, and LTFV imports of welded carbon steel line pipes and tubes from Taiwan, and that industries in the United States are being threatened with material injury by reason of subsidized imports from Turkey and by LTFV imports from Turkey and Yugoslavia. Accordingly, effective July 16, 1985, the Commission instituted preliminary countervailing duty investigations Nos. 701-TA-251-253 (Preliminary) and preliminary antidumping investigations Nos. 731-TA-271-274 (Preliminary).

Notice of the institution of the Commission's investigations and of a public 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 July 24, 1985 (50 F.R. 30243). The conference was held in Washington, DC, on August 7, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that industries in the United States are materially injured by reason of allegedly subsidized imports of welded carbon steel pipes and tubes as follows:

Investigation No. 701-TA-251 (Preliminary), standard pipes and tubes from India;

Investigation No. 701-TA-252 (Preliminary), line pipes and tubes from Taiwan; and,

Investigation No. 701-TA-253 (Preliminary), standard and line pipes and tubes from Turkey.

We further determine that there is a reasonable indication that industries in the United States are materially injured by reason of imports of welded carbon steel pipes and tubes allegedly sold at less than fair value (LTFV) as follows:

Investigation No. 731-TA-271 (Preliminary), standard pipes and tubes from India;

Investigation No. 731-TA-272 (Preliminary), line pipes and tubes from Taiwan;

Investigation No. 731-TA-273 (Preliminary), standard and line pipes and tubes from Turkey; and,

Investigation No. 731-TA-274 (Preliminary), standard pipes and tubes from Yugoslavia. 1/

Finally, we determine 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 allegedly LTFV imports of welded carbon steel line pipes and tubes from Yugoslavia in Investigation No. 731-TA-274. 2/

1/ In all of these investigations, Chairwoman Stern determines that an industry in the United States is materially injured or threatened with material injury.

2/ Material retardation of the establishment of an industry in the United States is not an issue in any of these investigations and will not be discussed further.

We base these determinations on evidence that the allegedly unfair imports may have contributed to the depressed condition of the domestic industries producing the like products. When the imports in the current investigations are cumulated with those subject to recent investigations, the volume and the market share of imports increased during the period of these investigations. Instances of underselling and lost sales, 3/ coupled with evidence of domestic price suppression, provide a reasonable indication that there is a causal link between the imports and the condition of the domestic industry. Our negative determination in the case of Yugoslavian standard pipes and tubes is based on information that there have been no imports since 1982 and that there are no current importations or plans for importation.

3/ Vice Chairman Liebler notes that although the statute requires the Commission to determine whether there is significant price undercutting, she does not find the particular data on underselling gathered by the Commission in this investigation useful in determining whether the material injury is by reason of the allegedly dumped imports. Firms, whether foreign or domestic, generally charge the most they can for their product. As a result, price differentials are usually accounted for by differences in the product or associated services. Thus, "underselling" based on a comparison of transactions' prices has no relevant economic content. Price undercutting refers to predatory pricing behavior whereby a firm lowers its prices to drive out competitors in order to gain monopoly power. See, e.g., Views of Vice Chairman Liebler, Certain Welded Carbon Steel Pipes and Tubes from Thailand and Venezuela, Invs. Nos. 731-TA-252 and 253, USITC Pub. 1680 (1985).

As for lost sales, the presence or absence of confirmed lost sales is not determinative or persuasive on the question of a causal link between LTFV imports and material injury to the domestic industry. Typically, an import that is sold at less than fair value affects the domestic industry the same way regardless of whether it is a confirmed lost sale. Although it might be appropriate to inquire whether a sale by a respondent has been in lieu of sales by the domestic industry or, alternatively, at the expense of imports from other countries, Commission information on lost sales is not capable of providing an answer to such a question because the data are based on a small and biased sample.

I. LIKE PRODUCTS AND THE DOMESTIC INDUSTRIES

The term "industry" is defined in section 771(4)(A) of the Tariff Act of 1930 as being "the domestic producers as a whole of the like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 4/ The term "like product" is defined in section 771(10) as being "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation" 5/

Two imported products are the subjects of the petitions in these investigations: (1) circular welded carbon steel standard pipes and tubes, 0.375 inch or more but not over 16.0 inches in outside diameter, and (2) circular welded carbon steel line pipes and tubes, 0.375 inch or more but not over 16.0 inches in outside diameter.

We have considered circular welded carbon steel standard pipes and tubes (standard pipe) and circular welded carbon steel line pipes and tubes (line pipe) in previous investigations. 6/ In the most recent one, we examined the

4/ 19 U.S.C. § 1677(4)(A).

5/ 19 U.S.C. § 1677(10).

6/ Certain Welded Carbon Steel Pipes and Tubes from Thailand and Venezuela, Invs. Nos. 701-TA-242 and 731-TA-252-253 (Preliminary), USITC Pub. 1680 (April 1985) (Thailand & Venezuela); Certain Welded Carbon Steel Pipes and Tubes from Taiwan and Venezuela, Invs. Nos. 731-TA-211-212 (Preliminary), USITC Pub. 1639 (1985); Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-131, 132, and 138 (Final), USITC Pub. 1519 (1984); Certain Welded Carbon Steel Pipes and Tubes from Brazil and Spain, Invs. Nos. 701-TA-220 and 731-TA-197-198 (Preliminary), USITC Pub. 1569 (1984); Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-131-132 (Preliminary), USITC Pub. 1389 (1983); Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Inv. No. 701-TA-168 (Final), USITC Pub. 1345 (1983); Certain Welded Carbon Steel Pipes and Tubes from Brazil, France, Italy, the Republic of Korea, and West Germany, Invs. Nos. 701-TA-165-169 (Preliminary), USITC Pub. 1262 (1982).

questions of like product and domestic industry and concluded that:

(1) domestic line pipe is like imported line pipe and not like imported standard pipe; and (2) domestic standard pipe is like imported standard pipe and is not like imported line pipe. 7/ For both standard and line pipe, we also determined that the like product consisted of pipe up to 16 inches outside diameter. 8/ In present preliminary investigations, no party has challenged these determinations 9/ and no facts have been presented that suggest changing them.

We conclude, therefore, that there are two like products in these investigations: standard pipe up to 16 inches outside diameter and line pipe up to 16 inches outside diameter. We conclude that there are two domestic industries: 10/ respectively, of the domestic producers of standard pipe and

domestic standard pipe industry. 10/

The standard pipe industry in several prior investigations. In these investigations, the

11/ 12/ Petitioners, however, claimed two products but only one domestic

one of the producers of the like industry consists of 41 firms that produce both standard and line pipe consists of 4 firms that produce both line

regarding the condition of the industry is confidential and,

domestic standard pipe industry demonstrated reasonable performance through 1981, but suffered serious setbacks in 1982 in terms of almost all significant economic indicators. Production, shipments, capacity utilization, employment, and wages all decreased precipitously, and financial performance deteriorated. 12/ In our recent investigation on Venezuela and Thailand, we noted that over the period 1982 through the first quarter of 1985, the domestic standard pipe industry showed improvement in certain indicators. 13/ Nevertheless, the domestic industry's performance remained weak and we concluded that it had not participated in the significant growth of the U.S. market.

In the present investigations, the data show that the performance of the domestic standard pipe industry has continued at depressed levels during the most recent three months and, in some respects, its performance during January-June 1985 is inferior to its performance during the same period of 1984. 14/

When January-June 1985 is compared with January-June 1984, apparent domestic consumption increased. 15/ However, U.S. producers' shipments and capacity utilization declined from already low levels. 16/ Data on employment of production and related workers, hours worked, and wages paid show no significant trends. 17/

12/ See Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea, supra, at 6-8.

13/ Thailand & Venezuela, supra, at 10-11.

14/ These investigations covered the period 1982 through June, 1985.

15/ Report of the Commission (Report) at A-14.

16/ Id. at Tables 3 and 4.

17/ Id. at A-20.

The financial performance of the standard pipe industry has not improved since our determination in Thailand & Venezuela. In fact, during the first six months of 1985, operating income declined while general, selling, and administrative expenses, and cost of goods sold increased. The number of firms reporting operating losses likewise increased. 18/ Domestic prices continued their irregular downward trend, and there was a significant decrease in prices from January-March 1985 to April-June 1985. 19/

Thus, notwithstanding the improvements during the period 1982-84, we find that the industry's performance remains weak. Accordingly, we find that there is a reasonable indication that the domestic industry is materially injured. 20/ 21/ 22/

18/ Id. at A-22.

19/ Id. at Table 19.

20/ Chairwoman Stern does not believe it necessary or desirable to make a determination on the question of material injury separate from the consideration of causation. She joins her colleagues by concluding that the domestic industry is experiencing economic problems.

21/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. The U.S. Court of International Trade recently held that:

The Commission must make an affirmative finding only when it finds both (1) present material injury (or threat to or retardation of the establishment of an industry) and (2) that the material injury is 'by reason of' the subject imports. Relief may not be granted when the domestic industry is suffering material injury but not by reason of unfairly traded imports. Nor may relief be granted when there is no material injury, regardless of the presence of dumped or subsidized imports of the product under investigation. In the latter circumstance, the presence of dumped or subsidized imports is irrelevant, because only one of the two necessary criteria has been met, and any analysis of causation would thus be superfluous.

American Spring Wire Corp. v. United States, 590 F.Supp. 1273, 1276 (Ct. Intl. Trade 1984), aff'd sub nom., *Armco Inc. v. United States*, 760 F.2d 249 (Fed. Cir. 1985).

22/ Vice Chairman Liebeler notes that the decision here was very close and could easily go either way if this case returns for a final determination.

B. Cumulation of standard pipe imports.

These standard pipe investigations involve allegedly subsidized imports from India and Turkey. We recently concluded a preliminary investigation regarding allegedly subsidized imports of standard pipe from Venezuela. 23/ These investigations also involve allegedly LTFV standard pipe imports from India, Turkey, and Yugoslavia. We recently concluded preliminary investigations regarding allegedly LTFV imports of standard pipe from Thailand 24/ and Venezuela. 25/ Accordingly, we must determine whether it is appropriate to cumulate imports in assessing the volume and effect of the subject imports on the domestic industry in these investigations.

Section 612(a)(2)(A) of the Trade and Tariff Act of 1984 amends title VII of the Tariff Act of 1930 by the enactment of a new subsection pertaining to cumulation:

(iv) CUMULATION.--For the 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 products compete with each other and with the like products of the domestic industry in the United States market. 26/

The subject imports must satisfy three requirements before cumulation is warranted. They must (1) compete with other imports and with the domestic

23/ Thailand & Venezuela, supra.

24/ Id.

25/ Certain Welded Carbon Steel Pipes and Tubes from Taiwan and Venezuela, Invs. Nos. 731-TA-211-212 (Preliminary), USITC Pub. 1639 (1985).

26/ Pub. L. 98-573, § 612(a)(2)(A), to be codified at 19 U.S.C. § 1677(7)(C)(vi).

like product, (2) be marketed within a reasonably coincident time period, and (3) be subject to investigation. 27/ 28/ 29/

In these standard pipe investigations, petitioners assert that all standard pipe is fungible, 30/ that the imports (except those from Thailand)

27/ Id.; H.R. Rep. 1156, 98th Cong., 2nd Sess. 173 (1984). See Certain Steel Wire Nails from the People's Republic of China, Poland, and Yugoslavia, Invs. Nos. 731-TA-266-268 (Preliminary), USITC Pub. 1730 at 8 (July 1985). See Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, Invs. Nos. 701-TA-225-234 and 731-TA-213-217, 219, 221, 226, and 228-235 (Preliminary), USITC Pub. 1642 at 12-13 (1985).

28/ In determining whether the imported products compete with each other and with the like product in the U.S. market and whether the marketing of imports is reasonably coincident, we have considered the following factors:

1. 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;
2. The presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product;
3. The existence of common or similar channels of distribution of imports from different countries and the domestic like product;
4. Whether the prices of imports and the domestic like product are within a reasonable range; and,
5. Whether the imports are simultaneously present in the market.

E.g., Certain Steel Wire Nails, supra, at 8; Oil Country Tubular Goods from Australia, Romania, and Venezuela, Invs. Nos. 701-TA-240-241 and 731-TA-249-251 (Preliminary), USITC Pub. 1679 at 8 (1985). This list is not exclusive and no single factor is determinative. Id.

29/ Vice Chairman Liebelier notes that she did not join any of the majority opinions cited in the previous two footnotes. She agrees with the conclusion reached in this opinion, but reserves the issue of what factors to consider.

30/ Petitioner's Post Conference Brief at 5.

enter the same geographic areas, 31/ and that they have the same marketing patterns and distribution. 32/

The Indian respondent opposes cumulation and asserts that 99.6 percent of Venezuelan imports are "black pipe" while more than 70 percent of India's exports are galvanized pipe. 33/ Moreover, they argue that Indian pipe is used for fencing while Venezuelan pipe is used for structural and mechanical purposes.

With regard to the black pipe versus galvanized pipe assertion, we did not accept a similar argument in a preliminary investigation in Steel Wire Nails, supra. 34/ As in Steel Wire Nails, a substantial portion of Indian imports is black pipe and, therefore, appears to compete with Venezuelan and other black pipe imports. Moreover, the currently available information suggests that imports of Indian galvanized pipe compete directly with the domestic like product. 35/ 36/

No party has disagreed with petitioners' assertion that there are common or similar channels of distribution for all imported standard pipe. In fact, in our investigation of the lost sales allegations, we confirmed that some domestic customers who purchase from service centers/distributors are unaware

31/ Tr. at 49-50.

32/ Id. at 48-51.

33/ Tr. at 68, 79-80, and 154.

34/ In Steel Wire Nails, supra, the Chinese respondents opposed cumulation of their imports with those from Poland and Yugoslavia on the ground that 60 percent of the Chinese nails were galvanized, while imports from the other two countries were not. Id. at 8-9. The petitioners responded that 40 percent of Chinese nail imports compete with those from Poland and Yugoslavia and that galvanized nails are substitutable for other types as well. Id. at 9.

35/ See discussion, infra, regarding lost sales.

36/ These questions will be fully explored in the event that there is a final investigation regarding Indian standard pipe.

of the origin of the pipe they purchase. 37/ Further, the prices of the imported standard pipe are within a reasonable range. 38/

With regard to geographic distribution of imports, in January-June 1985 all standard pipe from Venezuela, Yugoslavia, and Turkey entered through East Coast and Gulf Coast ports and 89 percent of Indian standard pipes entered through East Coast and Gulf Coast ports. 39/ During the same period, 6 percent of Thai standard pipe imports entered through Gulf Coast ports and none entered through East Coast ports. 40/ Finally, all the imports are simultaneously present in the market. 41/

Accordingly, for allegedly subsidized standard pipe, we have cumulated imports from India, Turkey, and Venezuela. For allegedly dumped imports of standard pipe, we have cumulated imports from India, Turkey, Yugoslavia, Venezuela, and Thailand. 42/ 43/

37/ Report at A-47-49.

38/ Tr. at 48-51.

39/ Import statistics of the U.S. Department of Commerce.

40/ Id.

41/ Report at Table 16 and A-36.

42/ We have cumulated the allegedly dumped standard pipe imports from Thailand notwithstanding the fact that imports from Thailand in 1985 are predominantly entering through West Coast ports. There is no information of record that Thai pipe imported into the West Coast is sold exclusively to West Coast users and there is no information of record that pipe imported through Gulf Coast ports is sold exclusively to Gulf Coast users. This issue will be explored in detail should these investigations or the Thai pipe investigation, or both, return for final investigations.

43/ Vice Chairman Liebeler notes that it is appropriate to cumulate imports from Thailand even though the Commission's affirmative preliminary determination was on threat only. This is because the imports anticipated at the time of the vote in Thailand & Venezuela, supra, have arrived and because if the case returns for a final determination both material injury and threat of material injury will be considered.

C. Impact of the allegedly unfairly traded standard pipe imports

The cumulated imports of allegedly subsidized standard pipe imports have risen significantly over the period of this investigation, increasing more than twelve-fold from 1982 through 1984. 44/ When the period January-June 1985 is compared to January-June 1984, these imports almost tripled. 45/ As a percentage of apparent domestic consumption, these cumulated imports increased from 0.3 percent in 1982 to 2.4 percent in 1984 and from 1.7 percent in January-June 1984 to 3.6 percent in January-June 1985. 46/

Cumulated imports of the allegedly LTFV standard pipe showed similar trends, increasing more than eight-fold from 1982 through 1984 and then tripling from January-June 1984 to January-June 1985. 47/ As a percentage of apparent domestic consumption, the cumulated allegedly LTFV standard pipe imports increased from 0.5 percent in 1982 to 3.0 percent in 1984 and from 1.7 percent in January-June 1984 to 4.8 percent in January-June 1985. 48/

In these preliminary investigations, we have been able to obtain limited price information regarding one standard pipe product. Those data show that, for sales to service center/distributors, prices of the Indian and Turkish imports are significantly below U.S. producers' prices. 49/ Substantial

44/ Vice Chairman Liebler notes that even with a twelve-fold increase, imports from these countries still amount to less than five percent of apparent domestic consumption. Report at Table 18.

45/ Id. at Table 16.

46/ Id. at Table 18.

47/ Id. at Table 16.

48/ Id. at Table 18.

49/ Id. at Table 19.

margins of underselling are apparent in each quarter for which data are available. 50/ 51/ 52/

We received six lost sales allegations regarding standard pipe. In two of the instances, we have confirmed that sales of standard pipe were lost to Indian imports because of lower price. 53/ 54/

Accordingly, we find that there is a reasonable indication that the domestic industry is materially injured by reason of the cumulated allegedly subsidized imports, and we further find that there is a reasonable indication that the domestic industry is materially injured by reason of the cumulated allegedly LTFV imports. 55/

III. LINE PIPE

A. Condition of the domestic line pipe industry

Our prior investigations show that the domestic line pipe industry performed reasonably through 1981, suffered serious reverses in 1982, and improved somewhat in 1983 and 1984. 56/ In a number of significant respects, however, those improvements have not continued into 1985.

50/ Id.

51/ In these investigations, pricing patterns are similar to those observed in Thailand & Venezuela, supra, at 12, 14-15.

52/ See footnote 3, supra.

53/ Report at A-47.

54/ See footnote 3, supra.

55/ Chairwoman Stern finds a reasonable indication of material injury or threat thereof by reason of the subject imports. She notes: Imports from each of those countries have been increasing over the period of the investigation. Yugoslav imports increased fourfold from 1982 to 1984. Indian and Turkish imports increased more than tenfold over the period January-June 1984 to January-June 1985. Report at Table 16. Moreover, there is information that third country markets for standard pipe are shrinking. Report at A-37. There is productive capacity in each of those countries that could be used to produce standard pipe exports.

56/ See Thailand & Venezuela, supra, at 16-17.

The market for line pipe has weakened in 1985 as reflected by decreased apparent domestic consumption of line pipe in January-June 1985 when compared to the same period in 1984. 57/ According to AISI data, U.S. producers' shipments declined more rapidly than consumption and U.S. producers' share of the market declined during that same period. 58/ Data submitted in response to our questionnaires show that shipments of line pipe declined by approximately 10 percent when the period January-June 1984 is compared to January-June 1985. 59/ Inventories of line pipe increased. 60/ Capacity utilization, although it improved for certain line pipe producers, remained at a very low level. 61/

Labor market and wage statistics improved from 1982 to 1984. However, there were significant downturns during the first six months of 1985 when compared to the same period in 1984: employment declined by approximately 10 percent, hours worked decreased approximately 20 percent, wages paid decreased approximately 10 percent, and total compensation decreased approximately 20 percent. 62/

The financial performance of U.S. producers' operations in the production of line pipe deteriorated during the first six months of 1985 as gross profit declined significantly and aggregate operating losses increased. 63/ Prices received by the domestic industry have not improved during the past year and,

57/ Report at Table 1.

58/ Id.

59/ Id. at Table 4.

60/ Id. at Table 5.

61/ Id. at Table 3.

62/ Id. at Table 6.

63/ Id. at Table 9.

in some instances, have actually fallen. 64/ As a result, the cost of goods sold as a percentage of net sales increased. A high percentage of reporting firms showed operating losses. 65/

Therefore, although there have been improvements since the very poor performance of 1982, those improvements have not continued into 1985. In many significant indicators, the domestic industry has experienced downturns during the first six months of 1985. Accordingly, we find that there is a reasonable indication that the domestic industry is materially injured. 66/ 67/

B. Cumulation of line pipe imports

These line pipe investigations involve allegedly subsidized imports from Taiwan and Turkey. We recently concluded a preliminary investigation regarding allegedly subsidized line pipe from Venezuela. 68/ In addition, these investigations involve allegedly LTFV line pipe imports from Taiwan, Turkey, and Yugoslavia. We recently concluded a preliminary investigation regarding allegedly LTFV line pipe from Venezuela. 69/ Accordingly, we must determine whether it is appropriate to cumulate imports in these cases. The considerations underlying cumulation are the same as set forth above for standard pipe.

In these investigations, as in the case of standard pipe, petitioners assert that all line pipe is fungible, regardless of source. 70/ They further assert that all line pipe imports compete with each other and with the

64/ Id. at Table 20.

65/ Id. at Table 9.

66/ See footnote 20, supra.

67/ See footnote 21, supra.

68/ Thailand & Venezuela, supra.

69/ Thailand & Venezuela, supra.

70/ Petitioners' Post-Conference Brief at 5.

domestic product, that they are sold within the same geographic areas to the same end users, and that they are reasonably coincident in time. 71/

Although no respondent has questioned fungibility of the imports and the domestic like product, they assert that imports do not compete and should not be cumulated. The Taiwan respondents, in particular, argue that one-third of their imports are to the West Coast, that their prices are higher than other imports, and that they maintain no sales force in the United States. 72/

First, the absence of a domestic sales force has not prevented Taiwanese line pipe from being imported into the United States. Second, even if one-third of the line pipe from Taiwan does not compete with other imports, two-thirds of those imports do compete. Finally, the information available suggests that the prices for Taiwanese pipe are in line with other similar imports.

With regard to Yugoslavia, the only line pipe imports were 618 tons entered during 1982. There have been no imports of Yugoslavian line pipe since then. 73/

Therefore, for allegedly subsidized line pipe, we have cumulated imports from Taiwan, Turkey, and Venezuela. With regard to allegedly LTFV imports of line pipe, we have cumulated imports from Taiwan, Turkey, and Venezuela. 74/

C. Impact of the allegedly unfairly traded line pipe imports

The cumulated imports increased significantly during the period of investigation. 75/ As a share of apparent domestic consumption, these imports

71/ Id. at 5, 8; Tr. at 52.

72/ Tr. at 98, 108, 92, and 96, respectively.

73/ Report at Table 17.

74/ Commissioner Lodwick has cumulated imports from Turkey for purposes of these preliminary investigations. However, due to the extremely limited volume of imports from Turkey, there is a substantive question as to whether imports from Turkey compete in any meaningful fashion in the U.S. market.

75/ Id.

have increased from less than 1 percent in 1982 to 9.1 percent during the first six months of 1985. 76/ Moreover, even though apparent domestic consumption declined significantly during the first six months of 1985, the cumulated imports actually increased in both absolute and relative terms. 77/

In these preliminary investigations, we have been able to obtain only limited pricing information. However, the information which we do have shows irregularly declining domestic prices for line pipe over approximately the last year. 78/ In the only quarter for which we have comparable price data for one of the subject imports, the import undersold the domestic product by a significant margin. 79/ 80/

Accordingly, we find that there is a reasonable indication that the domestic line pipe industry is materially injured by reason of the cumulated allegedly subsidized imports and we further find that there is a reasonable indication that the domestic industry is materially injured by reason of the cumulated allegedly dumped imports. 81/

D. No reasonable indication of material injury or threat by reason of allegedly LTFV line pipe imports from Yugoslavia

As noted above, the only line pipe imports from Yugoslavia were 618 tons imported in 1982. These imports are too remote in time to be a cause of the

76/ Id. at Table 18.

77/ Id. at Tables 2 and 18.

78/ Id. at Table 20.

79/ Id. at A-43.

80/ See footnote 3, supra.

81/ Chairwoman Stern finds a reasonable indication of material injury or threat thereof by reason of the subject imports. She notes: Line pipe imports from Taiwan for the first six months of 1985 exceed total imports for 1984. Report at Table 17. Turkish line pipe was first imported during 1985. Id. There is unutilized productive capacity in each of those countries that could be used to produce line pipe exports.

problems experienced by the industry today and, accordingly, we find that there is no reasonable indication of material injury by reason of line pipe imports from Yugoslavia.

With regard to threat of material injury, a determination that a threat of material injury exists must be based on "evidence that the threat of material injury is real and that actual injury is imminent." 82/ Petitioners alleged that a particular importer has been offering a specified quantity of Yugoslavian line pipe. When contacted by the Commission staff, the named importer reported that it had not imported any pipe from Yugoslavia and that it is not in contact with any of the mills mentioned by the petition. 83/ Our investigation has discovered no other importer of line pipe from Yugoslavia or any orders for line pipe from Yugoslavia. In the absence of any evidence that there will be line pipe imports from Yugoslavia in the foreseeable future, we find that there is no reasonable indication that the domestic line pipe industry is threatened with material injury by reason of line pipe imports from Yugoslavia.

82/ Pub. L. 98-573, § 612(a)(2)(B), to be codified at 19 U.S.C. § 1677(7)(F)(ii).

83/ Report at A-34.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On July 16, 1985, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel for the individual producer members of the Subcommittees on Standard and Line Pipe 1/ of the Committee on Pipe and Tube Imports. 2/ The petitions allege that industries in the United States are materially injured and/or threatened with material injury by reasons of imports of certain welded carbon steel pipes and tubes 3/ that are being subsidized by the Governments of India, 4/ Taiwan, 5/ and Turkey 6/ and by reason of imports from India, 4/ Taiwan, 6/ Turkey, 6/ and Yugoslavia 7/ which are allegedly being sold in the United States at less than

1/ The 12 members of the Standard Pipe Subcommittee that are in support of these petitions are Allied Tube & Conduit Corp., American Tube Co., Bull Moose Tube Co., Century Tube Corp., LaClede Steel Co., Maruichi American Corp., Pittsburgh-International division of Pittsburgh Tube Co., Sawhill division of Cyclops Corp., Sharon Tube Co., Southwestern Pipe, Inc., Western Tube & Conduit, and Wheatland Tube Corp. The four members of the Line Pipe Subcommittee that are in support of these petitions are LaClede Steel Co., Sawhill division of Cyclops Corp., Tex-Tube division of Cyclops Corp., and Wheatland Tube Corp.

2/ The 25 member producers of the Committee on Pipe and Tube Imports are Allied Tube and Conduit Corp., American Tube Co., Inc., Bernard Epps & Co., Bock Industries of Elkhart, Indiana, Bull Moose Tube Co., Central Steel Tube Co., Century Tube Corp., Copperweld Tubing Group, Hughes Steel and Tube, Kaiser Steel Corp., LaClede Steel Co., Maruichi American Corp., Maverick Tube Corp., Merchant Metals, Inc., Phoenix Steel Corp., Pittsburgh Tube Co., Quanax Corp., Sawhill division of Cyclops Corp., Sharon Tube Co., Southwestern Pipe, Inc., Tex-Tube division of Cyclops Corp., UNR-Leavitt, Welded Tube Co. of America, Western Tube and Conduit, and Wheatland Tube Corp.

3/ For purposes of these investigations the term "certain welded carbon steel pipes and tubes" refers to welded carbon steel pipes and tubes of circular cross section, over 0.375 inch but not over 16 inches in outside diameter, provided for in items 610.3208, 610.3209, 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925 of the Tariff Schedules of the United States Annotated (TSUSA) (items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247 prior to Apr. 1, 1984).

4/ The certain pipes and tubes from India that are under investigation are standard pipes and tubes, which are a subset of "certain welded carbon steel pipes and tubes" defined above. They are specifically provided for in TSUSA items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925.

5/ The products from Taiwan that are under investigation are line pipes, also a subset of "certain welded carbon steel pipes and tubes" defined above, and are provided for in TSUSA items 610.3208 and 610.3209.

6/ The products from Turkey that are under investigation include all of the products in "certain welded carbon steel pipes and tubes" (both standard and line) as defined above.

7/ The products from Yugoslavia that are under investigation include all the products in "certain welded carbon steel pipes and tubes" (both standard and line) as defined in footnote 3.

fair value (LTFV). Accordingly, effective July 16, 1985, the Commission instituted investigations Nos. 701-TA-251 through 253 (Preliminary), under section 703 of the Tariff Act of 1930, to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports from India, Taiwan, or Turkey of certain welded carbon steel pipes and tubes that are allegedly subsidized by the Governments of those countries. 1/ The Commission also instituted, effective July 16, 1985, investigations Nos. 731-TA-271 through 274 (Preliminary), under section 733(a) of the act, to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports from India, Taiwan, Turkey, and Yugoslavia of certain welded carbon steel pipes and tubes that are alleged to be sold in the United States at LTFV.

The statute directs the Commission to make its determinations within 45 days after receipt of petitions for preliminary countervailing duty and antidumping investigations, or in these cases by August 30, 1985. 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 July 24, 1985 (50 F.R. 30243). 2/ The Commission held a public conference in Washington, DC, on August 7, 1985, at which time all interested parties were allowed to present information for consideration by the Commission. 3/ The Commission voted on these investigations on August 21, 1985.

Previous Commission Investigations

Several previous Commission investigations have dealt with some or all of the pipes and tubes currently under investigation (see app. C). Most recently, on April 15, 1985, the Commission notified the Department of Commerce of its preliminary determination in investigation No. 701-TA-242 (Preliminary), that there is a reasonable indication that industries in the

1/ Petitioners also filed a countervailing duty case on imports of standard and line pipes and tubes from Yugoslavia. However, Yugoslavia is not a "country under the Agreement"; therefore, the Commission is not required to reach a determination with respect to any injury from allegedly subsidized imports. Consequently, the Commission did not institute a countervailing duty investigation with respect to the allegedly subsidized imports from Yugoslavia.

2/ Copies of the Federal Register notices are presented in app. A.

3/ A list of witnesses who appeared at the public conference is presented in app. B.

United States are materially injured by reason of imports of standard and line pipes that are allegedly subsidized by the Government of Venezuela. The Commission also determined, on that date, in investigations Nos. 731-TA-252 and 253 (Preliminary), that there is a reasonable indication that industries in the United States are threatened with material injury by reason of imports of welded carbon steel standard pipes and tubes from Thailand and materially injured by reason of welded carbon steel line pipes and tubes from Venezuela, that are allegedly sold in the United States at LTFV.

On February 1, 1985, the Commission notified the Department of Commerce of its preliminary determination in investigation No. 731-TA-211 (Preliminary) that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Taiwan of light-walled rectangular welded carbon steel pipes and tubes that are alleged to be sold in the United States at LTFV. At the same time, the Commission also determined in investigation No. 731-TA-212 (Preliminary) that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Venezuela of standard welded carbon steel pipes and tubes 1/ and that there is no reasonable indication that an industry is materially injured or threatened with material injury by reason of imports from Venezuela of welded carbon steel line pipes and tubes which are alleged to be sold in the United States at LTFV. 2/3/ The Department of Commerce made a preliminary determination on May 28, 1985, that the circular standard pipe from Venezuela was being sold in the United States at LTFV. The Commission subsequently instituted a final investigation on this case on June 3, 1985. On July 22, 1985, the Department of Commerce made a preliminary determination that light-walled rectangular pipe was being sold in the United States at LTFV; accordingly, the Commission instituted a final investigation on this case on July 22, 1985. Both these final investigations are still pending.

On August 22, 1984, the Commission made a preliminary determination in investigation No. 701-TA-220 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of allegedly subsidized imports of small circular and light-walled rectangular pipes and tubes from Spain. 4/ In addition, in investigations Nos. 731-TA-197 and 198 (Preliminary), 5/ the Commission found that there was a reasonable indication that an industry in the United States was materially injured by reason of imports from Spain of small circular and light-walled

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

2/ Commissioners Eckes and Lodwick dissented.

3/ Certain Welded Carbon Steel Pipes and Tubes from Taiwan and Venezuela: Determination of the Commission in investigations Nos. 731-TA-211 and 212 (Preliminary). . . . USITC Publication 1639, February 1985.

4/ The final Commission investigation on these products was instituted on Oct. 17, 1984, and terminated on Feb. 4, 1985, subsequent to the withdrawal of the petition.

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

rectangular pipes and tubes allegedly sold at LTFV and by reason of imports from Brazil of small circular pipes and tubes allegedly sold at LTFV. 1/ However, the pipes and tubes in the present investigation cover a wider range of circular pipe and tube than was included in the investigations involving Spain and Brazil.

On June 12, 1984, the Commission found in investigation No. TA-201-51 (Carbon and Certain Alloy Steel Products) that, under section 201 of the Trade Act of 1974, the domestic steel pipe and tube industry was experiencing serious injury. However, the Commission determined that imports of certain steel pipes and tubes were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. 2/ The steel pipes and tubes that were the subject of the section 201 investigation included the welded carbon steel pipes and tubes that are the subject of the instant investigations, as well as other pipes and tubes that are not the subject of these investigations.

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

On February 8, 1983, the Commission determined that an industry in the United States was materially injured by reason of imports of certain welded carbon steel pipes and tubes that were found by Commerce to be subsidized by the Government of Korea. That investigation covered certain circular pipes and tubes (including American Petroleum Institute (API) line pipe) up to 16 inches in outside diameter, which includes most of the circular pipes and tubes in the current investigations. 4/

1/ The final Commission investigations on these products were instituted on Jan. 29, 1985, and terminated on Feb. 4, 1985 (Spain), and Mar. 20, 1985 (Brazil), subsequent to the withdrawal of the petitions.

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

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

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

Nature and Extent of the Alleged Subsidies

India

The petition alleges that Indian producers and exporters of standard welded carbon steel pipes and tubes have benefitted directly and indirectly from a number of domestic and export subsidies from the Government of India or the State Governments of India. These alleged subsidies are as follows:

- Cash compensatory support,
- Subsidized export credit,
- Import replenishment licenses,
- Domestic subsidies to new facilities in Madhya Pradesh;
 - Power subsidy,
 - State and central investment subsidies,
 - Sales tax exemptions or deferments,
 - Water subsidy.

Taiwan

The petitioners allege that two producers in Taiwan (Kao Hsing Chang Iron and Steel Corp. and Far East Machinery Co., Inc.) receive the following subsidies directly and/or indirectly from the Government of Taiwan:

- Preferential export financing,
- Export loss reserves,
- Tax exemptions for export sales,
- Preferential prices for raw materials.

Turkey

The petitioners allege that the manufacturers, producers, or exporters of the subject pipe and tube products in Turkey benefit from the following programs:

- Domestic subsidies:
 - Income and corporation tax allowances under the general incentives table;
 - Exemptions from or deferral of customs duties and other duties, fees, and taxes under the general incentives table;
 - Interest rebates under the general incentives table;
- Export subsidies:
 - Export tax rebate;
 - Preferential export credit;
 - Deductions from taxable income for export revenues;
 - Resource utilization support fund payments.

Nature and Extent of the Alleged Sales at LTFV

India

The petitioners allege that imports of standard pipes and tubes from India are being sold in the United States at LTFV. The alleged dumping margins, based on a comparison of home-market prices and quotes received from importers of the Indian line pipes and tubes in the United States, in the first 4 months of 1985, were 134 percent to 183 percent for galvanized standard pipes and 223 percent to 278 percent for black standard pipes. Petitioners also compared home market prices in India and the value of imports of Indian standard pipes and tubes in January-March 1985. This method yielded dumping margins of 225 percent for galvanized standard pipe and 190 percent for black standard pipe.

Taiwan

Petitioners calculated the home market price for the Taiwan line pipe and tubes on the basis of published Taiwan statistics on all pipes and tubes and compared them with U.S. import values of API line pipes and tubes only. The comparison shows an alleged dumping margin of 34.8 percent.

Turkey

Petitioners were unable to obtain home-market sales prices for standard and line pipes and tubes. Petitioners therefore constructed a cost for coil (a major raw material used in making welded pipes) in Turkey by adding 48 percent to the average import prices for sheet and plate into Turkey in 1983, adjusted to reflect 1985 prices. This constructed cost of coil was used as a base from which petitioners constructed the cost of three sample pipe and tube products. To this base price were added scrap costs, the cost of zinc (when appropriate, for galvanizing), costs for conversion into pipe and tube products based on U.S. producers costs adjusted for labor costs in Turkey, plus 10 percent for general, selling, and administrative expenses and 8 percent for profit. The resulting constructed cost was compared with the value of imports of the pipe and tube products into the United States from Turkey. These comparisons showed that line pipe from Turkey is being sold in the United States at 112.6 percent below constructed value and that standard pipe is being sold in the United States at 97.0 percent to 142.0 percent below constructed value.

Yugoslavia

Petitioners were also unable to obtain home-market sales prices for the Yugoslav pipe and tube products covered by this petition. Petitioners therefore calculated constructed costs for the pipes and tubes produced in Yugoslavia by taking the price of imported sheet and plate, adding costs for scrap, the cost of zinc (when galvanizing is needed), costs for conversion into pipes and tubes based on U.S. producers costs adjusted for labor costs in Yugoslavia, plus 10 percent for general, selling, and administrative expenses, and 8 percent for profit. The resulting constructed cost was compared with

the price at which line pipe was being offered for sale in the United States, and constructed costs for standard pipe were compared with the value of imports of standard pipe from Yugoslavia in the first quarter of 1985. These comparisons showed that Yugoslav line pipe was being offered for sale in the United States at 79 percent to 89 percent below constructed value, and Yugoslav standard pipe was being sold at 98 percent to 104 percent below constructed value.

The Products

Description and uses

For the most part, the terms "pipes," "tubes," and "tubular products" can be used interchangeably. In some industry publications, however, a distinction is made between pipes and tubes. According to these publications, pipes are produced in large quantities in a few standard sizes, whereas tubes are made to customers' specifications regarding dimension, finish, chemical composition, and mechanical properties. Pipes are normally used as conduits for liquids or gases, whereas tubes are generally used for load-bearing or mechanical purposes. Nevertheless, there is apparently no clear line of demarcation in many cases between pipes and tubes.

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

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

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

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

The imported pipe and tube products that are the subject of these investigations are the following circular welded carbon steel pipes and tubes over 0.375 inch but not over 16 inches in outside diameter, which are known in the industry as standard and line pipes and tubes:

(1) Standard pipes and tubes are intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. They may also be used for light load-bearing or mechanical applications, such as for fence tubing. These steel pipes and tubes may carry fluids at elevated temperatures and pressures but may not be subjected to the application of external heat. They are most commonly produced to ASTM specifications A-120, A-53, and A-135.

(2) Line pipes and tubes are used for the transportation of gas, oil, or water, generally in pipeline or utility distribution systems. They are most commonly produced to API specification 5L.

Manufacturing processes

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

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

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

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

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

The advantage of the CW process lies in its ability to produce pipe at speeds up to 1,200 feet per minute compared with the ERW process maximum of approximately 110 feet per minute. Thus, economies associated with high-volume production may make CW pipe cheaper to produce than ERW pipe of the same grade and specification. 1/ The CW process is especially suited for the manufacture of standardized, high-volume, small-diameter pipe products, such as the ASTM A-120 circular pipe now under investigation.

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

U.S. tariff treatment

Imports of the circular pipes and tubes covered by these investigations are classified and reported for tariff and statistical purposes under TSUSA items 610.3208, 610.3209, 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925, which cover welded pipes and tubes (and blanks therefor 4/) of iron (except cast iron) or of nonalloy (carbon) steel, of circular cross section, having an outside diameter over 0.375 inch but not more than 16 inches. During the Tokyo round of the Multilateral Trade Negotiations (MTN), the Most Favored Nation (MFN) rate of duty for TSUS item 610.32 was changed from 0.3 cent per pound to 1.9 percent ad valorem, effective January 1, 1982. 5/ This MFN rate of duty is the final rate negotiated in the Tokyo round, with no further changes or reductions scheduled.

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

2/ Transcript of the public conference, investigations Nos. 731-TA-211 and 212 (Preliminary), p. 17.

3/ Transcript of the public conference, investigations Nos. 731-TA-211 and 212 (Preliminary), p. 31.

4/ Blanks are semifinished pipe or tube hollows that are purchased by producers and further processed.

5/ The column 2 rate of duty is 5.5 percent ad valorem. There is no Least developed developing country (LDDC) rate or duty-free entry under the GSP. These articles are eligible for duty-free entry under the CBI.

The duty rates under item 610.49 are currently set at 8.8 percent ad valorem (column 1), 8 percent ad valorem (LDDC), and 25 percent ad valorem (column 2). The 1986 column 1 duty rate under item 610.49 will be 8.4 percent ad valorem. All of the subject articles are eligible for duty-free entry under the Caribbean Basin Initiative (CBI) but not under the General System of Preferences (GSP).

U.S. Producers

Welded carbon steel pipe and tube producers may be divided into two types: large, fully integrated producers, which make raw steel and produce a variety of steel products, and smaller, nonintegrated or partially integrated producers, which concentrate on fewer product lines. The integrated producers, which include LTV Steel Corp., United States Steel Corp., and Armco, Inc., 1/ concentrate production in the high-volume standardized pipe products. The nonintegrated producers manufacture the low-volume, more specialized tubular products as well as the high-volume products.

In 1984, according to the petitions, there were 53 producers of the products covered by these investigations. Forty-one of the firms produced only standard pipes and tubes, seven firms made both standard and line, and four made only line pipe. 2/3/ Production is concentrated in the East, where the integrated producers are located. The largest U.S. producers of the welded carbon steel pipes and tubes that are the subject of these investigations, as compiled from questionnaires submitted to the Commission during these investigations, are shown in table 1.

U.S. Importers

The Commission sent questionnaires to *** firms listed in the petitions or in the Customs net import file that were identified as importing the subject standard pipes and tubes from India. Of these firms, * * *. Another reported * * *. This firm reported no other imports. These two firms accounted for * * * of standard pipes and tubes imported from India in 1984 and during January-June 1985, on the basis of official import statistics of the Department of Commerce.

1/ Another integrated producer, Bethlehem, permanently closed its pipe and tube operations, which were located at Sparrows Point, MD, effective Apr. 30, 1983. Umrn, a Turkish producer, bought Bethlehem's plant and is in the process of setting it up in Turkey. A nonintegrated producer, Merchants Metals, Inc., ceased producing the small circular and light-walled rectangular pipes and tubes in January-March 1984. LTV Steel recently announced that it was closing indefinitely two pipe mills at Aliquippa, PA, and in early 1985, Central Steel Tube of Iowa went into bankruptcy.

2/ Transcript of the conference, p. 38, in investigations Nos. 701-TA-242 and 731-TA-252 and 253 (Preliminary), Certain Welded Carbon Steel Pipes and Tubes from Venezuela and Thailand.

3/ The 4 firms that produce only line pipes are LaClede, Wheatland, Sawhill, and Tex-Tube; transcript of the conference, Ibid., p. 44.

Table 1.—Certain welded carbon steel pipes and tubes: Selected producers' shares of domestic shipments, by product lines, 1984

(In percent)			
Producers	Standard pipes and tubes	Line pipes and tubes	Standard and line
CPTI member firms:			
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
* * *— <u>1/</u>	***	***	***
* * *	***	***	***
* * *	***	***	***
Subtotal—	***	***	***
Non-CPTI firms:			
* * *	***	***	***
* * *	***	***	***
* * *	***	***	***
All other—	***	***	***
Total <u>2/</u> —	100.0	100.0	100.0

1/ * * *.2/ Total domestic shipments are based on questionnaire responses.

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.

The petitions did not identify any importers of line pipes and tubes from Taiwan. Questionnaires were sent to 17 firms identified from the net import file and prior investigations as importers of pipes and tubes from Taiwan. Of these firms, five reported imports of the subject line pipes and tubes from Taiwan in 1984 and January–June 1985. These firms are for the most part large trading companies that import from many countries and for whom imports of line pipes from Taiwan constitute a small portion of their total imports. These firms accounted for approximately *** percent of U.S. imports of line pipes and tubes from Taiwan in 1984.

Questionnaires were sent to *** importers identified in the petitions and the net import file as importers of the subject pipe and tube products from Turkey. One firm reported * * *; * * * accounted for approximately *** percent of the imports of standard pipes and tubes from Turkey in 1984 but * * *.

There were * * * firms that were identified from the petitions or the net import file as importers of standard pipes and tubes from Yugoslavia. *** firms reported that they did not import the subject products from Yugoslavia. * * * reported imports of standard pipes and tubes from Yugoslavia, accounting for approximately *** percent of such imports in 1984 and *** percent of such imports in January-June 1985.

The U.S. Market

Channels of distribution

In the U.S. market, sales of the pipes and tubes that are the subject of these investigations are made directly to end users or to steel service centers/distributors, which in turn sell to end users. The bulk of shipments are typically sold to service centers/distributors; 1/ however, line pipe over 4 inches in outside diameter is often sold directly to end users. Service centers/distributors are middlemen that buy large quantities of pipes and tubes, usually from both domestic producers and importers, warehouse the product, and sell smaller quantities to end users. The service centers/distributors may also have some simple finishing equipment, such as equipment to cut pipe to lengths or to thread and couple it. According to AISI data for 1984, service centers/distributors accounted for 69 percent of domestic shipments of standard pipe and 28 percent of shipments of line pipe. 2/ Major markets in which shipments were made directly to end users in 1984 were the oil and gas and electrical equipment industries for standard pipe and the oil and gas industry for line pipe.

In the public conference on investigations Nos. 731-TA-211 and 212 (Preliminary), an industry representative testified that during the last 10 years, imported pipe has been sold through a distribution system distinct from that used for the sale of domestic pipe. Foreign pipe is sold by a separate group of distributors that maintain multilocation stocking depots and carry pipe imported from various foreign sources. This imported pipe is then sold to wholesale plumbing and heating jobbers and pipe valves and fittings jobbers, the same customers (end users) to which the domestic product is sold. 3/

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

2/ Such AISI data are not available on the basis of size.

3/ Transcript of the public conference in investigations Nos. 731-TA-211 and 212 (Preliminary), pp. 17 and 18.

U.S. consumption

In the aggregate, U.S. consumption of standard and line pipes and tubes increased annually from 2.4 million tons 1/ in 1982 to 3.2 million tons in 1984, or by 33.3 percent, according to AISI data. 2/ Consumption dropped by 6.4 percent during January-June 1985 to 1.5 million tons, compared with consumption of 1.6 million tons during January-June 1984.

U.S. consumption of standard pipes and tubes increased annually from 1.5 million tons in 1982 to 2.1 million tons in 1984, or by 41.1 percent. Consumption of standard pipes increased slightly (by less than 1 percent) during January-June 1985 compared with that in the corresponding period of 1984. Consumption of line pipes and tubes fluctuated during the period, dropping from 863,000 tons in 1982 to 772,000 tons in 1983, or by 10.6 percent, then increasing to 1.1 million tons in 1984, an increase of 36.5 percent from the level of consumption in 1983 and 22.1 percent above consumption in 1982. During January-June 1985, consumption of line pipes and tubes again dropped, by 17.9 percent, to 447,000 tons compared with 544,000 tons during January-June 1984 (table 2).

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

The petitions allege, with respect to standard pipes and tubes, that a domestic industry is materially injured, or threatened with material injury, by reason of unfairly traded imports of these products from India, Turkey, and Yugoslavia. The petitions also allege, with respect to line pipes and tubes, that a domestic industry is materially injured and threatened with material injury by reason of unfairly traded imports of these products from Taiwan, and that an industry is threatened with material injury by reason of such imports from Turkey and Yugoslavia.

1/ Unless otherwise noted, the term "ton" refers to a short ton (2,000 pounds).

2/ AISI data show declining U.S. producers shipments in 1982-84. Data submitted in response to questionnaires show increasing shipments in 1982-84. The reason for this discrepancy is that some of the large producers that have gone out of business in the past few years did not respond to the Commission questionnaires. In addition, some of the producers that responded to the Commission questionnaires do not report to AISI; therefore, AISI data are understated.

Table 2.—Certain welded carbon steel pipes and tubes: U.S. producers' domestic shipments, imports for consumption, and apparent consumption, by types, 1982-84, January-June 1984, and January-June 1985

Item and period	U.S. producers' shipments ^{1/}	Imports	Apparent consump- tion	Ratio to consumption of—	
				Producers' shipments	Imports
		Tons		Percent	
Standard:					
1982	650,780	843,919	1,494,699	43.5	56.5
1983	625,749	1,181,652	1,807,401	34.6	65.4
1984	565,132	1,544,141	2,109,273	26.8	73.2
January-June—					
1984	307,355	724,449	1,031,804	29.8	70.2
1985	296,448	745,277	1,041,725	28.5	71.5
Line:					
1982	528,690	334,362	863,052	61.3	38.7
1983	494,765	277,077	771,842	64.1	35.9
1984	534,177	519,308	1,053,485	50.7	49.3
January-June—					
1984	282,354	261,497	543,851	51.9	48.1
1985	223,424	223,334	446,758	50.0	50.0
Total:					
1982	1,179,470	1,178,281	2,357,751	50.0	50.0
1983	1,120,509	1,458,729	2,579,238	43.4	56.6
1984	1,099,309	2,063,449	3,162,758	34.8	65.2
January-June—					
1984	589,709	985,946	1,575,655	37.4	62.6
1985	519,872	968,611	1,488,483	34.9	65.1

^{1/} Data on U.S. producers' shipments may be understated, especially with respect to standard pipes and tubes, because not all producers report to AISI.

Source: U.S. producers' shipments were compiled from AISI data; imports were compiled from official statistics of the U.S. Department of Commerce.

U.S. production, capacity, and capacity utilization

U.S. production of standard and line pipes and tubes by responding firms increased overall between 1982 and 1984, then decreased during January-June 1985. U.S. production increased from *** million tons in 1982 to *** million tons in 1984, or by *** percent. Production during January-June 1985 declined slightly (* * *) compared with production during January-June 1984 (table 3).

Production of standard pipes and tubes increased steadily from 494,000 tons in 1982 to 643,000 tons in 1984, an increase of 30.2 percent. Another small increase in production of 4.0 percent was reported during January-June 1985, compared with that in the corresponding period of 1984.

U.S. production of line pipes and tubes decreased from 119,000 tons in 1982 to 109,000 tons in 1983, representing a drop of 8.3 percent, then more than doubled to 235,000 tons in 1984. Production during January-June 1985 continued to increase, by 41.5 percent, compared with production during January-June 1984.

The overall capacity of the responding firms for the production of standard and line pipes and tubes remained relatively stable at *** million tons during 1982-84. Capacity utilization, however, increased annually from *** percent in 1982 to *** percent in 1984. For standard pipes and tubes, U.S. capacity increased annually from 1.1 million tons in 1982 to 1.2 million tons in 1984, or by 4.5 percent. Capacity continued to increase, by 5.6 percent, during January-June 1985 compared with capacity during January-June 1984. Utilization of capacity by standard pipe and tube producers increased from 44.0 percent in 1982 to 54.7 percent in 1984, then declined to 57.6 percent during January-June 1985 from 58.4 percent during January-June 1984.

U.S. capacity as reported by firms that produce line pipes and tubes decreased from 733,000 tons in 1982 to 720,000 tons in 1983, then increased slightly to 724,000 tons in 1984. Capacity increased slightly during January-June 1985 (by less than 1 percent) compared with capacity in the corresponding period of 1984. Capacity utilization by those firms dropped from 16.2 percent in 1982 to 15.1 percent in 1983, then increased to 32.5 percent in 1984. Capacity utilization for line pipe producers was 45.2 percent during January-June 1985, compared with 32.0 percent during January-June 1984.

Table 3.—Standard and line pipes and tubes: U.S. production, capacity, and capacity utilization, 1982-84, January-June 1984, and January-June 1985

Item	1982	1983	1984	January-June —	
				1984	1985
Standard:					
Production—tons—	493,559	590,622	642,929	345,395	359,256
Capacity—do—	1,122,397	1,159,467	1,174,483	591,000	624,076
Capacity utilization:					
percent—	44.0	50.9	54.7	58.4	57.6
Line:					
Production—tons—	118,790	108,918	235,027	115,917	164,071
Capacity—do—	732,896	720,462	724,174	362,718	363,200
Capacity utilization:					
percent—	16.2	15.1	32.5	32.0	45.2
Standard and line: 1/					
Production—tons—	***	***	***	***	***
Capacity—do—	***	***	***	***	***
Capacity utilization:					
percent—	***	***	***	***	***
Total:					
Production—tons—	***	***	***	***	***
Capacity—do—	***	***	***	***	***
Capacity utilization:					
percent—	***	***	***	***	***

1/ Represents data from 3 firms that could not separate either capacity or production by product.

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

U.S. producers' shipments

Domestic shipments of standard and line pipes and tubes by U.S. producers, based on questionnaire responses, increased annually between 1982 and 1984. Shipments increased from 1.0 million tons in 1982 to 1.2 million tons in 1984, or by 12.6 percent. During January-June 1985, shipments declined by 5.7 percent from shipments during January-June 1984 (table 4).

Domestic shipments of standard pipes and tubes rose annually from 680,000 tons in 1982 to 764,000 tons in 1984, or by 12.4 percent. During January-June 1985, producers' shipments of standard pipes declined by 2.0 percent from shipments during January-June 1984. Shipments by responding firms of line pipes and tubes dropped from 345,000 tons in 1982 to 277,000 tons in 1983, or by 19.9 percent. They increased in 1984 to 391,000 tons, 41.2 percent above the level of shipments in 1983, and 13.1 percent above the level of shipments in 1982. Shipments during January-June 1985 declined by 13.4 percent from shipments during January-June 1984.

Table 4.—Standard and line pipes and tubes: U.S. producers' domestic shipments, by types, 1982-84, January-June 1984, and January-June 1985

Item	1982	1983	1984	January-June	
				1984	1985
	Quantity (tons)				
Standard	679,752	755,786	764,202	423,953	415,567
Line	345,451	276,684	390,552	204,705	177,359
Total	1,025,203	1,032,470	1,154,754	628,658	592,926
	Value (1,000 dollars)				
Standard	425,997	424,628	461,189	263,886	244,799
Line	201,644	133,654	210,331	110,371	83,601
Total	627,641	558,282	671,520	374,257	328,400
	Unit value				
Standard	\$627	\$562	\$603	\$622	\$589
Line	584	483	539	539	471
Average	612	541	582	595	554

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

U.S. exports

Five firms, * * *, * * *, * * *, * * *, and * * *, reported exports during the period covered by the Commission's questionnaire. Exports of standard pipes and tubes by those firms increased from *** tons in 1982 to *** tons in 1983, or by *** percent, then declined by *** percent to *** tons in 1984. Exports of these pipes and tubes increased by *** percent during January-June 1985 compared with exports in the corresponding period of 1984. Exports of line pipes and tubes, which were all shipped by the * * *, * * * from *** tons in 1982 to *** tons in 1984, or by *** percent. Exports represented less than *** percent of the firms' total shipments during the period. Exports as reported to the Commission are shown in the following tabulation:

<u>Period</u>	<u>Standard</u>			<u>Line 1/</u>		
	<u>Quantity</u> (tons)	<u>Value</u> (1,000 dollars)	<u>Unit</u> <u>value</u> (per ton)	<u>Quantity</u> (tons)	<u>Value</u> (1,000 dollars)	<u>Unit</u> <u>value</u> (per ton)
1982-----	***	***	\$***	***	***	\$***
1983-----	***	***	***	***	***	***
1984-----	***	***	***	***	***	***
Jan-June---						
1984-----	***	***	***	***	***	***
1985-----	***	***	***	***	***	***

1/ * * * was the only exporter of line pipe.

U.S. producers' inventories 1/

U.S. producers' yearend inventories of standard and line pipes and tubes declined from 162,000 tons in 1982 to 130,000 tons in 1983, or by 19.4 percent, then increased to 150,000 tons in 1984, an increase of 15.1 percent from the 1983 inventory level. As a share of shipments, producers' yearend inventories declined from 15.8 percent in 1982 to 13.0 percent in 1984 (table 5).

Yearend inventories of standard pipes and tubes declined irregularly from 118,000 tons in 1982 to 101,000 tons in 1984, or by 14.5 percent. As a share of shipments, producers' inventories of standard pipes and tubes declined annually from 17.3 percent in 1982 to 13.2 percent in 1984. Inventories of line pipes and tubes increased irregularly from 44,000 tons in 1982 to 49,000 tons in 1984, 12.1 percent above the inventory level in 1982. As a share of shipments, producers' yearend inventories of line pipes and tubes decreased irregularly from 13.6 percent in 1982 to 13.0 percent in 1984.

1/ 11 producers provided inventory data for standard pipes and tubes and 4 producers provided inventory data for line pipes.

Table 5.—Standard and line pipes and tubes: U.S. producers' inventories of domestically produced merchandise, by types, as of Dec. 31, 1982–84, and June 30, 1984–85

Type	December 31—			June 30—	
	1982	1983	1984	1984	1985
	Quantity (tons)				
Standard—	117,814	100,027	100,730	120,132	109,579
Line—	44,051	30,392	49,403	50,588	68,868
Total—	161,865	130,419	150,133	170,702	178,447
	Ratio of inventories to shipments (percent)				
Standard—	17.3	13.2	13.2	14.2	13.2
Line—	13.6	11.5	13.1	12.8	20.0
Average—	15.8	12.6	13.0	13.6	15.0

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

Employment and wages

Employment data for standard and line pipes and tubes were provided by 15 producers. The number of production workers employed at the reporting establishments declined from *** in 1982 to *** in 1983, or by *** percent, then increased in 1984 to ***, up *** percent from employment in 1983. Employment dropped during January–June 1985, decreasing by *** percent from employment during January–June 1984 (table 6).

Total hours worked by production and related workers increased from *** million in 1982 to *** million in 1984, an increase of *** percent. Hours worked by production and related workers producing standard pipe increased from 4.9 million in 1982 to 5.4 million in 1984, an increase of 10.0 percent, then remained constant during January–June 1985 compared with that in the corresponding period of 1984. Hours worked by such workers producing line pipe increased by 8.2 percent from 1982 to 1984, then declined by 14.8 percent during January–June 1985 compared with January–June 1984.

Table 6.—Average number of production and related workers engaged in the manufacture of standard and line pipes and tubes and hours worked by and wages and total compensation paid to such employees, 1982-84, January-June 1984, and January-June 1985.

Item	1982	1983	1984	January-June—	
				1984	1985
Production and related workers:					
Standard—	2,674	2,793	2,921	2,599	2,594
Line—	1,617	1,249	1,680	1,328	1,162
Standard and line 1/—	***	***	***	***	***
Total—	***	***	***	***	***
Hours worked:					
Standard—1,000 hours—	4,919	5,310	5,411	2,823	2,846
Line—do—	2,820	2,216	3,050	1,725	1,470
Standard and line 1/-do—	***	***	***	***	***
Total—do—	***	***	***	***	***
Wages paid:					
Standard—1,000 dollars—	61,652	66,879	74,140	39,094	39,826
Line—do—	39,967	30,342	45,542	25,604	22,074
Standard and line 1/-do—	***	***	***	***	***
Total—do—	***	***	***	***	***
Total compensation paid:					
Standard—1,000 dollars—	89,132	97,597	101,464	54,559	55,884
Line—do—	62,447	48,612	65,016	37,245	31,841
Standard and line 1/-do—	***	***	***	***	***
Total—do—	***	***	***	***	***

1/ Two firms reported that employees are used interchangeably in the production of standard and line pipe and separate data are not available.

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

Total compensation paid by U.S. producers to workers producing all standard and line pipe increased from \$*** million in 1982 to \$*** million in 1984, an increase of *** percent, then declined by *** percent during January-June 1985. Total compensation paid to workers producing standard pipe increased steadily from \$89.1 million in 1982 to \$101.5 million in 1984, an increase of 13.8 percent. It continued to increase slightly (by 2.4 percent) during January-June 1985 compared with that paid in the corresponding period of 1984. Total compensation paid to production and related workers engaged in the production of line pipe increased from \$62.4 million in 1982 to \$65.0 million in 1984, an increase of 4.1 percent, then declined by 14.5 percent during January-June 1985 compared with that paid in the corresponding period of 1984. Workers at all but two of the firms (* * * and * * *) are represented by unions.

Financial experience of U.S. producers

Usable income-and-loss data both on operations producing standard and/or line pipes and tubes and on overall establishment operations was provided by nine U.S. firms. The 9 producers accounted for 71.5 percent of total shipments of standard and or line pipes and tubes in 1984 as reported by AISI. Sales of standard and line pipes and tubes ranged between 11.1 and 14.2 percent of overall establishment sales during 1982-84.

Standard and line pipes and tubes.— Aggregate net sales increased by 22.5 percent from \$381.4 million in 1982 to \$467.2 million in 1984 (table 7). Net sales in the interim periods in 1984 and 1985 remained relatively constant at \$243.3 million and \$249.9 million, respectively. Operating income declined from \$10.7 million, or 2.8 percent of net sales, in 1982 to \$6.1 million, or 1.6 percent of net sales, in 1983, and then increased to \$27.8 million, or 5.9 percent of net sales, in 1984. Operating income fell from \$14.5 million, or 6.0 percent of net sales, in the interim period of 1984 to \$10.9 million, or 4.3 percent of net sales, in the corresponding period of 1985. Only one of the nine firms reported an operating loss in 1982 and 1984, while two firms reported such losses in 1983. One firm sustained an operating loss in the interim period of 1984, compared with three in the corresponding period of 1985.

Standard pipes and tubes.—Six firms, which accounted for 87.2 percent of total shipments of standard pipes and tubes in 1984 as reported by AISI, furnished usable income-and-loss data (table 8). Net sales rose 17.2 percent from \$263.3 million in 1982 to \$308.4 million in 1984. Net sales in the interim periods of 1984 and 1985 were \$168.9 million and \$171.6 million, respectively. Operating income increased slightly from \$8.5 million in 1982 to \$8.8 million in 1983, then increased to \$18.7 million in 1984. Operating income in the interim period of 1984 was \$11.6 million compared with \$9.3 million in the corresponding period of 1985. Operating margins were 3.2 percent, 3.2 percent, and 6.1 percent in 1982, 1983, and 1984, respectively. Operating margins in the interim periods of 1984 and 1985 were 6.9 percent and 5.4 percent, respectively. Only one of the six firms reported an operating loss for the years 1982 and 1983, while two firms sustained operating losses during the interim period of 1985.

Table 7.—Income and loss experience of 9 U.S. producers ^{1/} on their operations producing standard and line pipes and tubes, accounting years 1982-84, and interim periods ended June 30, 1984, and June 30, 1985

Item	1982	1983	1984	Interim period ended June 30—	
				1984	1985
Net sales—1,000 dollars—	381,415	372,587	467,235	243,323	249,881
Cost of goods sold—do—	338,813	331,943	400,956	209,103	215,982
Gross profit or (loss)—do—	42,602	40,644	66,279	34,219	33,899
General, selling, and administrative expenses—do—	31,902	34,504	38,489	19,738	23,044
Operating income or (loss)—do—	10,700	6,140	27,790	14,482	10,855
Depreciation and amortization expense ^{2/} —do—	3,502	3,994	4,116	2,099	2,661
As a share of net sales:					
Cost of goods sold percent—	88.8	89.1	85.8	85.9	86.4
Gross profit or (loss)—do—	11.2	10.9	14.2	14.1	13.6
General, selling, and administrative expenses—do—	8.4	9.3	8.2	8.1	9.2
Operating income or (loss)—do—	2.8	1.6	5.9	6.0	4.3
Number of firms reporting operating losses—	1	2	1	1	3

^{1/} The 9 firms are * * *, * * *, * * *, * * *, * * *, * * *, * * *, * * *, and * * *.

^{2/} There was 1 firm, which accounted for *** percent of reported 1984 net sales, that did not provide the Commission with data on depreciation and amortization.

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

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

Table 8.—Income and loss experience of 6 U.S. producers ^{1/} on their operations producing standard pipes and tubes, accounting years 1982-84, and interim periods ended June 30, 1984, and June 30, 1985

Item	1982	1983	1984	Interim period ended June 30—	
				1984	1985
Net sales—1,000 dollars—	263,272	274,657	308,443	168,912	171,571
Cost of goods sold—do—	228,028	236,765	259,046	141,635	143,720
Gross profit or (loss)—do—	35,244	37,892	49,397	27,277	27,851
General, selling, and administrative expenses—do—	26,701	29,133	30,670	15,680	18,582
Operating income or (loss)—do—	8,543	8,759	18,727	11,597	9,269
Depreciation and amortization expense ^{2/} —do—	2,677	3,125	3,294	1,688	2,190
As a share of net sales:					
Cost of goods sold percent—	86.6	86.2	84.0	83.9	83.8
Gross profit or (loss)—do—	13.4	13.8	16.0	16.1	16.2
General, selling, and administrative expenses—do—	10.1	10.6	9.9	9.3	10.8
Operating income or (loss)—do—	3.2	3.2	6.1	6.9	5.4
Number of firms reporting operating losses—	1	1	0	0	2

^{1/} These firms are ***, ***, ***, ***, ***, and ***.

^{2/} 1 firm, which accounted for *** percent of reported 1984 net sales, did not provide the Commission with data on depreciation and amortization.

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

Line pipes and tubes.—The four producers that furnished income-and-loss data accounted for 39.9 percent of the total shipments of line pipes and tubes in 1984, as reported by AISI. Net sales declined 30 percent from \$76.9 million in 1982 to \$53.8 million in 1983, then more than doubled to \$109.2 million in 1984 (table 9). Net sales in the interim periods of 1984 and 1985 were \$47.9 million and \$52.4 million, respectively. Aggregate operating losses of \$770,000 and \$6.0 million were incurred in 1982 and 1983, respectively. The operating losses as a share of net sales were 1.0 percent in 1982 and 11.2 percent in 1983. An operating profit of \$3.3 million, or 3.0 percent of net sales was reported in 1984. Operating losses of \$29,000, or 0.1 percent of sales, and \$324,000, or 0.6 percent of sales were reported in the interim periods of 1984 and 1985, respectively. Of the four firms, two reported operating losses in 1983, interim 1984, and interim 1985, whereas only one of the four sustained an operating loss in 1982 and 1984.

Table 9.—Income-and-loss experience of 4 U.S. producers ^{1/} on their operations producing line pipes and tubes, accounting years 1982–84, and interim periods ended June 30, 1984, and June 30, 1985

Item	1982	1983	1984	Interim period ended June 30—	
				1984	1985
Net sales——1,000 dollars——	76,919	53,846	109,231	47,926	52,383
Cost of goods sold——do——	74,879	57,178	101,182	45,545	50,399
Gross profit or (loss)——do——	2,040	(3,332)	8,051	2,381	1,984
General, selling, and administrative expenses——do——	2,810	2,682	4,772	2,410	2,308
Operating income or (loss)——do——	(770)	(6,014)	3,279	(29)	(324)
Depreciation and amortization expense ^{2/} ——do——	464	439	403	199	259
As a share of net sales:					
Cost of goods sold percent——	97.3	106.2	92.6	95.0	96.2
Gross profit or (loss)——do——	2.7	(6.2)	7.4	5.0	3.8
General, selling, and administrative expenses——do——	3.7	5.0	4.4	5.0	4.4
Operating income or (loss)——do——	(1.0)	(11.2)	3.0	(0.1)	(0.6)
Number of firms reporting operating losses——	1	2	1	2	2

^{1/}These producers are * * *, * * *, * * * and * * *

^{2/} 1 firm, which accounted for *** percent of reported 1984 net sales, did not provide the Commission with data on depreciation and amortization.

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.

Overall establishment operations.—Aggregate net sales declined 17.4 percent from \$3.4 billion in 1982 to \$2.8 billion in 1983, then increased by 16 percent to \$3.3 billion in 1984 (table 10). Net sales were \$1.8 billion and \$1.6 billion in the interim periods of 1984 and 1985, respectively. Operating income fell precipitously from \$194.6 million, or 5.7 percent of sales, in 1982 to a loss of \$336.8 million, or 11.8 percent of sales, in 1983, then rebounded to a profit in 1984 of \$99.2 million, or 3.0 percent of sales. Operating income in the interim periods of 1984 and 1985 was \$61.5 million, or 3.5 percent of sales, and \$11.4 million, or 0.7 percent of sales, respectively. Of the nine firms, one reported an operating loss in 1984 and interim 1984, compared with two in 1982 and three in 1983 and interim 1985.

***, which accounted for *** percent of domestic shipments of standard and line pipes and tubes in 1984, provided financial data on their total pipe and tube operations. Hence, its data were not included in any of the income-and-loss data in tables 7 through 10. As shown in the tabulation below, *** reported ***:

* * * * * * *

Capital expenditures and research and development expenses.—Four U.S. producers supplied information on their capital expenditures for land, buildings, and machinery and equipment used in the production of standard pipes and tubes and one of the nine furnished data on its research and development expenses. No information was furnished regarding capital expenditures or research and development expenses for line pipes and tubes. Capital expenditures for standard pipes and tubes increased from \$2.7 million in 1982 to \$3.8 million in 1983, then fell to \$2.2 million in 1984. Capital expenditures decreased 23.9 percent from \$1.7 million during the interim period in 1984 to \$1.3 million in the corresponding period of 1985. Research and development expenses for standard pipes and tubes were \$***, \$***, and \$*** in 1982, 1983, and 1984, respectively, and \$*** during the interim period of 1984 and \$*** in the corresponding period of 1985.

Capital expenditures and research and development expenses for standard pipes and tubes are shown in the following tabulation (in thousands of dollars):

	<u>Capital Expenditures</u>	<u>Research and development expenses</u>
1982-----	\$2,701	\$***
1983-----	3,751	***
1984-----	2,175	***
January-June--		
1984-----	1,656	***
1985-----	1,260	***

Table 10.—Income and loss experience of 9 U.S. producers ^{1/} on the overall operations of their establishments within which welded carbon steel pipes and tubes are produced, accounting years 1982-84, and interim periods ended June 30, 1984, and June 30, 1985

Item	1982	1983	1984	Interim period ended June 30—	
				1984	1985
Net sales—1,000 dollars—	3,441,442	2,843,014	3,297,660	1,758,517	1,566,764
Cost of goods sold—do—	3,101,683	3,016,090	3,064,144	1,625,440	1,481,182
Gross profit or (loss)—do—	339,759	(173,076)	233,517	133,077	85,582
General, selling, and administrative expenses—do—	145,180	163,736	134,280	71,531	74,178
Operating income or (loss)—do—	194,579	(336,812)	99,237	61,546	11,404
Depreciation and amortization expense ^{2/} —do—	31,111	33,361	34,556	17,350	18,365
As a share of net sales:					
Cost of goods sold percent—	90.1	106.1	92.9	92.4	94.5
Gross profit or (loss)—do—	9.9	(6.1)	7.1	7.6	5.5
General, selling, and administrative expenses—do—	4.2	5.8	4.1	4.1	4.7
Operating income or (loss)—do—	5.7	(11.8)	3.0	3.5	0.7
Number of firms reporting operating losses—	2	3	1	1	3

^{1/} The 9 firms are * * *, * * *, * * *, * * *, * * *, * * *, * * *, * * *, and * * *.

^{2/} 1 firm, which accounted for *** percent of reported 1984 net sales, did not provide the Commission with data on depreciation and amortization.

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.

The Question of the Threat of Material Injury

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States, the Commission considered, among other relevant factors, any information on the nature of the subsidies, ^{1/} any increase in production capacity or existing unused capacity in the exporting country likely to result in an increase in imports of the subject merchandise to the United States, any rapid increase in U.S. market penetration and the likelihood that the penetration will increase to an injurious level, the probability that the price of the subject imported product will have a depressing or suppressing effect on the domestic prices of the merchandise, any substantial increase in inventories of the merchandise in the United States, underutilized capacity for producing the merchandise in the exporting country, any other demonstrable trends that indicate that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury, and the potential for product-shifting, if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation under section 701 or section 731, or to final orders under section 706 or section 736, are also used to produce the merchandise under investigation.

Information on the market penetration of the subject products is presented in the market penetration section of this report. Available information on the depressing or suppressing effect on domestic prices of the prices of the imported products is presented in the pricing section of this report. Information on the other factors listed above are discussed in this section of the report.

U.S. importers' inventories

India.—The *** firms that reported importing standard pipes and tubes from India reported *** inventories of the subject products. * * *. These *** firms accounted for *** standard pipes and tubes imported from India as reported in official statistics of the U.S. Department of Commerce.

Taiwan.—* * *. These firms accounted for approximately *** percent of line pipes and tubes from Taiwan in 1984.

Turkey.—The * * * identified as importing the subject standard pipes and tubes from Turkey, accounting for approximately *** percent of such imports in 1984, reported that * * *.

Yugoslavia.—The * * * that reported importing standard pipes and tubes from Yugoslavia, accounting for approximately *** percent of such imports in 1984 and *** percent of such imports during January-June 1985, reported no inventories of the subject products.

^{1/} Allegations concerning subsidies are presented in the section of this report on the nature and extent of the alleged subsidies. The administering authority has made no determination of subsidy at this time.

Capacity of foreign producers to generate exports

India.—There are four producers of welded carbon steel standard pipes and tubes in India that are known to export this product to the United States—Gujarat Steel Tubes, Ltd., Zenith Steel Tubes, Jindal Pipes, Ltd., and Indian Tubes, Ltd.

The combined annual capacity of the four producers is *** tons (table 11). Production of standard pipes and tubes * * * throughout the period from *** tons in 1982 to *** tons in 1984, a decline of *** percent. As a result of * * *, the capacity utilization for the four firms * * * from *** percent in 1982 to *** percent in 1984. At the 1984 utilization rate, these four firms have approximately *** tons of unutilized capacity.

Exports to the United States by these four producers have * * * from *** tons in 1982 to *** tons in 1983, and *** tons in 1984. At the same time, exports to all other countries by these firms have * * * steadily from *** tons in 1982 to *** tons in 1984, a * * * of *** percent.

Taiwan.—There are two API-licensed producers of line pipes and tubes in Taiwan—Kao Hsing Chang Iron and Steel Corp. (KHC) and Far East Machinery Company, Ltd. (FEMCO).

KHC received its license to produce API line pipe in ***. * * *. This firm reported annual capacity to produce line and standard pipes and tubes of *** tons (table 12). Its actual production of these products * * * from *** tons in 1982, to *** tons in 1984. Production during January–June 1985 totalled *** tons and is projected to total *** tons for July–December 1985. Its capacity utilization rate * * * from *** percent in 1982, * * *, to *** percent in 1984. Capacity utilization during January–June 1985 was *** percent, and is projected to total *** percent during July–December 1985. KHC's exports of line pipe to the United States * * * from *** tons in 1982 to *** tons in 1984. Exports to the United States during January–June 1985 totalled *** tons, while exports for the last half of 1985 are projected to be * * *.

FEMCO received its license to produce API line pipes and tubes in ***. It reported an annual capacity to produce *** tons of line pipe. This firm's production of line pipe * * * from *** tons in 1982 to *** tons in 1984 and was *** tons during January–June 1985. It was unable to project production of line pipe during July–December 1985. Capacity utilization * * * from *** percent in 1982 to *** percent in 1984. Capacity utilization is projected to be *** percent during July–December 1985. FEMCO's total exports of line pipes * * * from *** tons in 1982 to *** tons in 1984. Total exports for the first half of 1985 were *** tons. FEMCO's exports to the United States * * * from *** tons in 1982 to *** tons in 1984. Exports during January–June 1985 were *** tons, but are projected to be *** in July–December 1985.

Table 11.—Standard pipes and tubes: India's production, capacity, capacity utilization, domestic shipments, and exports, by firms, 1982-84 ^{1/}

Item	1982	1983	1984
Capacity:			
Gujarat—short tons—	***	***	***
Indian Tube Ltd.—do—	***	***	***
Jindal—do—	***	***	***
Zenith—do—	***	***	***
Total—do—	***	***	***
Production:			
Gujarat—do—	***	***	***
Indian Tube Ltd.—do—	***	***	***
Jindal—do—	***	***	***
Zenith—do—	***	***	***
Total—do—	***	***	***
Capacity utilization:			
Gujarat—percent—	***	***	***
Zenith—do—	***	***	***
Jindal—do—	***	***	***
Indian Tube Ltd.—do—	***	***	***
Total—do—	***	***	***
Exports to—			
The United States:			
Gujarat—short tons—	***	***	***
Indian Tube Ltd.—do—	***	***	***
Jindal—do—	***	***	***
Zenith—do—	***	***	***
Total—do—	***	***	***
All other countries:			
Gujarat—do—	***	***	***
Indian Tube Ltd.—do—	***	***	***
Jindal—do—	***	***	***
Zenith—do—	***	***	***
Total—do—	***	***	***
Total:			
Gujarat—do—	***	***	***
Indian Tube Ltd.—do—	***	***	***
Jindal—do—	***	***	***
Zenith—do—	***	***	***
Total—do—	***	***	***

^{1/} Gujarat Steel, Jindal Pipes Ltd., and Indian Tubes Ltd., reported their data on a fiscal year basis.

Source: Compiled from data provided by counsel for Engineering Export Promotion Council of India.

Table 12.—Line pipes and tubes: Taiwan's capacity, production, export sales, and home-market sales, by firms, 1982-84, January-June 1985, and July-December 1985,

Item	1982	1983	1984	January- June	July- Dec. 1/
				1985	1985
Capacity:					
KHC 2/—short tons	***	***	***	***	***
FEMCO—do	***	***	***	***	***
Total—do	***	***	***	***	***
Production:					
KHC 2/—do	***	***	***	***	***
FEMCO—do	***	***	***	***	3/
Total—do	***	***	***	***	***
Capacity utilization:					
KHC—percent	***	***	***	***	***
FEMCO—do	***	***	***	***	3/
Total—do	***	***	***	***	***
Domestic shipments:					
KHC—short tons	***	***	***	***	***
FEMCO—do	***	***	***	***	3/
Total—do	***	***	***	***	***
Exports to—					
The United States:					
KHC—do	***	***	***	***	***
FEMCO—do	***	***	***	***	***
Total—do	***	***	***	***	***
All other countries:					
KHC—do	3/	3/	3/	3/	3/
FEMCO—do	***	***	***	***	3/
Total—do	***	***	***	***	3/
Total:					
KHC—do	***	***	***	***	***
FEMCO—do	***	***	***	***	3/
Total—do	***	***	***	***	***

1/ Projected.

2/ Line and standard pipes.

3/ Not available.

Source: Compiled from data provided by counsel for Kao Hsing Chang Iron & Steel Corp. (KHC), and Far East Machinery Co., Ltd. (FEMCO).

The line pipes and tubes under investigation are produced in facilities that may be used to produce standard pipes as well. Standard pipes and tubes under 4.5 inches in outside diameter are presently covered by an antidumping order that was issued on May 7, 1984. The petitioners allege that producers in Taiwan will shift production of standard pipe to production of line pipe. If the two producers in Taiwan were to devote their production facilities capable of producing line pipe solely to the production of line pipe, the total annual capacity available for the production of this product would be *** tons.

Turkey.—There are four principal producers of the subject welded carbon steel standard and line pipes in Turkey. Borusan Holding AS, * * *, is strongly export oriented, selling to the Middle East. Mannesman-Sumebank Boru Endustrisi * * *, Erkbörü Profil Sanayii and Umran Spiral Welded Pipe. ^{1/} Neither Erkbörü or Umran are significant exporters.

The combined annual capacity of Borusan and Mannesman for both standard and line pipe is *** tons (table 13). Production of these products by these two firms * * * steadily from *** tons in 1982 to *** tons in 1984, an * * * of *** percent. The capacity utilization rate * * *, from *** percent in 1982 to *** percent in 1984. At the 1984 rate of utilization these two Turkish producers have approximately *** tons of unutilized capacity.

Borusan and Mannesman reported exporting *** tons of standard pipes and tubes to the United States in 1982. These exports * * * in 1983 to *** tons, then * * * to *** tons in 1984. During January-June 1985, exports to the United States from these two firms were *** tons.

Exports of line pipe to the United States were by * * *, * * *, which reported no shipments to the United States in 1982 or 1983, but reported shipping *** tons in 1984. * * * reported shipping *** tons of line pipe to the United States during January-July 1985.

Petitioners have expressed concern that the domestic line and standard pipe industries are threatened with material injury because of the purchase by Umran of Bethlehem Steel's pipe and tube mill, which had been operating at Sparrows Point, MD. This plant allegedly had the capacity to produce 200,000 tons of pipes and tubes annually. In an affidavit submitted with the post-conference statement of counsel on behalf of the Government of Turkey, the marketing manager of Umran provided information on that acquisition. The pipe and tube facility at Sparrows Point was purchased near the end of 1983 and is presently in the process of being dismantled. Approximately one quarter of the plant has been shipped to Turkey. All parts are expected to be on their way to Turkey by early 1986, but the earliest the plant in Turkey is expected to be even partly operational is early in 1988. The targeted export market for the pipes that will eventually be produced by this mill is the Soviet Union.

^{1/} Metal Bulletin Monthly, July 1983, p. 99.

Table 13.—Standard and line pipes and tubes: Turkey's capacity, production, capacity utilization, and exports, by firms, 1982-84 and January-July 1985

Item	1982	1983	1984	January-July— 1985 ^{2/}
Capacity: ^{1/}				
Borusan—short tons—	***	***	***	***
Mannesmann-Sumerbank—do—	***	***	***	***
Total—do—	***	***	***	***
Production: ^{1/}				
Borusan—do—	***	***	***	***
Mannesmann-Sumerbank—do—	***	***	***	***
Total—do—	***	***	***	***
Capacity utilization: ^{1/}				
Borusan—percent—	***	***	***	***
Mannesmann-Sumerbank—do—	***	***	***	***
Average—do—	***	***	***	***
Exports of standard pipes to—				
The United States:				
Borusan—short tons—	***	***	***	***
Mannesmann-Sumerbank—do—	***	***	***	***
Total—do—	***	***	***	***
All other countries:				
Borusan—do—	***	***	***	***
Mannesmann-Sumerbank—do—	***	***	***	***
Total—do—	***	***	***	***
Total:				
Borusan—do—	***	***	***	***
Mannesmann-Sumerbank—do—	***	***	***	***
Total—do—	***	***	***	***
Exports of line pipes to— ^{3/}				
The United States:				
Borusan—short tons—	***	***	***	***
All other countries:				
Borusan—do—	***	***	***	***
Total:				
Borusan—do—	***	***	***	***

^{1/} Both standard and line pipes and tubes.

^{2/} January-May figures for Mannesman-Sumerbank.

^{3/} * * *.

Source: Compiled from data provided by counsel for Borusan Holding AS and counsel for Mannesmann-Sumerbank Boru Endustrisi.

Yugoslavia

There are three producers of welded carbon steel standard and line pipes and tubes in Yugoslavia—IMK—Kosovska Metalna Industrija, with an annual capacity of 110,000 tons; Oktomvri Tube Works, with an annual capacity to produce 347,000 tons of welded carbon steel pipes and tubes; and Zeliwezara Sisak Integrated Metallurgical Works, with an annual capacity to produce 227,000 tons of welded carbon steel pipes and tubes.

Yugoslav capacity to produce all welded carbon steel pipe and tube products is believed to have remained stable at 684,000 tons during 1982–84 (table 14). Yugoslav production of these products declined from 521,000 tons in 1982 to 492,000 tons in 1983, then rose to an estimated 496,000 tons in 1984. Capacity utilization declined from an estimated 76.2 percent in 1982 to an estimated 71.9 percent in 1983, then rose to an estimated 72.5 percent in 1984. Total exports of welded carbon steel pipes and tubes rose from 72,000 tons in 1982 to 75,000 tons in 1983.

Table 14.—Standard and line pipes and tubes: Yugoslavia's capacity, production, capacity utilization, and exports 1982–84

Item	1982	1983	1984
Capacity—1/—short tons—	684,000	684,000	684,000
Production—do—	521,000	492,000	496,000
Capacity utilization—percent—	76.2	71.9	72.5
Total exports—short tons—	72,000	75,000	2/

1/ Capacity figures are compiled from total capacity figures of 3 principal producers.

2/ Not available.

Source: Capacity figures from Iron and Steel Works of the World (8th edition), production and export figures are from Metal Bulletin Handbook, 1985.

Future orders

Importers were asked on the questionnaire to provide information on any orders for the subject standard and line pipes and tubes from India, Taiwan, Turkey, or Yugoslavia, for which delivery occurred or is expected to occur on or after June 30, 1985. Information provided by responding importers is provided below.

India.—One importer of standard pipes and tubes from India reported the following shipments of that product that were expected to arrive after June 30, 1985.

<u>Date of expected arrival</u>	<u>Approximate short tons</u>
* * *	***
* * *	***
* * *	***
* * *	***

Taiwan.—One importer reported that * * *.

Turkey.—* * *, an importer of pipes and tubes from Turkey, reported that it was expecting *** tons of standard pipe from Turkey in * * *, and an additional shipment of *** tons of the same product in * * *.

Yugoslavia.—There were no reported future shipments of standard or line pipes and tubes expected from Yugoslavia. The petitioners alleged specifically that "a New York importer, * * *, is offering up to 50,000 tons of API line pipe in a size range from 2 to 18 inches delivered into the Houston area." This importer was contacted by the Commission staff and reported that this allegation on the part of the petitioners is incorrect. They stated that they have "never offered Yugoslav pipe and tube, nor is it in contact with any of the mills mentioned in the petition." This firm reported that it has not imported any pipe and tube from Yugoslavia.

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

The petitions allege, with respect to standard pipes and tubes, that the domestic industry is materially injured or threatened with material injury by reason of imports from India (countervailing duty and dumping), Turkey (countervailing duty and dumping), and Yugoslavia (dumping). The petitions also allege, with respect to line pipes and tubes, that the domestic industry is injured and threatened with material injury by reason of imports from Taiwan (countervailing duty and dumping) and is threatened with material injury by reason of imports from Turkey (countervailing duty and dumping) and Yugoslavia (dumping).

U.S. imports

Aggregate U.S. imports of standard and line pipes and tubes increased annually from 1982 to 1984, then fell slightly during January-June 1985. U.S. imports increased from 1.2 million tons in 1982 to 2.1 million tons in 1984, or by 75.1 percent. During January-June 1985, imports, at 968,611 tons, were down 1.8 percent from imports during January-June 1984 (table 15).

Table 15.—Standard and line pipes and tubes: U.S. imports for consumption, by selected sources, 1982-84, January-June 1984, and January-June 1985

Source	1982	1983	1984	January-June	
				1984	1985
Quantity (tons)					
India	118	556	1,985	39	5,303
Taiwan	100,702	142,061	35,916	9,622	25,328
Turkey	-	505	2,578	660	10,285
Yugoslavia	4,225	-	13,553	4,744	4,604
Venezuela	6,390	24,436	124,821	47,337	52,716
Thailand	-	-	50	-	12,411
All other	1,066,846	1,291,171	1,884,547	923,544	857,965
Total	1,178,281	1,458,729	2,063,449	985,946	968,611
Value (1,000 dollars)					
India	52	194	629	12	2,148
Taiwan	41,927	42,160	11,867	2,981	8,583
Turkey	-	200	821	167	3,359
Yugoslavia	1,792	-	3,953	1,441	1,446
Venezuela	2,876	6,873	34,809	12,427	17,851
Thailand	-	-	15	-	4,269
All other	504,503	440,436	696,376	329,627	332,677
Total	551,150	489,863	748,469	346,655	370,333
Unit value					
India	\$446	\$349	\$317	\$302	\$405
Taiwan	416	297	330	310	339
Turkey	-	396	318	253	327
Yugoslavia	424	-	292	304	314
Venezuela	450	281	279	263	339
Thailand	-	-	291	-	344
All other	473	341	370	357	388
Average	468	336	363	352	382

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

Standard pipes and tubes.—U.S. imports of standard pipes and tubes from all countries increased annually from 844,000 tons in 1982 to 1.5 million tons in 1984, representing an increase of 83.0 percent. They continued to increase, by 2.9 percent, during January–June 1985, compared with imports during January–June 1984 (table 16).

Imports of standard pipes and tubes from India increased from 118 tons in 1982 to 1,985 tons in 1984. Imports of standard pipes from India also increased substantially in January–June 1985, to 5,303 tons compared with 39 tons in the corresponding period of 1984. Imports from India increased from 0.01 percent of all imports of standard pipes and tubes in 1982 to 0.1 percent in 1984. They increased again during January–June 1985 to 0.7 percent of total imports, compared with less than 0.01 percent during January–June 1984.

There were no imports of standard pipes and tubes from Turkey in 1982. There were 505 tons of such imports in 1983, however, and 2,578 tons in 1984. Imports of standard pipes and tubes from Turkey continued to increase, to 10,154 tons, during January–June 1985, as compared with 660 tons during January–June 1984. As a share of total imports of standard pipes and tubes, those from Turkey went from 0.04 percent in 1983, the first year of such imports, to 0.2 percent in 1984. The imports from Turkey then increased as a share of total imports to 1.4 percent during January–June 1985, compared with 0.1 percent during January–June 1984.

There were 3,607 tons of standard pipes and tubes imported from Yugoslavia in 1982. There were no imports of this product in 1983, however in 1984, 13,553 tons were imported. Imports from Yugoslavia declined by 3.0 percent during January–June 1985 compared with imports in the corresponding period of 1984. As a share of total imports of standard pipes, imports from Yugoslavia went from 0.4 percent in 1982 to 0 percent in 1983, then increased to 0.9 percent in 1984. Imports of standard pipes from Yugoslavia as a share of total imports were 0.7 percent during January–June 1984 and 0.6 percent during January–June 1985.

Line pipes and tubes.—U.S. imports of line pipes and tubes from all countries decreased by 17 percent from 334,000 tons in 1982 to 277,000 tons in 1983, then increased to 519,000 tons in 1984, representing an increase of 87.4 percent. Imports of line pipes and tubes then declined by 14.6 percent during January–June 1985, compared with imports in the corresponding period of 1984 (table 17).

Imports of line pipes and tubes from Taiwan declined from 5,076 tons in 1982 to 862 tons in 1983, then increased to 4,610 tons in 1984. Imports of line pipes and tubes from Taiwan increased to 5,200 tons during January–June 1985, from 548 tons during January–June 1984. As a share of imports of line pipes and tubes from all countries, those from Taiwan dropped from 1.5 percent in 1982 to 0.3 percent in 1983, then increased to 0.9 percent in 1984. These imports from Taiwan accounted for 2.3 percent of all imports of line pipe during January–June 1985, compared with 0.2 percent of such imports during January–June 1984.

There were no imports of line pipes and tubes from Turkey until January–June 1985, at which time there were 131 tons imported. These imports

Table 16.—Standard pipes and tubes: U.S. imports for consumption, by selected sources, 1982-84, January-June 1984, and January-June 1985

Source	1982	1983	1984	January-June—	
				1984	1985
Quantity (tons)					
India	118	556	1,985	39	5,303
Taiwan	95,626	141,199	31,306	9,073	20,128
Turkey	—	505	2,578	660	10,154
Yugoslavia	3,607	—	13,553	4,744	4,604
Venezuela	3,790	12,911	45,370	11,164	17,317
Thailand	—	—	50	—	12,389
All other	740,778	1,026,481	1,449,300	698,769	675,383
Total	843,919	1,181,652	1,544,141	724,449	745,277
Value (1,000 dollars)					
India	52	194	629	12	2,148
Taiwan	39,792	41,916	10,268	2,817	6,729
Turkey	—	200	821	167	3,316
Yugoslavia	1,572	—	3,953	1,441	1,446
Venezuela	1,862	3,390	12,579	2,865	5,212
Thailand	—	—	15	—	4,261
All other	348,657	353,469	546,599	254,861	264,041
Total	391,935	399,169	574,863	262,162	287,154
Unit value					
India	\$446	\$349	\$317	\$302	\$405
Taiwan	416	297	328	310	334
Turkey	—	396	318	253	327
Yugoslavia	436	—	292	304	314
Venezuela	491	263	277	257	301
Thailand	—	—	291	—	344
All other	471	344	377	365	391
Average	464	338	372	362	385

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

Table 17.—Line pipes and tubes: U.S. imports for consumption, by selected sources, 1982-84, January-June 1984, and January-June 1985

Source	1982	1983	1984	January-June —	
				1984	1985
Quantity (tons)					
Taiwan	5,076	862	4,610	548	5,200
Turkey	—	—	—	—	131
Yugoslavia	618	—	—	—	—
Venezuela	2,599	11,524	79,451	36,173	35,399
All other	326,069	264,691	435,248	224,776	182,603
Total	334,362	277,077	519,308	261,497	223,334
Value (1,000 dollars)					
Taiwan	2,135	244	1,599	164	1,854
Turkey	0	0	0	0	43
Yugoslavia	220	0	0	0	0
Venezuela	1,014	3,483	22,229	9,562	12,638
All other	155,846	86,968	149,777	74,766	68,645
Total	159,215	90,695	173,606	84,493	83,179
Unit value					
Taiwan	\$421	\$283	\$347	\$300	\$356
Turkey	—	—	—	—	329
Yugoslavia	357	—	—	—	—
Venezuela	390	302	280	264	357
All other	478	329	344	333	376
Average	476	327	334	323	372

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

accounted for 0.1 percent of imports of line pipes and tubes from all countries.

There were 618 tons of line pipes and tubes imported from Yugoslavia in 1982. There were no imports of line pipes and tubes from Yugoslavia in 1983, 1984, or in January-June 1985.

Market penetration by the allegedly subsidized and/or LTFV imports

Petitioners request that the Commission cumulate the standard pipes and tubes subject to this investigation which are imported from India, Turkey, and Yugoslavia, with those from Thailand and Venezuela. Imports of these products are currently under investigation by the U.S. Department of Commerce. Market penetration of imports of the subject standard pipes and tubes from these countries is presented in table 18. Petitioners also request that the Commission cumulate the subject line pipes and tubes from Taiwan, Turkey and Yugoslavia, with those from Venezuela. These products are also the subject of an ongoing investigation by the Department of Commerce. Market penetration rates of imports of line pipes from Venezuela are also presented in table 18.

Standard pipes and tubes.—Market penetration by standard pipes and tubes imported from India was less than 0.05 percent from 1982 to 1983, 0.1 percent in 1984, and less than 0.05 percent in January-June 1984. Market penetration then increased to 0.5 percent in January-June 1985.

Market penetration of standard pipes and tubes from Turkey went from zero in 1982 to less than 0.05 percent in 1983, then to 0.1 percent in 1984. Market penetration of these imports was 1.0 percent in January-June 1985, compared with 0.1 percent in January-June 1984.

Market penetration of imports of standard pipes and tubes from Yugoslavia went from 0.2 percent in 1982 to zero in 1983, then increased to 0.6 percent in 1984. Market penetration of these imports went from 0.5 percent during January-June 1984 to 0.4 percent during January-June 1985.

Line pipes and tubes.—The share of the market held by line pipes and tubes from Taiwan declined from 0.6 percent in 1982 to 0.1 percent in 1983, then rose to 0.4 percent in 1984. Market penetration of these imports then increased to 1.2 percent during January-June 1985, compared with 0.1 percent during January-June 1984.

There were no imports of line pipes and tubes from Turkey until January-June 1985, at which time they accounted for less than 0.05 percent of consumption.

There have been no imports of line pipes and tubes from Yugoslavia since 1982, when they were 0.1 percent of consumption.

Table 18.—Standard and line pipes and tubes: Shares of U.S. consumption supplied by India, Taiwan, Turkey, Yugoslavia, Venezuela, Thailand, all other countries, and U.S. producers, 1/ 1982-84, January-June 1984, and January-June 1985

Item	1982	1983	1984	January-June	
				1984	1985
Standard pipes and tubes:					
U.S. consumption—tons—	1,494,699	1,807,401	2,109,273	1,031,804	1,041,725
Share of U.S. consumption supplied by—					
India—percent—	2/	2/	0.1	2/	0.5
Turkey—do—	-	2/	.1	0.1	1.0
Yugoslavia—do—	0.2	-	.6	.5	.4
Venezuela—do—	.3	0.7	2.2	1.1	1.7
Thailand—do—	-	-	2/	-	1.2
All other countries do—	56.0	64.6	70.2	68.6	66.8
Subtotal—do—	56.5	65.4	73.2	70.2	71.5
U.S. producers—do—	43.5	34.6	26.8	29.8	28.5
Total—do—	100.0	100.0	100.0	100.0	100.0
Line pipes and tubes:					
U.S. consumption—tons—	863,052	771,842	1,053,485	543,851	446,758
Share of U.S. consumption supplied by—					
Taiwan—percent—	.6	.1	.4	.1	1.2
Turkey—do—	-	-	-	-	2/
Yugoslavia—do—	.1	-	-	-	-
Venezuela—do—	.3	1.5	7.5	6.7	7.9
Thailand—do—	-	-	-	-	-
All other countries do—	37.8	34.3	41.3	41.3	40.9
Subtotal—do—	38.7	35.9	49.3	48.1	50.0
U.S. producers—do—	61.3	64.1	50.7	51.9	50.0
Total—do—	100.0	100.0	100.0	100.0	100.0
Total, standard and line pipes and tubes:					
U.S. consumption—tons—	2,357,751	2,579,238	3,162,758	1,575,655	1,488,483
Share of U.S. consumption supplied by—					
Turkey—percent—	-	2/	.1	2/	.7
Yugoslavia—do—	.2	-	.4	.3	.3
Venezuela—do—	.3	0.9	3.9	3.0	3.5
Thailand—do—	-	-	2/	-	.8
All other countries do—	49.5	55.6	60.8	59.2	59.7
Subtotal—do—	50.0	56.6	65.2	56.6	65.1
U.S. producers—do—	50.0	43.4	34.8	37.4	34.9
Total—do—	100.0	100.0	100.0	100.0	100.0

1/ Shares supplied by imports may be overstated, and shares supplied by U.S. producers may be understated, especially with respect to standard pipes and tubes, because U.S. producers' shares are based on AISI's shipments data, and not all producers report to AISI.

2/ Less than 0.05 percent.

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

Prices

The pipes and tubes included in these investigations are generally priced on the basis of per 100 feet. While several U.S. producers publish confidential price lists, list prices are often discounted to meet competitive offers. The U.S.-produced pipes and tubes are predominantly sold on an f.o.b. mill basis. The imported products under investigation are normally sold on an ex-dock, duty-paid, or f.o.b. warehouse basis. Formal bidding is not the usual means of price competition for pipes and tubes up to 16 inches in diameter, unlike the market for pipes and tubes with diameter over 16 inches.

The Commission requested U.S. producers and importers to provide price data on their largest sale of each of four product specifications to both a service center/distributor and end-user customer. The imports under investigation from Turkey and Yugoslavia are both standard and line pipe, whereas those from India are standard pipe and those from Taiwan are line pipe. The four product specifications are as follows:

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

Product 2—ASTM A-53 standard pipe, carbon welded, black, plain end, 6-5/8-inch outside diameter (6-inch nominal), 0.280-inch wall thickness,

Product 3—API 5L line pipe, carbon welded, black, plain end, 4-1/2-inch diameter, 0.188-inch wall thickness,

Product 4—API 5L line pipe, carbon welded, black, plain end, 8-5/8-inch diameter, 0.188-inch wall thickness.

Standard pipes and tubes.—There were six U.S. producers that reported selling price data on product 1, one of the two standard pipe products on which information was requested. ^{1/} In 1984, the six U.S. producers accounted for approximately 91 percent of total U.S. shipments of standard pipes and tubes, as reported by the AISI. However, the Commission received only limited price information on the imported products. One importer of product 1 from India responded with price data in January-June 1985. This importer accounted for *** of the imports of standard pipe from India in 1984, according to the U.S. Customs Service's net import file. Another importer provided price data on imports of product 1 from Turkey. This importer accounted for about *** percent of the tonnage of Turkish imports in 1984 according to the U.S. Customs Service's net import file. Importers provided no price data on standard pipe from Yugoslavia.

^{1/} One U.S. producer, and no importers, reported price data for product 2. The price trend for product 2 followed a pattern similar to the trend established for product 1.

The weighted-average selling prices of product 1 to end users and to service centers/distributors reported by U.S. producers and the selling prices reported by the importers from India and Turkey are shown in table 19. ^{1/} U.S. producers' quarterly selling prices for this product to end users increased erratically from \$40.14 during January-March 1983 to \$44.26 in April-June 1984, or by 10 percent. Prices then declined by 15 percent to \$37.47 during April-June 1985, yielding a decline of 7 percent over the period of investigation. U.S. producers' prices on sales to service centers/distributors decreased slightly from \$40.07 during January-March 1983 to \$38.76 during July-September 1983, or by 3 percent. The price then increased steadily to \$46.61 during July-September 1984, before declining to \$40.72 during April-June 1985, yielding an overall increase from January-March 1983 to April-June 1985 of 2 percent.

The importer of Indian 1-inch nominal diameter standard pipe reported selling prices for only the first two quarters in 1985. The price * * * from \$*** during January-March to \$*** during April-June, or by *** percent. The imported standard pipe undersold the competing domestically produced pipe in both quarters for which the importer's prices were reported. The margins of underselling increased from *** percent during January-March to *** percent during April-June.

The importer of product 1 from Turkey reported selling prices of \$*** during January-March 1984 and \$*** during January-March 1985. The imported standard pipe undersold the competing domestically-produced pipe in both quarters in which comparisons could be made. The margins of underselling decreased from *** percent during January-March 1984 to *** percent during January-March 1985.

Line pipes and tubes.—There were four U.S. producers that reported selling-price data on product 3 (4.5-inch diameter API 5L line pipe), one of the two line pipe products on which information was requested. The four producers accounted for 40 percent of total U.S. shipments of line pipe in 1984, as reported by the AISI. For product 4 (8-5/8-inch diameter API 5L line pipe), three U.S. producers provided selling prices. In 1984, these producers accounted for 37 percent of total U.S. shipments of line pipe. One importer reported selling prices of product 4 from Taiwan in only one period. This importer accounted for approximately *** percent of the tonnage of imports of line pipe from Taiwan in 1984, according to the U.S. Customs Service's net import file. ^{2/} Table 20 shows the weighted-average selling prices reported by U.S. producers to end users and service centers/distributors for product 3 and product 4.

^{1/} All reported prices were for sales of Indian and Turkish standard pipe to service centers/distributors.

^{2/} Out of the three countries under investigation for line pipe (Taiwan, Turkey, and Yugoslavia), no importers responded with price data on product 3 and no importers reported price data for product 4 from Turkey or Yugoslavia. The U.S. Customs Service's net import file has not recorded imports of line pipe from Yugoslavia between January 1983 and June 1985. The petitioner indicated that an importer has offered 50,000 tons of Yugoslav line pipe for delivery in the fourth quarter of 1985 or the first quarter of 1986.

Table 19.--Standard circular pipes and tubes: U.S. producers' and importers' weighted average prices to end users and service centers/distributors for schedule 40 standard pipe, 1/ by quarters, January 1983-June 1985

Period	U.S. product price			Indian product (to service centers/ distributors)			Turkish product (to service centers/ distributors)		
	End-user market	Service center/ distributor market		Margin of underselling			Margin of underselling		
				Price	Amount	Percent	Price	Amount	Percent
				Per 100 feet					
1983:									
January-March-----	\$40.14	\$40.07		2/	-	-	2/	-	-
April-June-----	37.42	39.94		2/	-	-	2/	-	-
July-September-----	39.17	38.76		2/	-	-	2/	-	-
October-December---	40.98	40.51		2/	-	-	2/	-	-
1984:									
January-March-----	41.66	42.40		2/	-	-	\$\$\$	\$\$\$	***
April-June-----	44.26	44.93		2/	-	-	2/	-	-
July-September-----	42.62	44.09		2/	-	-	2/	-	-
October-December---	40.69	44.09		2/	-	-	2/	-	-
1985:									
January-March-----	41.25	42.74		\$\$\$	\$\$\$	***	***	***	***
April-June-----	37.47	40.72		***	***	***	2/	-	-

1/ ASTM-A120, schedule 40 standard pipe, carbon welded, black, plain end, 1.315-inch outside diameter, 0.133-inch wall thickness.

2/ Data not available.

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

Table 20.—Line pipes and tubes: U.S. producers' weighted-average prices to end users and service centers/distributors, by quarters, January 1983–June 1985

Period	API 5L line pipe 4-1/2-inch diameter <u>1/</u>		API 5L line pipe 8-5/8-inch diameter <u>2/</u>	
	End-user market	Service center/ distributor market	End-user market	Service center/ distributor market
	Per 100 feet			
1983:				
January–March	\$205.00	\$222.21	<u>3/</u>	\$477.00
April–June	259.00	202.26	<u>3/</u>	<u>3/</u>
July–September	<u>3/</u>	206.67	<u>3/</u>	378.00
October–December	204.00	198.70	\$361.00	347.00
1984:				
January–March	203.25	216.99	396.24	363.00
April–June	227.23	215.82	423.47	422.00
July–September	227.26	219.57	427.71	418.00
October–December	218.00	213.35	416.70	429.00
1985:				
January–March	229.03	209.50	379.84	380.57
April–June	229.34	199.59	379.82	358.58

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

2/ API 5L line pipe, carbon welded, black, plain end, 8-5/8-inch diameter, 0.188-inch wall thickness.

3/ Data not available.

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

U.S. producers' quarterly selling prices for product 3 to end users fluctuated erratically between \$205.00 during January-March 1983 and \$203.25 during January-March 1984. Prices then increased irregularly to \$229.34 during April-June 1985, yielding a 12-percent overall increase from January-March 1983 to April-June 1985. U.S. producers' prices on sales of product 3 to service centers/distributors decreased irregularly from \$222.21 during January-March 1983 to \$199.59 during April-June 1985, or by 10 percent.

U.S. producers recorded selling prices to end users of product 4 for seven quarters beginning during October-December 1983. Prices increased from \$361.00 during October-December 1983 to \$427.71 during July-September 1984, or by 18 percent. Selling prices then decreased by 11 percent to \$379.82 during April-June 1985, yielding a 5-percent overall increase from October-December 1983 to April-June 1985. Domestic selling prices of product 4 to service centers/distributors decreased by 27 percent from \$477.00 during January-March 1983 to \$347.00 during October-December 1983. Prices then increased irregularly in 1984 before declining again in 1985 to \$358.58, yielding a decline of 25 percent over the period of investigation.

The importer of product 4 from Taiwan reported price data during January-March 1985 only. This importer reported selling product 4 to a service center/distributor for \$*** per 100 feet, which undersold the competing domestically produced pipe by \$*** or *** percent.

Transportation costs

Domestic producers of welded carbon steel pipes and tubes are concentrated along the eastern seaboard, the west coast, and in the Midwest. The imports of these products from Turkey, India, and Yugoslavia enter the United States primarily through ports along the gulf and east coasts. Imports from Taiwan enter both the gulf ports and west-coast ports.

The Commission's questionnaire asked producers and importers to indicate for all pipes and tubes whether differences in transportation costs between them and other suppliers were a significant determinant of a sale, the approximate range and the average transport costs required to deliver the pipes and tubes between their shipping point and customers, and the approximate percentage of shipments for which the firm absorbed all or part of the freight charges.

The majority of the ten responding domestic producers indicated that the differences in the cost of transportation between their firm and other suppliers were a significant factor in determining whether their firm made a sale. The freight cost for three U.S. producers varied significantly but averaged \$27.00 per short ton. Out of eight responses, four domestic producers indicated that their firms absorbed some or all of the freight charges on 65-100 percent of their shipments. Three domestic producers indicated that their firms absorbed some or all of the transportation costs for 2-10 percent of their shipments. One domestic producer indicated that it did not absorb any transportation costs. Freight equalization was commonly practiced by a majority of the domestic producers.

Six importers supplied transportation data. Three of these firms indicated that the differences in transportation costs between their firm and other suppliers were a significant factor in determining whether their firm made a sale, and the remaining three importers responded that transportation costs were not significant. Only three of the importers indicated that their firms absorbed some or all of the freight charges, and they reported that freight costs were absorbed on 1-5 percent of their total shipments. No importers reported practicing freight equalization.

With regard to the service center/distributor and end-user customer responsible for the firm's largest sale during April-June 1985, producers and importers reported the distance between their firm's shipping location and this customer's receiving point and the cost of transportation paid by the customer and producer as a percent of delivered price. For product 1 (1-inch nominal diameter standard pipe), one producer reported a ***-mile distance to its end-user customer at a freight cost of \$*** per 100 feet paid by the producer. Another producer reported a ***-mile distance to its end-user customer at a freight cost of \$*** per 100 feet paid by the customer. One producer indicated that its service center/distributor was *** miles from its shipping point, with the freight charge of \$*** per 100 feet paid by the customer. Another domestic producer reported that its service center/distributor was *** miles from its shipping location, with the transport cost of \$*** per 100 feet paid by the customer. One last producer of product 1 reported a ***-mile distance to its service center/distributor at a transportation cost of \$*** per 100 feet paid by the producer. These transportation costs accounted for an estimated *** percent (for the short distance sales) to *** percent (for the longer distances) of the delivered price of product 1.

For product 1, three importers responding to the questionnaire indicated that their merchandise was sold on an ex-dock basis and their customers were responsible for all of the costs of transportation. One importer reported that its service center/distributor was located *** miles from its shipping location.

One producer reported a ***-mile distance to its end-user customer of product 3 (4.5-inch diameter API 5L line pipe), with a freight cost of \$*** per 100 feet paid by the customer. Another producer indicated that its end-user customer was located *** miles from its shipping point, with a transportation cost of \$*** per 100 feet paid by the customer. One last producer of product 3 indicated its service center/distributor was *** miles from its shipping point, with the transportation cost of \$*** paid by the customer. These freight costs accounted for an estimated *** percent to *** percent of the delivered price of product 3. For product 4 (8-5/8-inch diameter API 5L line pipe), one producer reported a ***-mile distance to its end-user customer at a transportation cost of \$*** per 100 feet, paid by the customer. Another producer indicated that its end-user customer was *** miles from its shipping location, with the freight charge of \$*** per 100 feet paid by the customer. One last producer of product 4 reported an ***-mile distance to its service center/distributor at a transportation cost of \$*** per 100 feet. These freight costs accounted for an estimated *** percent to *** percent of the delivered price of product 4. Importers reported no transportation data on line pipe (products 3 and 4).

Exchange rates

U.S. dollar/New Taiwan dollar, U.S. dollar/Indian rupee, U.S. dollar/Turkish lira, and U.S. dollar/Yugoslav dinar exchange rates are shown in table 21. Quarterly data reported by the International Monetary Fund indicate that during January 1982-March 1985 the nominal value of the New Taiwan dollar, the Indian rupee, the Turkish lira, and the Yugoslav dinar depreciated relative to the U.S. dollar by 3.6 percent, 28.4 percent, 69.7 percent, and 81.0 percent, respectively. ^{1/} Because the level of inflation in Taiwan was similar to that in the United States over the 13-quarter period ended March 1985, changes in the international purchasing power of the Taiwan dollar were approximately the same as those in its nominal value. In contrast, the high inflation rates in India, Turkey, and Yugoslavia over the same period resulted in the devaluation of the currency of each of the aforementioned countries in real terms by 15.8 percent, 22.9 percent, and 43.2 percent, respectively, relative to the U.S. dollar—which was significantly less than the apparent depreciations. ^{2/}

Lost sales

The Commission received lost-sales allegations from only one domestic producer. Two domestic producers submitted general statements. These producers indicated that the nature of the marketplace does not permit specific examples. Because their customers do not inform them when they buy pipes from foreign producers, they have no opportunity to compete. They also stated that imported pipes and tubes have forced prices down, preventing them from developing, and in some cases, maintaining markets.

One U.S. pipe and tube producer submitted a list of *** firms to which it had allegedly lost sales to imports from India. The allegations amounted to *** short tons of * * *. The Commission did not receive any lost-sales allegations concerning imports from Taiwan, Turkey, or Yugoslavia.

Of the *** firms to which sales were allegedly lost to competition from India, *** stated they had purchased Indian standard pipes and tubes during the period alleged. * * * purchasers cited the lower price of the Indian pipe as the reason for buying the imported product. There were * * * that reported they could not determine the source of their purchases since their distributor-suppliers did not inform them. The *** remaining * * * could not be contacted. A detailed discussion of the allegations follows.

^{1/} International Financial Statistics, June 1985, except as noted.

^{2/} The percentage change in the international purchasing power of each currency from the reference period January-March 1982 provides an indication of the maximum amount that a foreign producer or its agent can reduce its dollar prices of foreign products in the U.S. market without reducing its profits, assuming it has no dollar-denominated costs or contracts. A foreign producer, however, may choose to increase its profits by not reducing its dollar prices or by reducing its dollar prices by less than the depreciation would allow. Within specific industries, such as the carbon steel pipe and tube industry, the proportion of foreign producers' costs attributable to imports of raw materials and energy from the United States or from countries whose currencies are linked to the dollar would vary by specific product and producer.

Table 21.--Nominal and real exchange rate indexes between the U.S. dollar and the New Taiwan dollar, the Indian rupee, the Turkish lira, and the Yugoslav dinar, by quarters, January 1982-March 1985

Period	New Taiwan dollar		Indian rupee		Turkish lira		Yugoslav dinar	
	Nominal	Real 1/	Nominal	Real 1/	Nominal	Real 1/	Nominal	Real 1/
1982:								
January-March-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-June-----	97.9	98.2	98.3	98.6	92.8	98.4	96.0	101.8
July-September-----	95.5	95.1	96.1	100.2	82.8	89.6	88.9	100.9
October-December-----	94.4	93.5	94.8	97.5	77.8	87.4	73.0	86.3
1983:								
January-March-----	95.0	92.4	93.0	96.6	73.3	90.7	63.2	78.2
April-June-----	94.7	92.5	91.9	99.2	67.1	88.6	53.6	71.0
July-September-----	94.5	91.6	90.6	100.5	60.5	84.7	44.6	65.5
October-December-----	94.3	91.1	88.8	99.0	54.6	83.7	37.2	63.2
1984:								
January-March-----	94.4	90.5	85.6	95.6	45.9	79.6	35.4	67.9
April-June-----	95.4	90.6	83.8	94.6	40.9	80.9	33.1	64.6
July-September-----	96.7	92.3	79.4	94.1	36.7	78.0	27.8	64.3
October-December-----	96.4	91.7	75.6	88.8	33.7	77.8	23.1	61.2
1985:								
January-March-----	96.4	91.0	71.6	84.2	30.3	77.1	19.0	56.8

1/ The real value of a currency is the nominal value adjusted for the difference between inflation rates as measured by the producer price index in the United States and in the foreign country.

Source: Central Bank of China, Financial Statistics, June 1985 and International Monetary Fund, International Financial Statistics, June 1985.

Note.--January-March 1982=100.

* * * was cited in an allegation involving *** short tons of * * * from India during * * *. * * * indicated that * * * had purchased *** short tons of * * * from India within the past year. * * * cited the Indian product's lower price as the primary reason for purchasing the imported product.

* * * was cited in an allegation involving *** short tons of * * * from India during * * *. * * * stated that his firm had purchased about *** short tons of * * * from India in * * *. * * * indicated that the principal reason for buying the imported product was its lower price, which averaged *** percent below the price of the domestic product. He also indicated that his purchases of Indian pipe had replaced purchases of Korean pipe. According to * * *, *** percent of the standard pipe used in the fence industry along the * * * is imported, mainly from Korea and Brazil.

* * * was cited in an allegation involving *** short tons of * * * from India during * * *. * * * stated that his firm purchases about *** percent of its standard pipes from * * * that does not identify the source of the pipes. The only country from which * * * is aware of imports is Brazil. He added that his firm purchases *** percent of its standard pipes from * * *.

* * * was cited in an allegation involving *** short tons of * * * from India during * * *. * * * stated that he is unable to determine whether his firm has purchased imported pipes from India because their distributor suppliers do not identify the source of the pipes.

APPENDIX A

FEDERAL REGISTER NOTICES

under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from India, Turkey, and Taiwan, respectively, of certain welded carbon steel pipes and tubes¹ which are alleged to be subsidized by those countries. As provided in section 703(a), the Commission must complete preliminary countervailing duty investigations in 45 days, or in this case by August 30, 1985.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-271, 772, 273 and 274 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from India, Turkey, Taiwan, and Yugoslavia, respectively, of certain welded carbon steel pipes and tubes¹ which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by August 30, 1985.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, subparts A through E (19 CFR Part 201, as amended by 49 FR 32569, Aug. 15, 1984).

EFFECTIVE DATE: July 16, 1985.

FOR FURTHER INFORMATION CONTACT: Judith Zeck (202-523-0339), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

[Investigations Nos. 701-TA-251 through 253 (Preliminary) and 731-TA-271 through 274 (Preliminary)]

Certain Welded Carbon Steel Pipes and Tubes From India, Taiwan, Turkey, and Yugoslavia

AGENCY: International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-251, 252, and 253 (Preliminary)

¹ For purposes of these investigations, the term "certain welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes of circular cross section, 0.375 inch or more but not over 16 inches in outside diameter provided for in items 610.3208, 610.3209, 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925 of the *Tariff Schedules of the United States Annotated (TSUSA)*. Prior to Apr. 1, 1984, these pipes and tubes were provided for in TSUSA items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244 and 610.3247.

SUPPLEMENTARY INFORMATION:**Background**

These investigations are being instituted in response to petitions filed on July 16, 1985, by counsel for the individual producer members of the subcommittees on standard and line pipe of The Committee on Pipe and Tube Imports.

Participation in the Investigation

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

Service List

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with § 201.16(c) of the rules (19 CFR 201.16(c), as amended by 49 FR 32569, Aug. 15, 1984), 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 August 7, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Judith Zeck (202-523-0339) not later than August 5, 1985 to arrange for their appearance. Parties in support of the imposition of countervailing and/or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written Submissions

Any person may submit to the Commission on or before August 12,

1985, a written statement of information pertinent to the subject of the investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8, as amended by 49 FR 32569, Aug. 15, 1984). 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 section 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 Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

Issued: July 19, 1985.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-17566 Filed 7-23-85; 8:45 am]

BILLING CODE 7520-02-01

investigation to determine whether imports of welded carbon steel standard pipe and tube (standard pipe and tube) from India are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, U.S. industry. The ITC will make its preliminary determination on or before August 30, 1985. If this investigation proceeds normally, we will make our preliminary determination on or before December 23, 1985.

EFFECTIVE DATE: August 9, 1985.

FOR FURTHER INFORMATION CONTACT: Terri Feldman, 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 July 16, 1985, we received a petition filed in proper form by the Standard Pipe and Tube Subcommittee of the Committee on Pipe and Tube Imports (CPTI), and by each of the member companies who produce standard pipe and tube. In compliance with the filing requirements of §353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of pipe and tube from India 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 materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 732(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 an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on standard pipe and tube from India and have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether standard pipe and tube (as detailed in the "Scope of Investigation" section of this notice) from India 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 on or before December 23, 1985.

Scope of Investigation

The products covered by this investigation are welded carbon steel pipe and tube with an outside diameter of 0.375 inch or more but not over 16 inches, of any wall thickness, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3231 and 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258 and 610.4925. These products are commonly referred to in the industry as standard pipe or tube produced to various ASTM specifications, most notably A-120, A-53 or A-135.

United States Price and Foreign Market Value

Petitioners based United States price on the average free along side (FAS) value of standard pipe and tube imported from India as reported by the Bureau of Census, Department of Commerce for the first quarter of 1985 (IM145X), and on price quotes that United States importers received from Zenith Pipe (Zenith), for the first four months of 1985. Using price quotes from Zenith, petitioners arrived at an ex-factory cost by subtracting the insurance, freight and duty charges from the price quotes received by United States importers. To arrive at freight, insurance and duty cost petitioners used the difference between cost, insurance and freight (CIF) value and the FAS value, for shipments of pipe and tube to specific locations, as quoted in the Bureau of Census, Department of Commerce import statistics for pipe and tube imports.

Petitioners based foreign market value on home market list prices for Zenith standard pipe and tube as of June 1985.

Based on the comparison of United States prices and foreign market value, petitioners allege dumping margins ranging from 190 percent to 278 percent.

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 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 in writing that it will not disclose such information either publicly or under an administrative protective order without the written consent of the

(A-533-502)

Initiation of an Antidumping Duty Investigation: Welded Carbon Steel Standard Pipe and Tube From India

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 an antidumping duty

Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by August 30, 1985, whether there is a reasonable indication that imports of welded carbon steel standard pipe and tube from India materially injure, or threaten material injury, to a U.S. industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration

August 5, 1985

[PR Doc. 85-18988 Filed 8-8-85; 8:45 am]

BILLING CODE 3510-26-01

[A-583-502]

Initiation of Antidumping Duty Investigation: Welded Carbon Steel API Line Pipe From Taiwan

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 an antidumping duty investigation to determine whether welded carbon steel API line pipe (line pipe) from Taiwan is being, or is likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before August 30, 1985. If this investigation proceeds normally, we will make our preliminary determination on or before December 23, 1985.

EFFECTIVE DATE: August 9, 1985.

FOR FURTHER INFORMATION CONTACT: John Kenkel, 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) 377-4829.

SUPPLEMENTARY INFORMATION

The Petition

On July 16, 1985, we received a petition filed in proper form by the Line Pipe Subcommittee of the Committee on

Pipe and Tube Imports (CPTI) and by each of the member companies who produce line pipe. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of line pipe from Taiwan are being, or are likely to be, sold in the U.S. 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 materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 732(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 an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on line pipe from Taiwan and have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether line pipe from Taiwan is being, or is likely to be, sold in the U.S. at less than fair value. If our investigation proceeds normally we will make our preliminary determination on or before December 23, 1985.

Scope of the Investigation

The product covered under this investigation is welded carbon steel line pipe with an outside diameter of 0.875 inch or more but not over 16 inches, and with a wall thickness of not less than .065 inch, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3208 and 610.3209. This product is produced to various API specifications for line pipe, most notably API-5L or API-5LX.

United States Price and Foreign Market Value

Petitioners based the United States price on API line pipe import statistics for Taiwan as reported by the Bureau of Census, Department of Commerce, for the months of January, February and March, 1985 (IM145X).

Petitioners based foreign market value on the weighted average cost of all steel pipes and tubes in the Taiwan area, for the fourth quarter of 1984. These data were obtained from an official Taiwan publication, prepared by the Department of Statistics, Ministry of Economic Affairs, dated February, 1985. The publication is entitled "Industrial Statistics Monthly, Taiwan Area, The Republic of China."

Based on a comparison of United States price and foreign market values, petitioners allege a dumping margin of 34.8 percent.

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 in writing that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by August 30, 1985, whether there is a reasonable indication that imports of welded carbon steel API line pipe from Taiwan materially injure, or threaten material injury to, a U.S. industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration

August 5, 1985.

[PR Doc. 85-18985 Filed 8-8-85; 8:45 am]

BILLING CODE 3510-26-01

[A-489-601]

Initiation of Antidumping Duty Investigation: Certain Welded Carbon Steel Pipe and Tube Products From Turkey

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 antidumping duty investigations to determine whether certain welded carbon steel pipe and tube products (standard pipe and tube and line pipe), as described in the "Scope of the Investigations" section of this notice, from Turkey are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of these actions so that it may determine whether imports of these products materially injure, or threaten

material injury to, a U.S. industry. The ITC will make its preliminary determinations on or before August 30, 1985. If these investigations proceed normally, we will make our preliminary determinations on or before December 23, 1985.

EFFECTIVE DATE: August 9, 1985.

FOR FURTHER INFORMATION CONTACT: William Kane, 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) 377-1786.

SUPPLEMENTARY INFORMATION:

The Petition

On July 16, 1985, we received a petition in proper form filed by the Standard Pipe and Tube Subcommittee and the Line Pipe Subcommittee of the Committee on Pipe and Tube Imports (CPTI) and by each of their member companies who produce standard pipe and tube and line pipe. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of certain welded carbon steel pipe and tube products from Turkey 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 materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigations

Under section 732(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 antidumping duty investigations, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain welded carbon steel pipe and tube products from Turkey and have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating antidumping duty investigations to determine whether certain welded carbon steel pipe and tube products (as described in the "Scope of Investigations" section of this notice) from Turkey 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 on or before December 23, 1985.

Scope of Investigations

The products covered by these investigations are:

(1) welded carbon steel pipe and tube products with an outside diameter of .375 inch or more but not over 16 inches, of any wall thickness, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925. These products, commonly referred to in the industry as standard pipe or tube, are produced to various ASTM specifications, most notably A-120, A-53, or A-135; and (2) welded carbon steel line pipe with an outside diameter of .375 inch or more but not over 16 inches, and with a wall thickness of not less than .065 inch, currently classifiable in the TSUSA, under items 610.3208 and 610.3209. These products are produced to various API specifications for line pipe, most notably API-5L or API-5LX.

U.S. Price and Foreign Market Value

The petitioners based the United States price upon Bureau of Census import statistics for January 1985 for line pipe and for the first quarter of 1985 for standard pipe and tube.

Petitioners based foreign market value on constructed value. To obtain a constructed value, petitioners estimated raw material costs by adding to the average price of raw material inputs imported into Turkey in 1983, the difference between domestic ex-factory prices and c.i.f. import prices, as reported by a World Bank study. Petitioners adjusted these prices to reflect increases in the world market prices for sheet and plate in order to obtain estimated 1985 prices. To this adjusted raw material cost, petitioners constructed a value for various pipe and tube products by adding costs for scrap, zinc for galvanizing, and conversion to pipe and tube products. Petitioners then added 10 percent for selling, general, and administrative expenses and 8 percent for profit, as required by the statute (19 U.S.C. 1677b(e)(1)(B)).

Based on the comparison of United States price and foreign market value, petitioners allege average dumping margins of 113 percent for line pipe and 97 to 142 percent for standard pipe and tube.

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 written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determinations by ITC

The ITC will determine by August 30, 1985, whether there is a reasonable indication that imports of certain welded carbon steel pipe and tube products from Turkey materially injure, or threaten material injury to, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration.

August 5, 1985.

[FR Doc. 85-18086 Filed 8-8-85; 8:45 am]

BILLING CODE 3510-05-01

[A-478-602]

Initiation of Antidumping Duty Investigations: Certain Welded Carbon Steel Pipe and Tube Products From Yugoslavia

AGENCY: International Trade Administration, Import 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 antidumping duty investigations to determine whether certain welded carbon steel pipe and tube products (standard pipe and tube and line pipe), as described in the "Scope of the Investigations" section of this notice, from Yugoslavia are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determinations on or before August 30, 1985. If these investigations proceed normally, we will make our preliminary determinations on or before December 23, 1985.

EFFECTIVE DATE: August 9, 1985.

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

SUPPLEMENTARY INFORMATION:**The Petition**

On July 16, 1985, we received a petition in proper form filed by the standard pipe and tube subcommittee and the line pipe subcommittee of the Committee on Pipe and Tube Imports (CPTI) and by each of their member companies who produce standard pipe and tube and line pipe. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of certain welded carbon steel pipe and tube products from Yugoslavia 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 materially injured, or threaten material injury to, a U.S. industry.

Initiation of Investigations

Under section 732(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 antidumping duty investigations, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain welded carbon steel pipe and tube products (as described in the "Scope of Investigations" section of this notice) from Yugoslavia and have found that it meets the requirements of section 732(b) of the Act. For purposes of these investigations, we are treating Yugoslavia as a non-state controlled economy. Therefore, we are initiating antidumping duty investigations to determine whether certain welded carbon steel pipe and tube products from Yugoslavia 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 on or before December 23, 1985.

Scope of Investigations

The products covered by these investigations are:

(1) welded carbon steel pipe and tube products with an outside diameter of .375 inch or more but not over 16 inches, of any wall thickness, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA) under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925. These products, commonly referred to in the industry as standard pipe or tube, are produced to various ASTM specifications, most notably A-120, A-

53, or A-135; and (2) welded carbon steel line pipe with an outside diameter of .375 inch or more but not over 16 inches, and with a wall thickness of not less than .065 inch, currently classifiable in the TSUSA under items 610.3208 and 610.3209. These products are produced to various API specifications for line pipe, most notably API-SL or API-SLX.

U.S. Price and Foreign Market Value

The petitioners based the United States price upon offers for sale of line pipe received from a U.S. importer. The United States price for standard pipe was based on Bureau of Census import statistics for the first quarter of 1985.

Petitioners based foreign market value on constructed value. To obtain a constructed value, petitioners used the average price of raw material inputs imported into Yugoslavia in 1983, and adjusted them to reflect increases in world market prices for sheet and plate in order to obtain estimated 1985 prices. To this adjusted raw material cost, petitioners constructed a value for various pipe and tube products by adding costs for scrap, zinc for galvanizing, and conversion to pipe and tube products. Petitioners then added 10 percent for selling, general, and administrative expenses and 8 percent for profit, as required by the statute (19 U.S.C. 1677b(e)(1)(B)).

Based on the comparison of United States price and foreign market value, petitioners allege average dumping margins of from 106 to 117 percent for line pipe and from 84 to 91 percent for standard pipe and tube.

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 written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determinations by ITC

The ITC will determine by August 30, 1985, whether there is a reasonable indication that imports of certain welded carbon steel pipe and tube products from Yugoslavia materially injure, or threaten material injury to, a U.S. industry. If its determinations are negative, these investigations will

terminate; otherwise, they will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration.

August 5, 1985.

[FR Doc. 85-18887 Filed 8-6-85; 8:45 am]

BILLING CODE 2610-06-01

(C-479-603)

Initiation of Countervailing Duty Investigations: Certain Welded Carbon Steel Pipe and Tube Products From Yugoslavia

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 Yugoslavia of certain welded carbon steel pipe and tube products (standard pipe and tube and line pipe), as described in the "Scope of Investigations" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If our investigations proceed normally, we will make our preliminary determinations on or before October 9, 1985.

EFFECTIVE DATE: August 9, 1985.

FOR FURTHER INFORMATION CONTACT: Terry Link or Barbara Tillman, 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) 377-0189 or 377-2438.

SUPPLEMENTARY INFORMATION:

The Petition

On July 16, 1985, we received a petition in proper form filed by the standard pipe and tube subcommittee and the line pipe subcommittee of the Committee on Pipe and Tube Imports (CPTI) and by each of their member companies who produce standard pipe and tube and line pipe. 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 Yugoslavia of certain welded carbon steel pipe and tube products receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the Act).

Yugoslavia is not a "country under the Agreement" within the meaning of section 701(b) of the Act, and the merchandise being investigated is dutiable. Therefore, sections 303(a)(1) and (b) of the Act apply to these investigations. Accordingly, petitioners are not required to allege that, and the U.S. International Trade Commission is not required to determine whether, imports of these products 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 the petition sets forth the allegations necessary for the initiation of countervailing duty investigations, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain welded carbon steel pipe and tube products from Yugoslavia and have found that it meets the requirements of section 702(b) of the Act. For purposes of these initiations, we are treating Yugoslavia as a market economy. We are initiating countervailing duty investigations to determine whether the manufacturers, producers, or exporters in Yugoslavia of certain welded carbon steel pipe and tube products (as described in the "Scope of Investigations" section of this notice) receive benefits which constitute bounties or grants. If our investigations proceed normally, we will make our preliminary determinations on or before October 9, 1985.

Scope of Investigations

The products covered by these investigations are:

(1) welded carbon steel pipe and tube with an outside diameter of .375 inch or more but not over 16 inches, of any wall thickness, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258 and 610.4025. These products, commonly referred to in the industry as standard pipe or structural tubing, are produced to various ASTM specifications, most notably A-120, A-53 or A-135; and

(2) welded carbon steel line pipe with an outside diameter of .375 inch or more but not over 16 inches, and with a wall thickness of not less than .065 inch, currently classifiable in the TSUSA under items 610.3206 and 610.3209. These products are produced to various API specifications for line pipe, most notably API-5L or API-SLX.

Allegations of Bounties or Grants

The petition alleges that producers, manufacturers, or exporters in Yugoslavia of certain welded carbon steel pipe and tube products receive benefits under the following programs which constitute bounties or grants. We are initiating investigations on the following allegations:

- Export Bonuses;
- Preferential Export Credit;
- Export Credit Insurance;
- Income Tax Exemptions on Export Earnings;
- Duty Refunds and Duty Exemptions on Non-Physically Incorporated Imported Inputs;
- Foreign Exchange Retention Scheme;
- Preferential Credit for Priority Sector Development; and
- Loans to Firms in Less Developed Regions.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration.

August 5, 1985.

[FR Doc. 85-18861 Filed 8-9-85; 8:45 am]

BILLING CODE 2510-02-01

(C-489-502)

Initiation of Countervailing Duty Investigations: Certain Welded Carbon Steel Pipe and Tube Products From Turkey

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 Turkey of certain welded carbon steel pipe and tube products (standard pipe and tube and line pipe), as described in the "Scope of 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 these actions, so that it may determine whether imports of the subject merchandise from Turkey materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determinations on or before August 30, 1985. If our investigations proceed normally, we will make our preliminary determinations on or before October 9, 1985.

EFFECTIVE DATE: August 9, 1985.

FOR FURTHER INFORMATION CONTACT: Terry Link or Barbara Tillman, 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) 377-0189 or 377-2438.

SUPPLEMENTARY INFORMATION:

The Petition

On July 16, 1985, we received a petition in proper form filed by the standard pipe and tube subcommittee and the line pipe subcommittee of the Committee on Pipe and Tube Imports (CPTI) and by each of their member companies who produce standard pipe and tube and line pipe. 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 Turkey of certain welded carbon steel pipe and tube products receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act).

Since Turkey 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 Turkey 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 the petition sets forth the allegations necessary for the initiation of countervailing duty investigations, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain welded carbon steel pipe and tube products from Turkey and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Turkey of certain welded carbon steel pipe and tube products (as described in the "Scope of Investigations" section of this notice) receive benefits which constitute subsidies. If our investigations proceed normally, we will make our preliminary determinations on or before October 9, 1985.

Scope of Investigations

The products covered by these investigations are:

(1) Welded carbon steel pipe and tube with an outside diameter of .375 inch or more but not over 16 inches, of any wall

thickness, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258 and 610.4925. These products, commonly referred to in the industry as standard pipe or tube, are produced to various ASTM specifications, most notably A-120, A-53 or A-135; and

(2) welded carbon steel line pipe with an outside diameter of .375 inch or more but not over 16 inches, and with a wall thickness of not less than .065 inch, currently classifiable in the TSUSA, under items 610.3206 and 610.3209. These products are produced to various API specifications for line pipe, most notably API-5L or API-5LX.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Turkey of certain welded carbon steel pipe and tube products receive benefits under the following programs which constitute subsidies. We are initiating investigations on the following allegations:

- General Incentives Program.
- Income and Corporation Tax Allowances
- Exemptions From or Deferrals of Customs Duties and Other Duties, Fees, and Taxes
- Interest Rebates
 - Export Tax Rebates.
 - Preferential Export Financing.
 - Deductions from Taxable Income for Export Revenues.
 - Resource Utilization Support Fund Payments.

Notification of ITC

Section 702(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 written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determinations by ITC

The ITC will determine by August 30, 1985, whether there is a reasonable indication that imports of certain welded carbon steel pipe and tube products from Turkey materially injure, or threaten material injury to, a U.S. industry. If its determinations are negative, these investigations will

terminate; otherwise, they will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration.

August 2, 1985.

[FR Doc. 85-18064 Filed 8-8-85; 8:45 am]

BILLING CODE 3510-06-01

[C-553-503]

Initiation of Countervailing Duty Investigation: Welded Carbon Steel Standard Pipe and Tube From India

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 a countervailing duty investigation to determine whether manufacturers, producers, or exporters in India of welded carbon steel standard pipe and tube, 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 imports of these products materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before August 30, 1985. If our investigation proceeds normally, we will make our preliminary determination on or before October 9, 1985.

EFFECTIVE DATE: August 9, 1985.

FOR FURTHER INFORMATION CONTACT: Mary Martin or Betsy Killian, 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) 377-3484 or 377-1673.

SUPPLEMENTARY INFORMATION:

The Petition

On July 16, 1985, we received a petition in proper form filed by the standard pipe and tube subcommittee of the Committee on Pipe and Tube Imports (CPTI), and by each of the member companies who produce standard pipe and tube. 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 India of welded carbon steel standard pipe and tube receive subsidies within

the meaning of section 701 of the Tariff Act of 1930, as amended (the Act).

Since India is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation and the ITC is required to determine whether imports of the subject merchandise from India 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 welded carbon steel standard pipe and tube from India and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in India of welded carbon steel standard pipe and tube, (as described in the "Scope of Investigation" section of this notice) receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before October 9, 1985.

Scope of Investigation

The products covered by this investigation are welded carbon steel pipe and tube, with an outside diameter of .375 inch or more but not over 16 inches, of any wall thickness, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258 and 610.4925. This product, commonly referred to in the industry as standard pipe or tube, is produced to various ASTM specifications, most notably A-120, A-53 or A-135.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in India of welded carbon steel standard pipe and tube receive benefits under the following programs which constitute subsidies. We are initiating an investigation on the following allegations:

- Cash Compensatory Support (CCS) Program.
- Preferential Export Credits—The "Packing Credit" Program.

- Import Replenishment Licenses (REPs).
- Regional Benefits to New Facilities in Madhya Pradesh.
- Preferential Power Rates
- Investment Grants
- Sales Tax Exemptions or Deferments
- Feasibility Study Cost Reimbursement
- Preferential Water Rates

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. We will also allow ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by August 30, 1985, whether there is a reasonable indication that imports of welded carbon steel standard pipe and tube from India materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-18083 Filed 8-8-85; 8:45 am]

BILLING CODE 2510-08-01

[C-583-503]

Initiation of Countervailing Duty Investigation: Welded Carbon Steel Line Pipe From Taiwan

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 a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Taiwan of welded carbon steel line pipe (line pipe), 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 Taiwan materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before August 30, 1985. If our investigation proceeds normally, we will make our preliminary determination on or before October 9, 1985.

EFFECTIVE DATE: August 9, 1985.

FOR FURTHER INFORMATION CONTACT: Terry Link or Barbara Tillman, 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) 377-0189 or 377-2438.

SUPPLEMENTARY INFORMATION:

The Petition

On July 16, 1985, we received a petition in proper form filed by the line pipe subcommittee of the Committee on Pipe and Tube Imports (CPTI) and by each of the member companies who produce line pipe. In compliance with the filing requirements of section 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Taiwan of line pipe receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act).

Since Taiwan is entitled to an injury determination under section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Taiwan 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 line pipe from Taiwan and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Taiwan of line pipe (as described in the "Scope of Investigation" section of this notice) receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before October 9, 1985.

Scope of Investigation

The product covered by this investigation is welded carbon steel line pipe with an outside diameter of .375 inch or more but not over 16 inches, and with a wall thickness of not less than .065 inch, currently classifiable in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 610.3208 and 610.3209. This product is produced to various API specifications for line pipe, most notably API-5L or API-5X.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Taiwan of line pipe receive benefits under the following programs which constitute subsidies. We are initiating an investigation on the following allegations:

- Preferential Export Financing.
- Export Loss Reserves.
- Tax Exemptions for Export Sales.
- Preferential Prices for Raw Materials.

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. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by August 30, 1985, whether there is a reasonable indication that imports of line pipe from Taiwan materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration.

August 5, 1985.

[FR Doc. 85-18082 Filed 8-8-85; 8:45 am]

BILLING CODE 2510-08-01

APPENDIX B

CALENDAR OF WITNESSES WHO APPEARED AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-251 through 253 (Preliminary)
and 731-TA-271 through 274 (Preliminary)

CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM INDIA,
TAIWAN, TURKEY, AND YUGOSLAVIA

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on August 7, 1985, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, DC.

In support of the imposition of countervailing duties and antidumping duties

Roger B. Schagrin, P.C.--Counsel
Washington, DC
on behalf of

The Individual Producer Members of the
Subcommittees on Standard and Line
Pipe of the Committee on Pipe and
Tube Imports

Malcolm Hamblen, Vice President of
Marketing and Sales, Sawhill Division
of Cyclops Corp.
James McCammack, Vice President of the
Fence and Sprinkler Division, Allied
Tube and Conduit

Roger B. Schagrin)
Paul W. Jameson)--of Counsel

In opposition to the imposition of countervailing duties and antidumping duties

India

Kaplan Russin & Vecchi--Counsel
Washington, DC
on behalf of

Engineering Export Promotion Counsel of India

Dennis James, Jr.)--of Counsel
Kathleen Patterson)

Taiwan

Ablondi & Foster
Washington, DC
on behalf of

Kao Hsing Chang Iron and Steel Corporation
Far East Machinery Co., Ltd.

Sturgis Subin
David Foster

In opposition to the imposition of countervailing duties and antidumping duties

Turkey

Coudert Brothers--Counsel

Washington, DC

on behalf of

Mannesman-Suenerbank Boru

Endustrisi TAS

Allen H. Russell)

Brian E. McGunigle)--of Counsel

Mark D. Herlach)

Wald, Harkrader & Ross--Counsel

Washington, DC

on behalf of

the Borusan Group

William H. Barringer)

Mark Schattner)of Counsel

James P. Durling)

White & Case

Washington, DC

on behalf of

The Republic of Turkey

Caroline Lamm)--of Counsel

APPENDIX C

PREVIOUS COMMISSION INVESTIGATIONS

Certain welded carbon steel pipes and tubes: Pending title VII investigations and outstanding dumping/countervailing orders, most recent dumping/subsidy margins, and import/consumption ratios, by countries, 1982-84, January-June 1984, and January-June 1985

Item	Weighted-average margin	Date of bond or order <u>1/</u>	Ratio of imports to apparent U.S. consumption				
			1982	1983	1984	January-June--	
						1984	1985
Standard pipes and tubes not over 16 inches in outside diameter:							
Pending antidumping investigations:							
Thailand-----	<u>2/</u>	<u>2/</u>	-	-	<u>3/</u>	-	<u>3/</u>
Venezuela-----	<u>4/</u> 26.19	<u>4/</u> June 3, 1985	0.3	0.7	2.2	1.1	1.7
India-----	<u>5/</u>	<u>5/</u>	<u>3/</u>	<u>3/</u>	.1	<u>3/</u>	.5
Turkey-----	<u>5/</u>	<u>5/</u>	-	<u>3/</u>	.1	.1	1.0
Yugoslavia-----	<u>5/</u>	<u>5/</u>	.2	-	.6	.5	.4
Pending countervailing duty investigations:							
Venezuela-----	<u>6/</u>	<u>6/</u>	.3	1.5	7.5	6.7	7.9
India-----	<u>5/</u>	<u>5/</u>	<u>3/</u>	<u>3/</u>	.1	<u>3/</u>	.5
Turkey-----	<u>5/</u>	<u>5/</u>	-	<u>3/</u>	.1	.1	1.0
Yugoslavia-----	<u>5/</u>	<u>5/</u>	.2	-	.6	.5	.4
Line pipes and tubes not over 16 inches in outside diameter:							
Pending antidumping investigations:							
Venezuela-----	<u>7/</u> 55.7	<u>7/</u> Aug. 13, 1985	.3	1.5	7.5	6.7	7.9
Taiwan-----	<u>5/</u>	<u>5/</u>	.6	.1	.4	.1	1.2
Turkey-----	<u>5/</u>	<u>5/</u>	-	-	-	-	<u>3/</u>
Yugoslavia-----	<u>5/</u>	<u>5/</u>	.1	-	-	-	-
Pending countervailing duty investigations:							
Venezuela-----	<u>6/</u>	<u>6/</u>	.3	1.5	7.5	6.7	7.9
Taiwan-----	<u>5/</u>	<u>5/</u>	.6	.1	.4	.1	1.2
Turkey-----	<u>5/</u>	<u>5/</u>	-	-	-	-	<u>3/</u>
Yugoslavia-----	<u>5/</u>	<u>5/</u>	.1	-	-	-	-

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

2/ Commerce's preliminary determination in this case is due Sept. 26, 1985.

3/ Less than 0.05 percent.

4/ This is Commerce's preliminary determination. Commerce's final determination in this case is due by November 5, 1985.

5/ This is one of the instant investigations. To date, there is no determination of sales at less than fair value by Commerce nor requirement for the posting of bond.

6/ To date, there is no determination of sales at less than fair value by Commerce nor requirement for the posting of bond. Commerce's preliminary determination is due by Nov. 5, 1985.

7/ This is Commerce's preliminary determination. Commerce's final determination in this case is due by October 21, 1985.

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

