# CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM TAIWAN

**Determination of the Commission in Investigation No. 731-TA-211 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation**

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# UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 731-TA-211 (Final)

CERTAIN WELDED CARBON STEEL PIPES AND TUBES FROM TAIWAN

## Determination

On the basis of the record 1/ developed in the subject investigation, the Commission determines, 2/ pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Taiwan of welded carbon steel pipes and tubes of rectangular (including square) cross section, having a wall thickness of less than 0.156 inch, provided for in item 610.49 of the Tariff Schedules of the United States, which have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

## Background

The Commission instituted this investigation effective July 22, 1985, following a preliminary determination by the Department of Commerce that imports of certain welded carbon steel pipes and tubes from Taiwan were being sold at LTFV within the meaning of section 731 of the Act (19 U.S.C. § 1673). Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of August 7, 1985 (50 F.R. 31930). The hearing was held in Washington, DC, on December 17, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

2/ Commissioner Brunsdale abstained from voting.

## VIEWS OF THE COMMISSION 1/

We determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of light-walled rectangular welded carbon steel pipes and tubes from Taiwan, which the Department of Commerce (Commerce) has determined to be sold at less than fair value (LTFV). 2/

We base our determination on the lack of a causal link between any injury being suffered by the domestic industry and the subject imports. 3/ In particular, we note that the performance of the domestic industry was relatively strong in 1984, the period of greatest import volume and penetration. The condition of the industry then deteriorated during the first half of 1985, a period during which the imports dramatically declined. Further, there is no real or imminent threat of material injury to the domestic industry.

### Like product and domestic industry 4/

The imported products which are the subject of this investigation, light-walled rectangular (LW-R) welded carbon steel pipes and tubes, have been

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1/ Commissioner Brunsdale did not participate in this determination.

2/ As the domestic industry has been established for some time, material retardation of the establishment of an industry is not an issue in this investigation and will not be discussed further.

3/ See Additional Views of Vice Chairman Liebeler, infra.

4/ The domestic industry in an antidumping investigation is defined by section 771(4)(A) of the Tariff Act of 1930 as the domestic producers of the product that is like that being imported: "[T]he term 'industry' means the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 19 U.S.C. § 1677(4)(A). The term "like product" is defined in section 771(10) of the Tariff Act of 1930 as "[A] product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 19 U.S.C. § 1677(10).

defined in prior investigations, including the preliminary investigation in this case. 5/ In those investigations we found domestically produced LW-R carbon steel pipes and tubes to be like the imported LW-R carbon steel pipes and tubes. None of the parties has requested that we adopt a different definition of the like product in this final investigation, and no information in the record indicates that we should change the definition of the like product. Accordingly, we define the like product to be LW-R welded carbon steel pipes and tubes and define the domestic industry to be the domestic producers of LW-R welded carbon steel pipes and tubes.

Petitioners requested that the Commission find material injury or threat thereof exists to a regional industry consisting of the producers of the like product located in the western states of Washington, Oregon, California, Nevada, Arizona, and Utah if we did not find that material injury or threat thereof existed to the industry consisting of all producers located in the United States. 6/ While the first two criteria specified by the statute appear to be satisfied by the proposed region, 7/ we note that there is some question as to whether the proposed region satisfies the additional statutory requirement that imports are to be concentrated in the region. Less than

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5/ E.g., 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 (Apr. 1984); Certain Welded Carbon Steel Pipes and Tubes from the People's Republic of China, the Philippines, and Singapore, Invs. Nos. 731-TA-292-296 (Preliminary), USITC Pub. 1796 (Dec. 1985); and Certain Welded Carbon Steel Pipes and Tubes from Taiwan and Venezuela, Invs. Nos. 731-TA-211-212 (Preliminary), USITC Pub. 1639 (Feb. 1985).

6/ Petitioners made this allegation for the first time in their prehearing brief in this final investigation. We note that making such allegations at such a late date hinders our ability to collect and analyze appropriate data, and also restricts the ability of respondents to submit comments on the issue.

7/ That is, that the producers in the region sell all or almost all of their production of the like product in the market and demand in the region is not satisfied to any substantial degree by producers located elsewhere in the United States. 19 U.S.C. § 1677(4)(C).

20 percent of the imports entered the region in 1982 and 1983. We also note that the ratio of imports to regional consumption was lower in 1982 and 1983 than the ratio of imports to national consumption in those years, a factor that arguably indicates the imports were not concentrated in the region in those years. 8/ However, even assuming that all the statutory criteria are satisfied, consideration of the question of material injury or threat thereof on a regional basis does not change our negative determination.

Condition of the domestic industry

In making a determination as to the condition of the domestic industry, the Commission considers, among other factors, changes in U.S. production, capacity utilization, employment, wages, productivity, domestic market share, domestic prices, and profitability. 9/ The economic indicators for the domestic industry are mixed. While the condition of the industry generally improved from 1982-84, and was accompanied by a significant expansion of production capacity, the indicators of the industry's performance generally declined in the first half of 1985 relative to the first half of 1984. 10/

Domestic production rose steadily from 142,703 tons in 1982 to 209,337 tons in 1984, and then declined in January-June 1985 to 98,520 tons from the

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8/ Report of the Commission (Report) at A-24-A-25. See also H.R. Rep. No. 317, 96th Cong., 1st Sess. 73 (1979).

9/ 19 U.S.C. § 1677(7)(C)(iii).

10/ We note that trends for the West Coast regional industry proposed by petitioners are generally the same as for the national industry. Production, capacity utilization, wages, and numbers of workers rose dramatically between 1982 and 1984, only to decline in the first half of 1985 relative to the first half of 1984. Capacity increased substantially between 1982 and 1984. However, producer prices in the region declined by a greater percentage than prices of producers located elsewhere. Report at A-12, A-16, and A-27; Memorandum INV-J-004, Table B (Jan. 3, 1986). Financial data indicate that operating income rose between 1982 and 1983, and remained stable through 1984, but sharply declined in the first half of 1985 relative to the first half of 1984.

first half of 1984 level of 105,349 tons. Capacity utilization also increased steadily from 52.8 percent in 1982 to 65.4 percent in 1984, but declined in the first half of 1985 to 63.1 percent from 70.1 percent in the first half of 1984. 11/ The peak capacity utilization level achieved in 1984 is low in objective terms, but was achieved at a time of steadily expanding capacity on the part of the domestic industry. 12/

Numbers of workers employed and wages paid demonstrate similar trends, rising from 1982-84, then declining in the first half of 1985 relative to the first half of 1984. However, productivity steadily increased during the period of investigation. 13/

Prices have fluctuated, exhibiting a slight downward trend during the period of investigation for most categories of products which the Commission examined. 14/

The Commission could not obtain financial data specifically for the LW-R pipe and tube industry. 15/ The financial data available indicate profitable operation during the period of investigation, but declines in operating income, gross profits, and the ratios of gross profits and operating income to net sales in the first six months of 1985 relative to the same period of 1984. 16/ The number of firms operating at a net loss increased significantly in the first half of 1985.

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11/ Report at A-11.
12/ See Id.
13/ Id. at A-14-A-15.
14/ Id. at B-16-B-17.
15/ Only two of the 15 producers responding to the Commission's questionnaires provided usable data for their operations producing LW-R pipes and tubes. Id. at A-16. Accordingly, pursuant to 19 U.S.C. § 1677(4)(D), our determination is based on financial data for operations producing all welded carbon steel pipes and tubes in the establishments in which LW-R pipes and tubes are produced.
16/ Report at A-17.

From previous investigations, we are aware that 1982 was a year of poor performance for the pipe and tube industry in general, including that segment producing LW-R pipes and tubes. The data available in this investigation show performance improvement between 1982 and 1984 and then a downturn in the first half of 1985. Accordingly, we find that the domestic industry is suffering material injury. 17/ 18/

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17/ Chairwoman Stern believes that the causal context is critical to a reliable material injury determination. For instance, in a case where a new industry is showing losses, it may well be ahead of expectations and hence "healthy." Or an industry which may warrant above normal returns as a return to innovation could be judged materially injured because LTFV imports had eroded its financial position (though profits might still be "normal" by other standards). The appropriate context for the material injury finding is in conjunction with the causal analysis.

Therefore, Chairwoman Stern does not believe it necessary or desirable to make a determination on the question of material injury separate from the consideration of causality. She joins her colleagues by concluding that the domestic industry is experiencing economic problems. For a fuller discussion of this issue, see Cellular Mobile Telephones and Subassemblies Thereof from Japan, Inv. No. 731-TA-207 (Final), USITC Pub. 1786 at 18 (Dec. 1985). Chairwoman Stern reads American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1276 (CIT 1984), aff'd sub nom., Armco, Inc. v. United States, 760 F.2d 249 (Fed. Cir. 1985), as holding that the approach of the Commission majority is permissible but not required under the statute.

18/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. The 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 of injury would thus be superfluous.

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

Cumulation

Petitioners urged the Commission to examine the cumulative impact of allegedly dumped imports from Singapore together with the imports under investigation from Taiwan. As the imports from Singapore are subject to investigation, 19/ and compete with the imports from Taiwan and the domestic product, and are reasonably coincident, we considered the cumulative volume and impact of the subject imports from Singapore and Taiwan. 20/

No material injury by reason of LTFV imports 21/

In determining whether material injury exists by reason of the subject imports, the Commission is directed by section 771(7)(B) of the Tariff Act of 1930 to consider a number of factors. These factors include the volume of imports of the subject merchandise under investigation, the effect of such imports on domestic prices, and the impact of such imports on the domestic industry. 22/

Cumulated imports from Taiwan and Singapore increased from 1,115 tons in 1982 to 10,326 tons in 1984, but declined to 1,351 tons in the first half of 1985 relative to the level of 3,310 tons in the first half of 1984. 23/ Import penetrations exhibited a similar trend, rising on a cumulated basis from 0.6 percent in 1982 to 3.3 percent in 1984, and declining to 1.0 percent

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19/ We recently issued an affirmative preliminary determination with respect to LW-R welded carbon steel pipes and tubes from Singapore in Inv. No. 731-TA-296 (Preliminary), USITC Pub. 1796 (Dec. 1985). The Singaporean imports are currently being investigated by Commerce to see if they are being sold at LTFV.

20/ 19 U.S.C. § 1677(7)(C).

21/ Vice Chairman Liebeler joins in this section only to the extent it is consistent with the analysis set forth in her Additional Views.

22/ 19 U.S.C. § 1677(7)(B).

23/ Report at A-21-A-22.

in the first half of 1985 relative to a penetration ratio of 2.1 percent in the first half of 1984. 24/ 25/

We found above that the condition of the industry improved significantly through 1984 and then declined in the first half of 1985 relative to the first half of 1984. We note that the domestic industry thus improved in condition between 1982-84, during a time of dramatically increasing imports, and declined in the first half of 1985, a time when the subject imports significantly declined. The industry's best performance in the period investigated was in 1984, which was also the period of the greatest import levels and penetration. This contrast between import trends and domestic industry trends indicates that cumulated imports from Singapore and Taiwan have not been a cause of any injury being suffered by the domestic industry. 26/

An examination of the impact of the imports on prices similarly reveals no causal nexus between the imports and the condition of the domestic industry because prices tended to rise as the subject imports increased, and tended to fall as imports also declined, exactly opposite of what would be expected if the imports were a cause of material injury to the industry. The presence of

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24/ Id. at A-25.

25/ Similar trends are exhibited if imports into the region are examined. Cumulated imports rose from 206 tons in 1982 to 8,269 tons in 1984, then declined to 1,152 tons in the first half of 1985 relative to the level of 2,087 tons in the first half of 1984. Id. at A-24. Import penetration exhibited a similar trend, increasing from 0.3 percent of regional consumption on a cumulated basis in 1982 to 6.4 percent in 1984, and declining to 1.7 percent in the first half of 1985 relative to the level of 3.2 percent in the first half of 1984. Id. at A-25.

26/ This analysis applies with equal force if import trends and domestic industry trends in the region are examined.

the cumulated imports in the West Coast market 27/ was miniscule prior to 1984, which saw a dramatic increase in imports concentrated into that market. Notwithstanding the rise in imports into that market in 1984, prices of the domestic product in the West Coast market actually rose in 1984 and remained at price levels above the 1983 price levels in 1984 for three of the four categories of pricing data examined by the Commission. 28/ Conversely, while import levels and penetration declined in the first half of 1985 when compared to the first half of 1984, prices for the domestic product declined in the West Coast market for three of the four categories of pricing data examined by the Commission in the first half of 1985. 29/

Further, one would expect that price trends for the domestic product in the region, where the presence of the subject imports was more pronounced, would be less favorable than price trends outside the region if the imports had had an impact on prices. However, in 1984 through June 1985 price trends indicate that price movements in the region were generally more favorable than elsewhere in the country despite the presence of the imports. Prices outside of the region in 1984 fluctuated or declined for three of the four categories of pricing data examined by the Commission while prices in the West Coast

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27/ As our examination of the pricing data is focused on the conditions in the West Coast market, involving sales by the producers located in the West Coast region, these conclusions apply with equal force to our examination of the impact of the imports on the condition of the regional industry.

28/ Report at B-16-B-17. The fourth category of pricing data, examining prices to end-users of 2-inch square tubing, indicated that prices remained generally stagnant in 1984 compared to prices in 1983, although they were at levels above the price in the last quarter of 1983. Id. at B-17.

29/ The fourth category of pricing data, examining prices to end-users of 2-inch square tubing, indicated that prices rose in the first quarter of 1985. Id.

market, where most of the subject imports were sold, actually rose for three of four categories of pricing data. 30/ 31/

Accordingly, although the limited data available comparing the prices for the imported and domestic products do indicate underselling, an examination of price trends indicates that the imports under investigation did not have an impact on domestic prices, and is further evidence of no causal nexus between the imports and the condition of the domestic industry.

No threat of material injury by reason of LTFV imports from Taiwan 32/ 33/

In making a determination as to whether there is threat of material injury, the Commission is required to consider, among other factors:

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30/ Id. at B-16-B-17. The fourth category of pricing data, examining prices to steel service centers/distributors of 2-inch square tubing, indicates that prices for the domestic product rose elsewhere in the United States during 1984. Id. at B-17. See also n.28, supra.

31/ Commissioner Lodwick further notes that the trend in product line operating margins for domestic producers in the Western Region provides no indication of price suppression. While aggregate average operating margins declined from 1983 to 1984, the decline is attributable to firms that recently expanded capacity by significant amounts. Average operating margins did not decline for firms which had generally stable capacity.

32/ We believe the statute leaves the Commission with discretion in deciding whether to cumulate in making a threat determination. The language of the cumulation section of the statute refers specifically only to clauses (i) and (ii) of section 771(7)(B), 19 U.S.C. § 1677(B)(7)(i) and (ii), the statutory provisions that require the Commission to consider certain price and volume effects in making its determination as to whether the domestic industry is suffering present material injury. Moreover, the statutory provision regarding threat, 19 U.S.C. § 1677(7)(F), was enacted at the same time as the cumulation provision and yet does not refer to or incorporate the cumulation provision. Further, to consider threat on the basis of cumulative import volumes, without specific information indicating that it might be appropriate to do so, could lead to a speculative conclusion as to whether the imports at issue are reasonably coincident and whether the threat of material injury is real and imminent. However, as cumulated import volumes and penetration ratios also demonstrate a sharp decline in the first half of 1985 when compared to the first half of 1984, we would find no threat of material injury even if we had cumulated imports from Singapore with imports from Taiwan in considering whether there is a threat of material injury.

33/ Our analysis below also supports our determination that the regional industry is not threatened with material injury.

(1) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,
(2) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,
(3) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,
(4) any substantial increase in inventories of the merchandise in the United States,
(5) the presence of underutilized capacity for producing the merchandise in the exporting country,
(6) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to antidumping or countervailing duty investigations or orders, are also used to produce the merchandise under investigation. 34/

Moreover, a finding of threat of material injury must be made on the basis of evidence that the threat is real and that actual injury is imminent and must not be made on the basis of mere conjecture or supposition. 35/

The available data suggest that there was an expansion of capacity in Taiwan in 1983 and 1984 and that there is some underutilized capacity in Taiwan that could be used to increase exports to the United States. However, we find no basis for determining that such exports are likely to occur, in light of the fact that countries other than the United States have been the primary export markets for Taiwan and exports to those countries have continued to rise even while exports to the United States have ceased. 36/

Instead of a rapid increase in market penetration, the data show a sharp decrease in import penetration in 1985 and the virtual cessation of imports

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34/ 19 U.S.C. § 1677(7)(F).
35/ Id.
36/ Report at A-9-A-10; Transcript of the Hearing (Tr.) at 54-55.

from Taiwan since March 1985. 37/ Further, the pricing data, as discussed previously, demonstrate that LTFV imports from Taiwan have not had an effect on prices. We have no basis to believe that any future imports will have a depressing or suppressing effect on prices.

We also note that a purchaser of a significant portion of the imports from Taiwan in 1984 expressed dissatisfaction with the quality of the Taiwanese product and has not purchased the Taiwanese product since that time. 38/ This further supports our finding that imports of the Taiwanese product are not likely to increase to injurious levels.

Instead of increasing, domestic inventories of the like product have declined in the first half of 1985 relative to the first half of 1984. 39/ Importer inventories also declined in the first half of 1985 relative to the first half of 1984. 40/

The Taiwanese producer does have the ability to shift production from circular pipes and tubes to LW-R pipes and tubes and arguably has the incentive to do so because of an antidumping duty order issued against imports of circular pipes and tubes from Taiwan on May 7, 1984. 41/ However, imports from Taiwan have declined and virtually ceased in 1985, suggesting that while product shifting is a theoretical possibility, it has not yet occurred despite the imposition of antidumping duties on circular pipes and tubes from Taiwan 20 months ago. We have no basis other than conjecture for determining that such product shifting will occur in the future. We also note that the

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37/ Report at A-21-A-22 and A-24.
38/ Id. at A-28 n.1.
39/ Report at A-12; Memorandum INV-J-004 (Jan. 3, 1986), Table B.
40/ Report at A-20.
41/ 49 Fed. Reg. 19369 (May 7, 1984).

Taiwanese producer cannot shift production from circular pipes and tubes to LW-R pipes and tubes without idling the additional equipment needed to produce circular pipes and tubes which are not needed to produce LW-R pipes and tubes. 42/ Further, while petitioners have argued that the voluntary restraint agreement between the United States and Japan limiting pipe and tube exports to the United States will result in Taiwan increasing its imports to the United States and taking over a portion of Japan's market share in the United States, we find such a conclusion to be speculative.

Conclusion

On the basis of the foregoing discussion and the information obtained in this investigation, we determine that the domestic industry producing LW-R welded carbon steel pipes and tubes is neither materially injured nor threatened with material injury by reason of LTFV imports from Taiwan.

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42/ Tr. at 39-40 and 60-61; Respondent's Prehearing Brief at 14.

# ADDITIONAL VIEWS OF VICE CHAIRMAN LIEBELER

Based on the record in Investigation No. 731-TA-211 (Final), I determine that a domestic industry is not materially injured or threatened with material injury by reason of imports of light-walled rectangular (L-WR) pipes and tubes from Taiwan that are being sold at less than fair value (LTFV).[1]

I join with the Commission majority in their discussions of like product, domestic industry, cumulation, and threat of material injury. Because my views on causation differ from those of my colleagues, I offer these additional views.

In order for a domestic industry to prevail in a final antidumping investigation, the U.S. International Trade Commission ("Commission") must determine that the dumped imports cause or threaten to cause injury to the domestic industry producing the like product.

In Certain Red Raspberries from Canada, I set forth a framework for examining causation in Title VII investigations:[2]

> The stronger the evidence of the following . . . the more likely that an affirmative determination will be made: (1)

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[1] Material retardation is not an issue in this investigation.

[2] Inv. No. 731-TA-196 (Final), USITC Pub. 1680, (1985) Additional Views of Vice Chairman Liebeler.

> large and increasing market share, (2) high dumping margins, (3) homogeneous products, (4) declining prices and (5) barriers to entry to other foreign producers (low elasticity of supply of other imports).[3]

These factors, when viewed together, serve as proxies for the inquiry that Congress has directed the Commission to undertake: whether foreign firms are engaging in unfair price discrimination practices that cause or threaten to cause material injury to a domestic industry.[4]

The starting point for the five factor approach is import penetration data. This factor is relevant because unfair price discrimination has as its goal, and cannot take place in the absence of, market power. The cumulated import penetration ratio for L-WR pipes and tubes from Singapore and Taiwan[5] reached a high of 3.3 percent in 1984, up from 0.6 percent in 1982 and 1.5 percent in 1983, before falling to 1.0 percent for

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[3] Id. at 16.

[4] Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

[5] I have cumulated imports from Taiwan with imports from Singapore because they are both subject to investigation and compete with each other and the like product. See Views of the Commission, supra, at 8. Because I recently cumulated imports of L-WR pipes and tubes from Singapore and Taiwan in making a negative preliminary determination with respect to L-WR pipes and tubes from Singapore in Certain Carbon Steel Pipes and Tubes from the People's Republic of China, The Phillines, and Singapore, Inv. Nos. 731-TA-292-96 (Preliminary), USITC Pub. 1796 (1985), this opinion is very similar to that earlier opinion.

January-June 1985.[6] Thus, the cumulated market share of L-WR pipes and tubes from Singapore and Taiwan is very small.[7]

The second factor is a high margin of dumping. The higher the margin of dumping, ceteris paribus, the more likely it is that the product is being sold below marginal cost, which is a requirement for predatory pricing. The margin of dumping is determined by the Department of Commerce ("Commerce") after the Commission has made an affirmative determination in the preliminary investigation. For Taiwan, Commerce has determined the weighted average margin to be 7.09 percent based on a comparison of the United States market price and a constructed foreign market value.[8] With respect to imports from Singapore, the petitioners in that investigation have alleged margins of 7.4 percent.[9] Therefore, even if Commerce were to confirm petitioners' allegations, the overall weighted average LTFV margin for Singapore and Taiwan would still be below 7.5 percent, which would be small.

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6 Report at table 14.

7 Petitioners requested that the Commission find a regional industry consisting of producers of the like product located in Washington, Oregon, California, Nevada, Arizona, and Utah. Cumulated imports within the proposed region reached a high of 6.4 percent in 1984, before declining to 1.7 percent in 1985. Report at A-25.

8 Report, at A-2.

9 Certain Carbon Steel Pipes and Tubes from the People's Republic of China, The Phillines, and Singapore, supra note 5, at a-5.

The third factor is the homogeneity of the products. The more homogeneous are the products, the greater will be the effect of any allegedly unfair practice on domestic producers. Although there are several different sizes of L-WR pipes and tubes and it is employed in a variety of end uses,[10] imports from Singapore and Taiwan and the domestic like product would appear to be made to the same specifications, and no party has suggested otherwise. Thus, I conclude that domestic and imported L-WR are homogeneous.

The fourth factor is declining domestic prices. Evidence of declining domestic prices, ceteris paribus, might indicate that domestic producers were lowering their prices to maintain market share. United States producers' prices for L-WR have shown no persistent trend either up or down from the first quarter of 1983 through the second quarter of 1985.[11]

The fifth factor is barriers to entry. The presence of barriers to entry makes it more likely that a producer can gain market power. Singapore and Taiwan together accounted for a

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[10] Report at A-5.

[11] The Commission solicited pricing information for two L-WR products. For one-inch square carbon steel tubes, domestic producers' prices were down slightly (generally less than 10 percent), and for two-inch square carbon steel tubes, domestic producers' prices for California producers were down slightly, but prices were up slightly for other United States producers over the period of investigation. Report at Tables D-1-2.

high of 9.8 percent of U.S. imports of L-WR pipes and tubes by quantity in 1984, and an even smaller share by value.[12] For the first two quarters of 1985, Singapore and Taiwan together accounted for 3 percent of United States imports by quantity.[13] Thus, Singapore and Taiwan face substantial competition from other sources, and there are no barriers to entry.

The determination must be made on a case by case basis. In this case, four of the factors clearly favor a negative determination, only the homogeneity of the product is consistent with an alternative determination. This factor cannot by itself justify an affirmative determination. The evidence is that cumulated imports are small, that any margin of dumping is small, that prices are fairly constant, and that there are no barriers to entry. Consequently, I conclude that imports of L-WR pipes and tubes from Taiwan which are being sold at less than fair value do not materially injure or threaten to materially injure the domestic industry producing the like product.[14]

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12 Report at table 12.

13 Id.

14 If petitioners' proposed region were examined, then the only differences from the above discussion would be that the import penetration ratio would be a little larger and that there would be small declines in prices. THese changes, however, would not have changed the result.

# INFORMATION OBTAINED IN THE INVESTIGATION

## Introduction

On December 18, 1984, counsel for the Committee on Pipe and Tube Imports (CPTI) 1/ filed an antidumping petition with the U.S. International Trade Commission and the U.S. Department of Commerce. The petition alleged that an industry in the United States was materially injured or threatened with material injury by reason of imports from Taiwan of certain welded carbon steel pipes and tubes 2/ which were being, or were likely to be, sold in the United States at less than fair value (LTFV). 3/ Accordingly, effective December 18, 1984, the Commission instituted antidumping investigation No. 731-TA-211 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673(a)).

On February 1, 1985, the Commission preliminarily determined that there was a reasonable indication that an industry in the United States was materially injured, or threatened with material injury, by reason of imports from Taiwan of certain welded carbon steel pipes and tubes of rectangular cross section (50 F.R. 5326, Feb. 7, 1985).

On July 22, 1985, Commerce published notice in the Federal Register (50 F.R. 29713) of its preliminary determination that there was a reasonable basis to believe or suspect that certain welded carbon steel pipes and tubes from Taiwan are being, or are likely to be, sold in the United States, at LTFV. Accordingly, effective July 22, 1985, the Commission instituted investigation No. 731-TA-211 (Final) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports of such merchandise.

Notice of the institution of the Commission's final investigation and of a hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of August 7, 1985 (50 F.R. 31930). 4/ Subsequent to the posting of the notice; however,

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1/ The petition was filed on behalf of the mechanical tubing subcommittee of the CPTI. The 8 member producers of this subcommittee are Bernard Epps & Co., Bull Moose Tube Co., Hughes Steel & Tube, Kaiser Steel Corp., Maruichi American Corp., Pittsburgh International, Southwestern Pipe, Inc., and Western Tube & Conduit.

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

3/ The petitioners also filed an antidumping petition concerning imports of pipes and tubes of circular cross section (standard and line) from Venezuela. The Commission made a negative determination with respect to line pipe from Venezuela in the preliminary investigation. The petition concerning standard pipes and tubes from Venezuela was subsequently withdrawn.

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

Commerce postponed the date of its final determination (50 F.R. 32244, Aug. 9, 1985). As a result, the Commission's hearing in Washington, DC, originally scheduled for October 16, 1985, was postponed until December 17, 1985 (50 F.R. 36159, Sept. 5, 1985). 1/

On December 10, 1985, Commerce notified the Commission of its final determination that certain welded rectangular carbon steel pipes and tubes from Taiwan are being, or are likely to be, sold in the United States at LTFV, and that "critical circumstances" do not exist with respect to such imports. The weighted-average LTFV margin was 7.09 percent ad valorem. 2/

In connection with the Commission's investigation, a public hearing was held in Washington, DC, on December 17, 1985. 3/ The briefing and vote was held on January 8, 1986. The Commission established an administrative deadline of January 17, 1986, for issuing its final determination; the statutory deadline is January 23, 1986.

## Previous Commission Investigations

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 light-walled rectangular pipes and tubes from Spain. 4/ In addition, in investigation No. 731-TA-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 light-walled rectangular pipes and tubes allegedly sold at LTFV. 6/ The Commission instituted investigation No. 701-TA-220 (Final) on October 17, 1984, and investigation No. 731-TA-198 (Final) on December 31, 1984. Both of these investigations were terminated on February 4, 1985, following the withdrawal of the petitions.

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1/ A copy of the Commission's notice is presented in app. A.

2/ A copy of Commerce's final determination (50 F.R. 50821, Dec. 12, 1985) is presented in app. A.

3/ A list of witnesses appearing at the hearing is presented in app. B.

4/ This case also involved small diameter circular welded carbon steel pipes and tubes, which have been included in several subsequent Commission pipe and tube investigations. Chairwoman Stern determined that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of imported light-walled rectangular pipes and tubes. Vice Chairman Liebeler dissented.

5/ Certain Welded Carbon Steel Pipes and Tubes From Brazil and Spain (investigations Nos. 701-TA-220 and 731-TA-197, 198 (Preliminary)), USITC Publication 1569, August 1984.

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

On June 12, 1984, the Commission found in investigation No. TA-201-51 that, under section 201 of the Trade Act of 1974, the domestic steel pipe and tube industry was experiencing serious injury. 1/ 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 present investigation, as well as other pipes and tubes that are not the subject of this investigation.

On April 17, 1984, the Commission determined in investigation No. 731-TA-138 (Final) 3/ that an industry in the United States was materially injured by reason of LTFV imports of light-walled rectangular pipes and tubes from Korea. 4/ An antidumping duty order was issued on May 11, 1984; however, due to the negotiation of a voluntary restraint agreement between the United States and Korea, the order was revoked on October 21, 1985 (50 F.R. 42583). 5/

Pending and recently terminated title VII investigations and recent dumping/countervailing duty orders, most recent dumping/subsidy margins, and import/consumption ratios are shown in table 1.

## The Product

### Description and uses

For the most part, the terms "pipes," "tubes," and "tubular products" can be used interchangeably. However, in some industry publications a distinction is made between pipes and tubes. Typically, pipes are produced in a few standard sizes and gauges, 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.

According to the method of manufacture, steel pipes and tubes can be divided into two general categories—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

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1/ Carbon and Certain Alloy Steel Products (Investigation No. TA-201-51), USITC Publication 1553, July 1984, pp. 65, 68, 117, and 155.

2/ Commissioners Eckes and Rohr dissented.

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

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

5/ Petitioners' prehearing brief, p. 1.

Table 1.--Light-walled rectangular pipes and tubes: Pending and recently terminated title VII investigations and recent dumping/countervailing duty 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 1/ | Ratio of imports to apparent U.S. consumption | | | | |
|---|---|---|---|---|---|---|---|
| | | | 1982 | 1983 | 1984 | Jan.-June 1984 | Jan.-June 1985 |
| Pending antidumping investigations: | | | | | | | |
| Taiwan | 2/ 7.09 | July 22, 1985 | 0.6 | 1.5 | 3.1 | 2.0 | 0.3 |
| Singapore | 3/ | 3/ | - | - | .2 | .1 | .7 |
| Recently terminated antidumping investigation: | | | | | | | |
| Spain | 4/ 49.69 | Dec. 31, 1984 | 1.3 | 2.2 | 7.6 | 7.1 | .7 |
| Recently terminated countervailing duty investigation: | | | | | | | |
| Spain | 4/ 1.14 | Oct. 17, 1984 | 1.3 | 2.2 | 7.6 | 7.1 | .7 |
| Outstanding antidumping order: | | | | | | | |
| Korea | 5/ 1.47 | May 11, 1984 | .4 | 4.1 | .8 | 1.5 | .1 |

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

2/ This is the present investigation. The margin shown is from Commerce's final determination.

3/ To date, there is no determination of sales at LTFV by Commerce nor a requirement for the posting of a bond. Commerce's preliminary determination is due by Apr. 22, 1986.

4/ Following withdrawal of the petition, this investigation was terminated effective Feb. 4, 1985, prior to Commerce's final determination. The margin shown is from Commerce's preliminary determination.

5/ This antidumping duty order was revoked on Oct. 21, 1985, following negotiation of a voluntary restraint agreement with Korea.

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

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

organizations in Japan, West Germany, the United Kingdom, the U.S.S.R., and other countries have also developed standard specifications for steel pipes and tubes.

The imported pipe and tube products that are the subject of this investigation are rectangular (including square) welded carbon steel pipes and tubes having a wall thickness of less than 0.156 inch, hereinafter referred to as light-walled rectangular pipes and tubes. This product is supplied with rectangular cross sections ranging from 0.375 x 0.625 inch to 4 x 8 inches or with square cross sections from 0.375 to 6 inches. It is employed in a variety of end uses not involving the conveyance of liquids or gases, such as agricultural equipment frames and parts and furniture parts. The product is generally produced to ASTM specification A-513 or specification A-500, grade A, and is commonly referred to in the industry as mechanical or ornamental tubing.

Manufacturing processes

The raw material, flat-rolled steel, 1/ is cut on a slitting machine into diameters that are predetermined by the size and shape of the end product. The steel coil is then fed into the tube mill. First the product is cold-formed by tapered rolls into a cylinder, and then it is welded along the joint axis.

There are various ways to weld pipes and tubes. The electric resistance weld and the more efficient high frequency weld are used in the manufacturing of the subject products. The high-frequency weld creates a stronger weld and can operate at twice the speed of the electric resistance weld. In both welding processes, the joining edges are heated to approximately 2,600° F. Pressure exerted by rolls squeezes the heated edges together to form the weld.

Immediately after welding, the product may be reduced in diameter by rolling or stretch reducing, or may be further formed into rectangles, squares, or other shapes by using forming rolls. The product is cooled and cut at the end of the tube mill. The typical cut of the material is between 20 and 24 feet. Some producers have special "offline" cutters that are capable of cutting the product into a number of different lengths without leaving the imperfection of a "dimple" on the ends.

U.S. tariff treatment

Imports of light-walled rectangular pipes and tubes are classified in TSUSA item 610.4928, which includes welded nonalloy steel pipes and tubes of cross sections other than circular, having a wall thickness less than 0.156 inch. As of January 1, 1985, the most-favored-nation (MFN) (column 1) rate of duty, applicable to imports from Taiwan, was 8.8 percent ad valorem for TSUS

1/ 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.

item 610.49. 1/ As a result of tariff concessions granted in the Tokyo round of the Multilateral Trade Negotiations, this rate was reduced to 8.4 percent ad valorem on January 1, 1986, and will be reduced to its final negotiated rate of 8 percent ad valorem on January 1, 1987.

## Nature and Extent of Sales at LTFV

On December 10, 1985, Commerce notified the Commission of its final affirmative LTFV determination concerning the subject merchandise from Taiwan. The weighted-average margin on all sales was 7.09 percent ad valorem. Commerce also determined that the alleged "critical circumstances" did not exist in this case.

Commerce's investigation, which covered the period July 1, 1984, through December 31, 1984, examined all the sales of light-walled rectangular pipes and tubes from Yieh Hsing, the Taiwan producer responsible for virtually all the Taiwan exports during the period of Commerce's investigation. To determine whether sales of the subject merchandise in the United States were made at LTFV, Commerce compared the U.S. price with the foreign market value. The foreign market value was based on constructed value.

In accordance with section 733(d) of the Tariff Act of 1930, Commerce directed the U.S. Customs Service to continue to suspend liquidation of all entries of the subject merchandise from Taiwan that are entered, or withdrawn from warehouse, for consumption, on or after July 22, 1985, and to collect a cash deposit equal to 7.09 percent of the entered value of the merchandise.

## The U.S. Market

In the petitioner's prehearing brief, counsel for the CPTI alleged for the first time that producers within the western region of the United States are allegedly injured by LTFV sales of light-walled rectangular pipes and tubes from Taiwan. The alleged region consists of Washington, Oregon, California, Nevada, Utah, and Arizona.

### Apparent consumption

Apparent U.S. consumption of light-walled rectangular pipes and tubes increased by 28 percent from 1982 to 1983, and increased by 23 percent from 1983 to 1984 (table 2). However, apparent consumption was 10 percent lower in January-June 1985 compared with such consumption in January-June 1984.

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1/ The rates of duty in the column numbered 1 are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(d) of the TSUS. The column 2 duty rate is 25 percent ad valorem and the least developed developing countries (LDDC) rate is 8 percent ad valorem. Imports from beneficiary countries are not eligible for duty-free entry under the Generalized System of Preferences (GSP); products of Caribbean Basin Economic Recovery Act (CBERA) countries and of Israel enter free of duty.

Table 2.--Light-walled rectangular pipes and tubes: U.S. producers' domestic shipments, imports for consumption, and apparent U.S. consumption, 1982-84, January-June 1984, and January-June 1985

| Period | Producers' domestic shipments | Imports | Apparent consumption | Ratio to consumption of— | |
|---|---|---|---|---|---|
| | | | | Producers' shipments | Imports |
| | Tons | | | Percent | |
| 1982 | 143,131 | 54,065 | 197,196 | 73 | 27 |
| 1983 | 172,041 | 80,382 | 252,423 | 68 | 32 |
| 1984 | 206,377 | 104,428 | 310,805 | 66 | 34 |
| January-June— | | | | | |
| 1984 | 104,033 | 56,704 | 160,737 | 65 | 35 |
| 1985 | 99,163 | 45,214 | 144,377 | 69 | 31 |

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

Source: Domestic shipments, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. Imports, compiled from official statistics of the U.S. Department of Commerce.

Apparent consumption in the western region accounted for 31 percent of apparent U.S. consumption of the subject product in 1982, 38 percent in 1983, and 41 percent in 1984. Western region consumption increased by 58 percent from 1982 to 1983 and rose by 33 percent from 1983 to 1984 (table 3). Such consumption was 6 percent higher in January-June 1985 compared with consumption in the corresponding period of 1984. Less than * * * percent of western region consumption was supplied by U.S. producers outside the region in any period covered by the investigation.

## Channels of distribution

In the U.S. market, sales of pipes and tubes are made directly to end users or to steel service centers/distributors, which in turn sell to end users. Service centers/distributors are middlemen that buy large quantities of pipes and tubes, typically from both domestic producers and importers, warehouse the product, and sell smaller quantities to end users. According to questionnaire responses, 32 percent of U.S. producers' domestic shipments and 100 percent of U.S. importers' domestic shipments were made to unrelated distributors in 1984. The remaining 68 percent of U.S. producers' domestic shipments were made to unrelated end users.

## U.S. Producers

Light-walled rectangular pipes and tubes are made primarily by small, nonintegrated or partially integrated producers. Armco is the only integrated producer of light-walled rectangular pipes and tubes.

Table 3.—Light-walled rectangular pipes and tubes: Western region apparent consumption, by domestic and foreign components, 1982-84, January-June 1984, and January-June 1985

| Item | 1982 | 1983 | 1984 | January-June— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Domestic shipments produced— | | | | | |
| Within western region——tons— | *** | *** | *** | *** | *** |
| Outside western region——do—— | *** | *** | *** | *** | *** |
| Subtotal——do—— | 47,365 | 60,796 | 78,388 | 41,283 | 37,185 |
| Imports from— | | | | | |
| Taiwan——do—— | 206 | 551 | 7,730 | 1,954 | 267 |
| All other countries——do—— | 13,287 | 34,931 | 42,235 | 21,845 | 31,614 |
| Subtotal——do—— | 13,493 | 35,482 | 49,965 | 23,799 | 31,881 |
| Total——do—— | 60,858 | 96,278 | 128,353 | 65,082 | 69,066 |
| Ratio of apparent western region consumption supplied by— | | | | | |
| U.S. producers within western region——percent— | *** | *** | *** | *** | *** |
| U.S. producers outside western region——percent— | *** | *** | *** | *** | *** |
| Imports from Taiwan——do—— | 0.3 | 0.6 | 6.0 | 3.0 | 0.4 |
| Imports from all other countries——do—— | 21.8 | 36.3 | 32.9 | 33.6 | 45.8 |
| Total——do—— | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Domestic shipments, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. Imports, compiled from official statistics of the U.S. Department of Commerce.

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

There are approximately 20 domestic producers of light-walled rectangular pipes and tubes. 1/ The names of the major U.S. producers, the location(s) of their production facilities, and their production and shares of * * * production in 1984 are shown in the following tabulation * * *:

1/ The petitioners indicated in their posthearing brief of Dec. 24, 1985 (p. 3), that they had discovered a producer of the subject product in Puerto Rico. This firm, Bayamon Steel Processors, Bayamon, P.R., reported in telephone conversations with the staff that it * * *. * * *.

| Firm and plant location | Production (Tons) | Share of total (Percent) |
|---|---|---|
| Armco Inc., Middletown, OH | *** | *** |
| Berger Ind., Inc., Maspeth, NY | *** | *** |
| Bernard Epps & Co., Los Angeles, CA 1/ | *** | *** |
| Bull Moose Tube Co., Gerald, MO; Chicago Heights, IL; and Trenton, GA 1/ | *** | *** |
| California Steel & Tube Co., City of Industry, CA 2/ | *** | *** |
| Harris Tube, Los Angeles, CA | *** | *** |
| Hughes Steel & Tube, City of Commerce, CA 1/ 3/ | *** | *** |
| J. M. Tull Ind., Inc., Norcross, GA | *** | *** |
| Kaiser Steel Tubing Inc., Los Angeles, CA 1/ | *** | *** |
| Lock Joint Tube Co., Inc., South Bend, IN | *** | *** |
| Maruichi American Corp., Santa Fe Springs, CA 1/ 4/ | *** | *** |
| Miami Ind., Piqua, OH | *** | *** |
| Parthenon Metal Works, La Vergne, TN | *** | *** |
| Pittsburgh International, West Fairbury, IL 1/ | *** | *** |
| Southwestern Pipe, Inc., Houston, TX 1/ | *** | *** |
| Western Tube & Conduit, Long Beach, CA 1/ 5/ | *** | *** |
| Total | 209,337 | 100.0 |

1/ Member of mechanical tubing subcommittee of CPTI, and in support of the petition.
2/ * * *.
3/ * * *.
4/ * * *.
5/ * * *.

## U.S. Importers

Data have been obtained from nine firms that imported light-walled rectangular pipes and tubes from Taiwan during the period of investigation. According to the official statistics of the U.S. Department of Commerce, in 1984, these firms accounted for * * * percent of U.S. imports of the subject merchandise. The largest importers that provided data in response to the Commission's questionnaire are * * * and * * *, accounting for * * * percent and * * * percent, respectively, of imports from Taiwan in 1984.

## The Taiwan Industry

There are three producers of light-walled rectangular pipes and tubes in Taiwan: Yieh Hsing Enterprise Co., Ltd., a major producer, and two smaller producers: * * * and * * *. 1/ Counsel for Yieh Hsing, who supplied the data in table 4, reported that Yieh Hsing was the only known Taiwan producer that exports the subject merchandise to the United States.

Yieh Hsing's production of light-walled rectangular pipes and tubes * * * from 1982 to 1983 and * * * from 1983 to 1984 before * * * by * * * percent in January-June 1985 compared with production in January-June 1984. Capacity * * * during 1982-84 and then * * * in 1985. Capacity utilization increased

1/ Based on discussions with Department of Commerce staff.

Table 4.—Yieh Hsing Enterprise Co., Ltd.: Production, capacity, capacity utilization, home-market shipments, exports, and inventories, 1982-84, January-June 1984, January-June 1985, and 1985 projected 1/

| Item | 1982 | 1983 | 1984 | January-June— | | 1985 projected |
|---|---|---|---|---|---|---|
| | | | | 1984 | 1985 | |
| Production——tons | *** | *** | *** | *** | *** | *** |
| Capacity——do | *** | *** | *** | *** | *** | *** |
| Capacity utilization percent | *** | *** | *** | *** | *** | *** |
| Home-market shipments tons | *** | *** | *** | *** | *** | *** |
| Exports to— | | | | | | |
| United States—do | *** | *** | *** | *** | *** | *** |
| All other countries tons | *** | *** | *** | *** | *** | *** |
| Total——do | *** | *** | *** | *** | *** | *** |
| Inventories——do | *** | *** | *** | *** | *** | *** |

1/ All quantities in this table were converted from metric tons to short tons (1 metric ton equals 1.1023 short tons).

Source: Counsel for Yieh Hsing Enterprises Co., Ltd.

from * * * percent in 1982 to * * * percent in 1983, dropped slightly to * * * percent in 1984, and then fell to * * * percent in January-June 1985. Exports to the United States and to other countries increased * * * during 1982-84. In January-June 1985 there were no exports to the United States, but exports to other countries continued to rise.

## The Question of Material Injury 1/ 2/

### U.S. production, capacity, and capacity utilization

As shown in table 5, U.S. production of light-walled rectangular pipes and tubes increased by 24 percent, from 142,703 tons in 1982 to 176,608 tons in 1983, then rose again by 19 percent to 209,337 tons in 1984. U.S.

1/ Counsel for the respondent stated in its prehearing brief (pp. 3-6) that data provided by the domestic industry in this investigation are substantially different from those provided in an earlier investigation. The data provided by firms that responded to questionnaires in both investigations are nearly identical. The difference is almost totally accounted for by firms that provided data in this investigation but not in the earlier one.

2/ The petitioners alleged for the first time in their prehearing brief that producers within a western region of the United States are allegedly injured by imports from Taiwan. The alleged region consists of Washington, Oregon, California, Nevada, Utah, and Arizona. Data concerning producers located within this region are summarized in the following pages.

Table 5.—Light-walled rectangular pipes and tubes: U.S. production, capacity, 1/ and capacity utilization, 1982-84, January-June 1984, and January-June 1985

| Item | 1982 | 1983 | 1984 | January-June— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Production—tons— | 142,703 | 176,608 | 209,337 | 105,349 | 98,520 |
| Capacity 2/—do— | 250,871 | 277,413 | 298,973 | 140,524 | 142,839 |
| Capacity utilization 2/ percent— | 52.8 | 59.7 | 65.4 | 70.1 | 63.1 |

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

2/ Firms reporting data accounted for * * * percent of reported domestic shipments of U.S.-produced light-walled rectangular pipes and tubes in 1984.

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

production of the subject merchandise was nearly 7 percent lower in January-June 1985 compared with such production in January-June 1984. Reported U.S. capacity to produce light-walled rectangular pipes and tubes increased steadily during the period covered by the investigation, rising 11 percent from 1982 to 1983 and 8 percent from 1983 to 1984. Such capacity was 2 percent higher in January-June 1985 compared with capacity in the corresponding period of 1984. Capacity utilization increased from 52.8 percent in 1982 to 59.7 percent in 1983, then climbed to 65.4 percent in 1984. Capacity utilization was 63.1 percent in January-June 1985, a decrease from 70.1 percent in the corresponding period of 1984.

Western region production increased by 34 percent from 1982 to 1983, and increased by 25 percent from 1983 to 1984; however, such production was 15 percent lower in January-June 1985 compared with production in January-June 1984 (table 6). During 1982-84, capacity increased steadily and reported capacity utilization increased irregularly. Capacity utilization dropped to 54.9 percent in January-June 1985 compared with 65.0 percent in the corresponding period of 1984.

## U.S. producers' shipments, inventories, and imports

U.S.-produced domestic shipments of light-walled rectangular pipes and tubes increased by 20 percent from 1982 to 1983, and increased by 20 percent from 1983 to 1984 (table 7). Such shipments were 5 percent lower in January-June 1985 compared with shipments in January-June 1984.

Table 6.—Light-walled rectangular pipes and tubes: Western region production, capacity, and capacity utilization, 1982-84, January-June 1984, and January-June 1985

| Item | 1982 | 1983 | 1984 | January-June— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Production—tons— | 49,482 | 66,133 | 82,623 | 42,964 | 36,700 |
| Capacity 1/—do— | 76,200 | 108,280 | 114,280 | 58,140 | 58,140 |
| Capacity utilization 1/ percent— | 53.9 | 53.2 | 63.3 | 65.0 | 54.9 |

1/ 6 western region firms reporting data accounted for * * * percent of reported western region-produced domestic shipments in 1984.

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

Table 7.—Light-walled rectangular pipes and tubes: U.S. producers' domestic shipments, exports, total shipments, and inventories, 1982-84, January-June 1984, and January-June 1985

| Item | 1982 | 1983 | 1984 | January-June— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Domestic shipments—tons— | 143,131 | 172,041 | 206,377 | 104,033 | 99,163 |
| Exports—do— | *** | *** | *** | *** | *** |
| Total shipments—do— | *** | *** | *** | *** | *** |
| Inventories 1/—do— | 11,185 | 12,733 | 13,589 | 13,088 | 12,804 |
| Ratio of inventories to total shipments 1/—percent— | *** | *** | *** | 2/ *** | 2/ *** |

1/ Firms reporting data accounted for * * * percent of reported domestic shipments of U.S.-produced light-walled rectangular pipes and tubes in 1984.
2/ Based on annualized shipments data submitted by questionnaire respondents.

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

* * * was the only domestic producer of light-walled rectangular pipes and tubes that reported exports during the period covered by the investigation. The firm's exports were to * * *, and represented less than * * * percent of U.S. producers' total shipments in each reporting period.

U.S. producers' yearend inventories of light-walled rectangular pipes and tubes increased regularly during 1982-84. At yearend 1984, inventories of the

subject merchandise were nearly 22 percent higher than inventories at yearend 1982. Such inventories as of June 30, 1985, were 2 percent lower than inventories as of June 30, 1984.

Inventories of light-walled rectangular pipes and tubes as a percentage of total U.S.-produced shipments decreased steadily from * * * percent in 1982 to * * * percent in 1984. Such inventories were * * * percent of total shipments as of June 30, 1985, virtually the same as inventories as of June 30, 1984.

Two U.S. producers of light-walled rectangular pipes and tubes reported purchases of imports of the subject merchandise during the period covered by the investigation. * * * reported purchases of the subject merchandise * * *, during 1983-84 and January-June 1985. An official of * * * stated that these purchases were of specifications that his firm does not produce in the United States. Such imports amounted to less than * * * percent of * * *'s total shipments during the period covered by the investigation. * * * accounted for * * * percent of U.S. production of the subject merchandise in 1984.

* * * also reported purchases of imports during 1982-84 and in January-June 1985. Such purchases as a percent of the firm's total shipments * * * from * * * percent in 1982 to * * * percent in January-June 1985. * * * accounted for * * * percent of U.S. production of the subject merchandise in 1984. Spokesmen for * * * stated that the firm purchased imports primarily from * * * because * * *, and * * *. * * *.

Total domestic shipments by western region producers increased by 64 percent during 1982-84, but were 11 percent lower in January-June 1985 compared with those in January-June 1984 (table 8). Total domestic shipments by other producers increased by 34 percent during 1982-84, and were slightly lower in January-June 1985 compared with January-June 1984. During the period covered by the investigation, about * * * percent of the western region producers' domestic shipments remained within the western region; less than * * * percent of other producers' domestic shipments were into the western region.

## U.S. employment

Table 9 presents employment data for light-walled rectangular pipes and tubes. Employment of production and related workers producing light-walled rectangular pipes and tubes rose 16 percent from 1982 to 1983 and 17 percent from 1983 to 1984; however, employment was 4 percent lower in January-June 1985 compared with employment in the corresponding period of 1984.

Average weekly hours worked by workers producing light-walled rectangular pipes and tubes decreased regularly during 1982-84, and were lower in January-June 1985 compared with average weekly hours worked in January-June 1984. Average hourly wages paid increased steadily during 1982-84; however, average hourly wages paid were slightly lower in January-June 1985 compared with such wages in the corresponding period of 1984. Total hourly compensation per worker increased steadily from January 1982 to June 1985.

Table 8.—Light-walled rectangular pipes and tubes: U.S. producers' domestic shipments, by regions, 1982-84, January-June 1984, and January-June 1985

| Item | 1982 | 1983 | 1984 | January-June— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| | Quantity (tons) | | | | |
| Domestic shipments by western region producers: | | | | | |
| Into western region | *** | *** | *** | *** | *** |
| Outside western region | *** | *** | *** | *** | *** |
| Total | 49,562 | 63,386 | 81,440 | 42,941 | 38,295 |
| Domestic shipments by other producers: | | | | | |
| Into western region | *** | *** | *** | *** | *** |
| Outside western region | *** | *** | *** | *** | *** |
| Total | 93,566 | 108,655 | 124,937 | 61,092 | 60,868 |
| | Percent of total quantity | | | | |
| Domestic shipments by western region producers: | | | | | |
| Into western region | *** | *** | *** | *** | *** |
| Outside western region | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Domestic shipments by other producers: | | | | | |
| Into western region | *** | *** | *** | *** | *** |
| Outside western region | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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 productivity of workers producing the subject merchandise increased steadily during the period covered by the investigation. Of the 16 U.S. producers responding to the questionnaire, 7 are nonunion, and 9 have employees represented by 7 different unions.

Six U.S. producers reported layoffs during the period covered by the investigation. The firms cited declining sales and lack of business as reasons for the layoffs. * * * stated that due to market conditions, it has

Table 9.—Average number of production and related workers engaged in the manufacture of light-walled rectangular pipes and tubes, hours worked by such workers, wages paid, total compensation, and output per hour, 1982-84, January-June 1984, and January-June 1985 1/

| Item | 1982 | 1983 | 1984 | January-June— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Number of workers | 450 | 522 | 612 | 596 | 572 |
| Hours worked per worker, per week | 37.0 | 36.1 | 34.9 | 33.3 | 31.5 |
| Wages paid per worker, per hour | $10.29 | $10.41 | $10.91 | $10.59 | $10.37 |
| Total compensation per worker, per hour | $12.00 | $12.35 | $12.90 | $12.47 | $12.61 |
| Output per hour—tons | .155 | .173 | .182 | .197 | .202 |

1/ Data were obtained from 14 producers accounting for * * * percent of reported domestic shipments of U.S.-produced light-walled rectangular pipes and tubes in 1984.

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

* * *. The following tabulation contains data obtained from five firms reporting permanent layoffs:

| Producer | Number of workers | Period of layoffs |
|---|---|---|
| * * * | * * * | * * * |

* * * reported the following temporary layoffs and recalls of workers involved in the production of light-walled rectangular pipes and tubes:

| Year | Layoffs | Recalls |
|---|---|---|
| * * * | * * * | * * * |

Western region producers of the subject merchandise reported the following employment data: 1/

| | | | | January-June | |
|---|---|---|---|---|---|
| | 1982 | 1983 | 1984 | 1984 | 1985 |
| Number of workers | 126 | 167 | 180 | 179 | 135 |

Financial experience of U.S. producers

Fifteen U.S. producers supplied income-and-loss data for all welded carbon steel pipe and tube operations of their establishments within which light-walled rectangular pipes and tubes are produced; only two firms provided usable data for their operations producing light-walled rectangular pipes and tubes. Most producers manufacture round, square, rectangular, and/or other types of pipes and tubes using the same labor and machinery. The majority of firms do not maintain separate income-and-loss data for each specification of pipe and tube. In responding to the questionnaire, some firms used methods of allocation, such as sales or shipments, that may not accurately reflect the financial experience realized on their operations producing only light-walled rectangular pipes and tubes. Other firms did not provide data on light-walled rectangular pipe and tube operations. The Commission has received letters from * * * producers: * * *, explaining why they could not provide the Commission with income-and-loss data on the light-walled rectangular product line subject to investigation.

All welded carbon steel pipe and tube operations of producers' establishments within which light-walled rectangular pipes and tubes are produced.--Fifteen firms, accounting for * * * percent of U.S.-produced domestic shipments of the subject merchandise in 1984, supplied the data in table 10. The value of total shipments of light-walled rectangular pipes and tubes as a share of net sales of all welded carbon steel pipes and tubes was approximately * * * percent in 1984. Aggregate net sales increased by * * * percent from * * * in 1982 to * * * in 1984. During the interim period ended June 30, 1985, aggregate net sales fell slightly, by * * * percent to * * *, compared with such sales of * * * in the corresponding period of 1984.

The industry operated profitably throughout the period covered by the investigation. The operating income increased from * * * in 1982 to * * * in 1984. However, the ratio of operating income to net sales rose from * * * percent in 1982 to * * * percent in 1983, and then fell to * * * percent in 1984. The operating income dropped to * * *, or * * * percent of net sales, during the interim period ended June 30, 1985, compared with such income of * * *, or * * * percent of net sales, in the interim period of 1984. Pretax net income followed a trend similar to that of operating income. * * * firms sustained net losses in 1982 and interim 1985, * * * firms sustained net losses in 1983, * * * in 1984, and * * * in interim 1984.

1/ Data were obtained from 6 western region producers accounting for * * * percent of western region producers' domestic shipments in 1984.

Table 10.—Income-and-loss experience of 15 U.S. producers 1/ on their operations producing all welded carbon steel pipes and tubes in their establishments within which light-walled rectangular pipes and tubes are produced, accounting years 1982-84, and interim periods ending June 30, 1984, and June 30, 1985

| Item | 1982 | 1983 | 1984 | Interim period to June 30—2/ | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Net sales—1,000 dollars | *** | *** | *** | *** | *** |
| Cost of goods sold—do | *** | *** | *** | *** | *** |
| Gross profit—do | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses—1,000 dollars | *** | *** | *** | *** | *** |
| Operating income—do | *** | *** | *** | *** | *** |
| Interest expense—do | *** | *** | *** | *** | *** |
| Other (income) or expense, net—do | *** | *** | *** | *** | *** |
| Net income before income taxes—do | *** | *** | *** | *** | *** |
| Depreciation and amortization expense included above 3/—1,000 dollars | *** | *** | *** | *** | *** |
| Cash flow from operations 3/—do | *** | *** | *** | *** | *** |
| As a share of net sales: | | | | | |
| Cost of goods sold—percent | *** | *** | *** | *** | *** |
| Gross profit—do | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses—percent | *** | *** | *** | *** | *** |
| Operating income—do | *** | *** | *** | *** | *** |
| Net income before income taxes—percent | *** | *** | *** | *** | *** |
| Number of firms reporting: | | | | | |
| Operating losses | *** | *** | *** | *** | *** |
| Net losses | *** | *** | *** | *** | *** |

1/ * * *. Hence, there are 14 producers reporting in 1982.

2/ Interim data are for 14 firms.

3/ Depreciation and amortization data are for 14 firms in 1982-84 and for 13 firms in both interim periods. Hence, cash-flow from operations is somewhat understated.

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

The responding firms' aggregate cash flow from operations increased from * * * in 1982 to * * * in 1984, and then declined to * * * in the interim period ended June 30, 1985, compared with a cash flow of * * * in the corresponding period of 1984.

* * * firms' sales of the subject merchandise in 1982-84 accounted for a large portion of their total welded carbon steel pipe and tube sales. Selected data of these firms are shown in table 11. Their aggregate net sales increased * * * percent from * * * in 1982 to * * * in 1984. During the interim period ended June 30, 1985, aggregate net sales increased slightly, by * * * percent to * * *, compared with such sales of * * * in the corresponding period of 1984.

Table 11.—Income-and-loss experience of * * * U.S. producers on their operations producing all welded carbon steel pipes and tubes in establishments within which light-walled rectangular pipes and tubes are produced, accounting years 1982-84, and interim periods ending June 30, 1984, and June 30, 1985

* * * * * * *

The two * * * firms, * * * and * * *, operated profitably in the 1982-84 period. * * * throughout the period and interim 1985. * * * was profitable during interim 1985, but * * * sustained a net loss during the latest reporting period. The aggregate operating income increased from * * * in 1982 to * * * in 1983 but then declined to * * * in 1984. The ratio of operating income to net sales was steady at * * * percent in 1982 and * * * percent in 1983 but declined to * * * percent in 1984. The operating income dropped to * * *, or * * * percent of net sales, during the interim period ended June 30, 1985, compared with such income of * * *, or * * * percent of net sales, in the interim period of 1984.

Light-walled rectangular pipes and tubes.—Only 2 of the 15 responding firms furnished usable income-and-loss data relative to their operations producing light-walled rectangular pipes and tubes. * * *. Because the two firms capable of providing product line data account for such a small percentage of total domestic production of light-walled rectangular pipes and tubes, the financial experience of those firms may not accurately reflect that of the industry as a whole. These data are presented in appendix C.

The income-and-loss experience of six western region producers that provided financial data in response to the Commission's questionnaire is shown in the following tabulation:

| Item | 1982 | 1983 | 1984 | Interim period to June 30— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Net sales—1,000 dollars— | 91,761 | 103,338 | 123,584 | 71,083 | 66,133 |
| Operating income——do——— | 1,471 | 6,488 | 6,469 | 3,743 | 1,304 |
| Ratio of operating income to net sales——percent— | 1.6 | 6.3 | 5.2 | 5.3 | 2.0 |

Investment in productive facilities.—Twelve firms, accounting for * * * percent of U.S. producers' 1984 shipments of light-walled rectangular pipes and tubes, supplied data concerning their investment in productive facilities employed in the production of all welded pipes and tubes, whereas only four firms, accounting for * * * percent of producers' shipments, furnished such data relating to the production of light-walled rectangular pipes and tubes.

Reported investment in property, plant, and equipment is shown in the following tabulation (in thousands of dollars):

| Period | All welded pipes and tubes of the establishment | | Light-walled rectangular pipes and tubes | |
|---|---|---|---|---|
| | Original cost | Book value | Original cost | Book value |
| 1982 | 90,620 | 46,713 | 10,876 | 4,836 |
| 1983 | 100,525 | 53,208 | 12,752 | 6,136 |
| 1984 | 108,655 | 57,348 | 14,084 | 6,065 |
| As of June 30— | | | | |
| 1984 | 104,226 | 52,865 | 14,182 | 6,544 |
| 1985 | 114,862 | 57,659 | 14,006 | 5,487 |

The aggregate investment in productive facilities for all welded pipes and tubes, valued at cost, increased from $90.6 million in 1982 to $108.7 million in 1984 and rose further to $114.9 million as of June 30, 1985. The book value of such assets followed a similar trend from January 1982 to June 1985. Total reported investment in productive facilities for light-walled rectangular pipes and tubes, valued at cost, increased from $10.9 million in 1982 to $14.1 million in 1984 and remained at about $14.0 million as of June 30, 1985.

Capital expenditures and research and development expenses.—Twelve firms, accounting for * * * percent of U.S. producers' 1984 shipments of the subject merchandise, furnished data relative to their capital expenditures for land, buildings, and machinery and equipment used in the manufacture of all welded carbon steel pipes and tubes of their establishments, and four firms, accounting for * * * percent of U.S. producers' 1984 shipments, supplied such data for light-walled rectangular pipes and tubes. Only two firms reported research and development expenses relating to the operations of light-walled rectangular pipes and tubes. These reported data are presented in the following tabulation (in thousands of dollars):

| Period | Capital expenditures | | Research and development expenses related to light-walled rectangular pipes and tubes |
|---|---|---|---|
| | All welded pipes and tubes of the establishments | Light-walled rectangular pipes and tubes | |
| 1982 | 7,634 | *** | *** |
| 1983 | 12,602 | *** | *** |
| 1984 | 6,580 | *** | *** |
| January-June— | | | |
| 1984 | 2,052 | *** | *** |
| 1985 | 7,342 | *** | *** |

Capital expenditures relating to all welded carbon steel pipes and tubes increased from $7.6 million in 1982 to $12.6 million in 1983, and declined to $6.6 million in 1984. Such expenditures rose to $7.3 million in January-June 1985, compared with $2.1 million in January-June 1984. Capital expenditures for light-walled rectangular pipes and tubes dropped from * * * in 1982 to * * * in 1984, and amounted to * * * in January-June 1985.

Research and development expenses relative to operations on light-walled rectangular pipes and tubes increased from * * * in 1982 to * * * in 1984. Such expenses were * * * in January-June 1985 compared with * * * in the corresponding period of 1984.

Impact of imports on U.S. producers' growth, investment, and ability to raise capital.--Pursuant to section 771(7)(C)(iii)(III) of the act, the Commission requested U.S. producers to describe and explain the actual and potential negative effects, if any, of imports of light-walled rectangular welded carbon steel pipes and tubes from Taiwan on their firms' growth, investment, and ability to raise capital. Eight firms issued general statements. Most firms indicated that competition from lower priced imports had a detrimental effect on their profits and ability to raise capital. However, while some firms specifically indicated that imports from Taiwan were the source of their difficulties, others pointed to imports of the product in general or even to imports of downstream products. * * * indicated that to remain competitively priced against imported tubing in general, it would have to reduce its profit percentage of net sales from * * * percent to as low as * * * percent. This reduction of income would reportedly not allow * * * to achieve its * * *. As a result, * * *.

## The Question of the Threat of Material Injury

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

Trends in imports and U.S. market penetration are discussed in the section of this report that addresses the causal relationship between the alleged injury and the LTFV imports. Foreign capacity is discussed in the section of the report on the Taiwan industry. Two importers of light-walled rectangular pipes and tubes from Taiwan reported yearend inventories of * * * tons in 1984, representing nearly * * * percent of reported 1984 imports from Taiwan. These firms' inventories dropped to * * * tons as of June 30, 1985, representing nearly * * * times the small amount of reported imports from Taiwan in January-June 1985.

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

### U.S. imports

Total U.S. imports of light-walled rectangular pipes and tubes nearly doubled from 54,064 tons in 1982 to 104,428 tons in 1984; however, total imports for January-June 1985 amounted to 45,214 tons, a 20-percent decrease from 56,704 tons in the corresponding period of 1984 (table 12). Japan, Spain, Taiwan, and Canada were the largest exporters of these pipes and tubes to the United States in 1984, accounting for 46 percent, 23 percent, 9 percent, and 8 percent of total imports, respectively.

Imports from Taiwan of light-walled rectangular pipes and tubes more than tripled from 1982 to 1983 and more than doubled from 1983 to 1984; however, such imports were 87 percent lower in January-June 1985 than imports in the corresponding period of 1984. Imports from Taiwan virtually ceased after March 1985, as only 3 tons were imported during April-September 1985. Taiwan's share of total imports rose from 2 percent in 1982 to 9 percent in 1984, and then declined to nearly 1 percent in January-June 1985.

On November 13, 1985, the CPTI filed an antidumping petition concerning imports of light-walled rectangular pipes and tubes from Singapore. Imports of this product from Singapore totaled 572 tons in 1984 and 946 tons in January-June 1985.

As shown in table 13, less than 20 percent of imports of the subject merchandise from Taiwan entered through West Coast ports in 1982 and 1983, compared with 79 percent in 1984 and 66 percent in January-June 1985. Most of the remaining imports from Taiwan during 1982-84 entered through Puerto Rico. Importers reported that all imports from Taiwan that entered through West Coast ports were sold in the western region, and all such imports that entered the United States through Puerto Rico were sold in the Commonwealth.

### Market penetration of imports

Market penetration of light-walled rectangular pipes and tubes from Taiwan increased from 0.6 percent in 1982 to 1.5 percent in 1983, and increased again to 3.1 percent in 1984; however, such imports dropped to 0.3 percent of apparent U.S. consumption in January-June 1985 (table 14). Imports from Singapore accounted for 0.2 percent of consumption in 1984 and 0.7 percent in January-June 1985. Imports from all other countries increased their market share from 26.9 percent in 1982 to 30.3 percent in 1983 and 1984. The share of consumption held by imports from all other countries was lower in January-June 1985 than in January-June 1984. U.S. producers' domestic shipments as a share of apparent consumption fell steadily from 72.6 percent in 1982 to 66.4 percent in 1984; however, the U.S. producers' share increased in January-June 1985 compared with the share in the corresponding period of 1984.

Table 12.--Light-walled rectangular pipes and tubes: 1/ U.S. imports for consumption, by principal sources, 1982-84, January-June 1984, and January-June 1985

| Source | 1982 | 1983 | 1984 | January-June | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| | Quantity (tons) | | | | |
| Taiwan | 1,115 | 3,812 | 9,754 | 3,177 | 405 |
| Singapore | 0 | 0 | 572 | 133 | 946 |
| Subtotal 2/ | 1,115 | 3,812 | 10,326 | 3,310 | 1,351 |
| Japan | 16,001 | 37,640 | 47,897 | 27,310 | 35,960 |
| Spain | 2,549 | 5,547 | 23,693 | 11,351 | 1,072 |
| Canada | 18,359 | 14,194 | 8,260 | 5,825 | 2,264 |
| Italy | 5,027 | 45 | 3,077 | 388 | 2,042 |
| Mexico | 558 | 1,819 | 2,825 | 2,488 | 0 |
| Korea | 821 | 10,373 | 2,427 | 2,394 | 141 |
| West Germany | 2,630 | 1,102 | 1,545 | 756 | 423 |
| All other | 7,004 | 5,852 | 4,378 | 2,881 | 1,961 |
| Total | 54,064 | 80,382 | 104,428 | 56,704 | 45,214 |
| | Value (1,000 dollars) | | | | |
| Taiwan | 421 | 1,394 | 3,211 | 1,044 | 178 |
| Singapore | - | - | 477 | 332 | 319 |
| Subtotal 2/ | 421 | 1,394 | 3,688 | 1,376 | 497 |
| Japan | 7,524 | 13,529 | 17,987 | 10,142 | 13,035 |
| Spain | 1,140 | 1,776 | 8,353 | 3,337 | 340 |
| Canada | 4,739 | 3,993 | 2,783 | 1,728 | 1,351 |
| Italy | 5,109 | 22 | 950 | 128 | 760 |
| Mexico | 845 | 1,759 | 1,935 | 1,488 | - |
| Korea | 336 | 3,172 | 838 | 812 | 51 |
| West Germany | 2,655 | 951 | 978 | 580 | 307 |
| All other | 3,028 | 2,205 | 1,857 | 1,210 | 738 |
| Total | 25,798 | 28,800 | 39,370 | 20,801 | 17,080 |
| | Unit value (per ton) | | | | |
| Taiwan | 377 | 366 | 329 | 329 | 440 |
| Singapore | - | - | 834 | 2,496 | 337 |
| Subtotal 2/ | 377 | 366 | 357 | 416 | 368 |
| Japan | 470 | 359 | 376 | 371 | 362 |
| Spain | 447 | 320 | 353 | 294 | 317 |
| Canada | 258 | 281 | 337 | 297 | 597 |
| Italy | 1,016 | 486 | 309 | 330 | 372 |
| Mexico | 1,515 | 967 | 685 | 598 | - |
| Korea | 410 | 306 | 345 | 339 | 362 |
| West Germany | 1,009 | 863 | 633 | 767 | 726 |
| All other | 432 | 377 | 424 | 420 | 376 |
| Total | 477 | 358 | 377 | 367 | 378 |

See footnotes at end of table.

Table 12.—Light-walled rectangular pipes and tubes: 1/ U.S. imports for consumption, by principal sources, 1982-84, January-June 1984, and January-June 1985—Continued

| Source | 1982 | 1983 | 1984 | January-June— | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| | Percent of total quantity | | | | |
| Taiwan | 2.1 | 4.7 | 9.3 | 5.6 | 0.9 |
| Singapore | — | — | .5 | .2 | 2.1 |
| Subtotal 2/ | 2.1 | 4.7 | 9.9 | 5.8 | 3.0 |
| Japan | 29.6 | 46.8 | 45.9 | 48.2 | 79.5 |
| Spain | 4.7 | 6.9 | 22.7 | 20.0 | 2.4 |
| Canada | 34.0 | 17.7 | 7.9 | 10.3 | 5.0 |
| Italy | 9.3 | .1 | 2.9 | .7 | 4.5 |
| Mexico | 1.0 | 2.3 | 2.7 | 4.4 | — |
| Korea | 1.5 | 12.9 | 2.3 | 4.2 | .3 |
| West Germany | 4.9 | 1.4 | 1.5 | 1.3 | .9 |
| All other | 13.0 | 7.3 | 4.1 | 5.1 | 4.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1/ Data for January 1982-March 1984 may be slightly overstated to the extent that they contain small quantities of pipes and tubes not under investigation.

2/ Represents total imports of light-walled rectangular pipes and tubes from countries for which this product is the subject of a current investigation. The CPTI filed an antidumping petition concerning imports of light-walled rectangular pipes and tubes from Singapore on Nov. 13, 1985.

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

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

Table 13.—Light-walled rectangular pipes and tubes: U.S. imports for consumption, by selected sources and regions, 1982-84, January-June 1984, and January-June 1985

| Source | 1982 | 1983 | 1984 | January-June 1984 | January-June 1985 |
|---|---|---|---|---|---|
| | Quantity (tons) | | | | |
| From Taiwan: | | | | | |
| Into western region | 206 | 551 | 7,730 | 1,954 | 267 |
| Into all other regions | 909 | 3,261 | 2,024 | 1,223 | 138 |
| Total | 1,115 | 3,812 | 9,754 | 3,177 | 405 |
| From Singapore: | | | | | |
| Into western region | 0 | 0 | 539 | 133 | 885 |
| Into all other regions | 0 | 0 | 33 | 0 | 61 |
| Total | 0 | 0 | 572 | 133 | 946 |
| From all other sources: | | | | | |
| Into western region | 13,287 | 34,931 | 41,696 | 21,712 | 30,729 |
| Into all other regions | 39,663 | 41,640 | 52,405 | 31,681 | 13,134 |
| Total | 52,950 | 76,571 | 94,101 | 53,393 | 43,863 |
| | Percent of total quantity | | | | |
| From Taiwan: | | | | | |
| Into western region | 18.5 | 14.5 | 79.2 | 61.5 | 65.9 |
| Into all other regions | 81.5 | 85.5 | 20.8 | 38.5 | 34.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| From Singapore: | | | | | |
| Into western region | – | – | 94.2 | 100.0 | 93.6 |
| Into all other regions | – | – | 5.8 | – | 6.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| From all other sources: | | | | | |
| Into western region | 25.1 | 45.6 | 44.3 | 40.7 | 70.1 |
| Into all other regions | 74.9 | 54.4 | 55.7 | 59.3 | 29.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

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

As shown in table 15, imports from Taiwan as a share of apparent western region consumption rose from 0.3 percent in 1982 to 6.0 percent in 1984 before falling to 0.4 percent in January-June 1985.

Table 14.--Light-walled rectangular pipes and tubes: Ratios of imports and U.S. producers' domestic shipments to apparent U.S. consumption, 1982-84, January-June 1984, and January-June 1985

(In percent)

| Item | 1982 | 1983 | 1984 | January-June | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Imports from Taiwan | 0.6 | 1.5 | 3.1 | 2.0 | 0.3 |
| Imports from Singapore | - | - | .2 | .1 | .7 |
| Subtotal 1/ | .6 | 1.5 | 3.3 | 2.1 | 1.0 |
| All other imports | 26.9 | 30.3 | 30.3 | 33.2 | 30.4 |
| U.S. producers' domestic shipments | 72.6 | 68.2 | 66.4 | 64.7 | 68.7 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1/ Represents total import penetration of light-walled rectangular pipes and tubes from countries for which this product is the subject of a current investigation. The CPTI filed an antidumping petition concerning imports of light-walled rectangular pipes and tubes from Singapore on Nov. 13, 1985.

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

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

Table 15.--Light-walled rectangular pipes and tubes: Ratios of imports and U.S. producers' domestic shipments to apparent western region consumption, 1982-84, January-June 1984, and January-June 1985

(In percent)

| Item | 1982 | 1983 | 1984 | January-June | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Ratio to apparent western region consumption: | | | | | |
| Shipments by western region producers | *** | *** | *** | *** | *** |
| Shipments by other U.S. producers | *** | *** | *** | *** | *** |
| Imports from Taiwan | .3 | .6 | 6.0 | 3.0 | .4 |
| Imports from Singapore | - | - | .4 | .2 | 1.3 |
| Subtotal, Taiwan and Singapore | .3 | .6 | 6.4 | 3.2 | 1.7 |
| Imports from all other sources | 21.8 | 36.0 | 32.5 | 33.4 | 44.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

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

Prices

The light-walled rectangular welded carbon steel pipes and tubes subject to this investigation are generally priced on a per-hundred-feet basis. Several U.S. producers publish confidential price lists. List prices are often discounted to meet competitive offers. The Commission requested U.S. producers and importers to provide net f.o.b. selling price data on their total sales for the products specified below to service centers/distributors and to end users, by quarters, from January 1982 through June 1985. The products for which selling price data were requested are as follows:

> Product 1: ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 1-inch square, 0.063-inch wall thickness, 20 to 24-foot mill lengths.
>
> Product 2: ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 2-inch square, 0.063-inch wall thickness, 20 to 24-foot mill lengths.

Ten U.S. producers and seven importers of the Taiwan light-walled rectangular tube products reported at least some selling price data as requested. Reporting U.S. producers accounted for approximately * * * percent of total U.S. producers' domestic shipments of light-walled rectangular carbon steel tubes in 1984. During the same period, the reporting importers accounted for about * * * percent of total imports of Taiwan light-walled rectangular tubes. The weighted-average net selling prices and quantities of the requested domestic and imported Taiwan products are shown in appendix tables D-1 through D-3. The reported price data are presented separately for domestic producers and importers located in California and for the other reporting firms that are located east of the Rocky Mountains, primarily in the Midwest and Southeast United States. 1/ Because of significant transportation costs, California-based producers and importers generally sell to customers west of the Rocky Mountains, whereas the other respondents generally serve customers east of the Rocky Mountains. 2/ The price data reported by four importers in Puerto Rico are also broken out separately, as the latter imports are sold only to steel service centers/distributors and end users in Puerto

---

1/ Based on questionnaire data, California producers (including those that did not provide usable price data but did provide domestic shipments data) accounted for approximately * * * percent of total reported U.S. producers' domestic shipments of light-walled rectangular tubes in 1984. Based on official statistics of the U.S. Department of Commerce, total imports of the Taiwan-produced tubes into California accounted for approximately 79 percent of all U.S. imports of light-walled rectangular tubes from Taiwan during 1984.

2/ Although domestic producers and importers of the light-walled rectangular tubes located in California and those in the remaining continental United States compete somewhat in the southwestern and western states, their primary markets are distinct from one another. Comparing the reported f.o.b. prices of domestic and imported Taiwan tubing products within distinct market areas approximate delivered price comparisons. Delivered price data are most appropriate for comparing prices in this investigation because of significant transportation costs, but could not be provided by the respondents.

Rico; 1/ Prior to October 1984, no domestically-produced light-walled rectangular tubes were believed to have been sold in Puerto Rico.

Trends in prices.--Based on domestic producers' reported net selling prices, quarterly prices of the two products sold by domestic producers in California and those located east of the Rocky Mountains (other producers) generally fell between 1 percent and 12 percent during January-March 1982 through April-June 1985 (app. tables D-1 and D-2). Prices of the 2-inch square tubes (product 2) sold to service centers/distributors by domestic producers located primarily in the Midwest and Southeast United States, however, rose by 3 percent during this period. Selling prices to end users generally declined by a greater percentage than prices to service centers/distributors in all areas of the United States, and prices of California producers declined by a greater percentage than prices of other producers.

Representative of price trends of reporting domestic producers are the quarterly prices of the 1-inch square tubes (product 1) as shown in app. table D-1. Prices of product 1 sold by California producers to service centers/distributors fell from $21.85 per hundred feet in January-March 1982 to $20.23 per hundred feet in April-June 1985, or by approximately 7 percent. California producers' prices of product 1 sold to end users, however, fell by about 12 percent during this period, from $25.91 per hundred feet in January-March 1982 to $22.80 per hundred feet in April-June 1985.

Prices of product 1 sold to service centers/distributors by U.S. producers located east of the Rocky Mountains fell from $19.88 per hundred feet in January-March 1982 to $19.39 per hundred feet in April-June 1985, or by approximately 3 percent. During the same period, their prices of product 1 to end users fell by approximately 5 percent, from $19.06 per hundred feet in January-March 1982 to $18.06 per hundred feet in April-June 1985.

Based on limited net selling price data reported by importers, quarterly prices of the imported Taiwan light-walled rectangular tube products showed mixed trends (app. table D-3). 2/ For the quarters reported, prices of product 1 imported from Taiwan generally decreased; whereas prices of product 2 increased. Representative of these price trends are prices of products 1 and 2 reported by importers in California and prices of product 1 reported by importers in Puerto Rico. * * * reported generally declining prices of product 1, 3/ falling from * * * per hundred feet in January-March 1984 to * * * per hundred feet in January-March 1985, or by approximately * * *

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1/ Based on official statistics of the U.S. Department of Commerce, total imports of the Taiwan-produced tubes into Puerto Rico accounted for approximately 12 percent of all U.S. imports of light-walled rectangular tubes from Taiwan during 1984.

2/ The price data reported by importers of the Taiwan light-walled rectangular tubes were based on sales to service centers/distributors only; no price data were reported for sales to end users. Importers reporting price data were located primarily in California and Puerto Rico, with those in California reporting data for more recent periods than that reported by importers in Puerto Rico.

3/ * * * accounted for approximately * * * percent of all imports of light-walled rectangular tubes from Taiwan in 1984.

percent. On the other hand, * * *'s selling prices of product 2 generally increased during this period, rising from * * * per hundred feet in January-March 1984 to * * * per hundred feet in January-March 1985, or by approximately * * * percent. During this period, prices of domestic producers located in California fell by approximately 3 percent for products 1 and 2 sold to service centers/distributors.

Prices of product 1 imported from Taiwan and reported by importers in Puerto Rico fluctuated but fell slightly from * * * per hundred feet in January-March 1982 to * * * per hundred feet in July-September 1984, or by less than 1 percent. Prices of product 1 sold by domestic producers located primarily in the midwest and southeast United States fell similarly during this period, also by less than 1 percent. No domestic producers, however, are believed to have sold light-walled rectangular tubes in Puerto Rico during this period.

Comparisons of domestic and import prices.--The reported f.o.b. selling price data resulted in 11 quarterly price comparisons between domestic and imported light-walled rectangular tubes from Taiwan sold to service centers/distributors during January 1984-March 1985 (table 16). Ten of the 11 f.o.b. price comparisons showed underselling by the imported Taiwan tubes, with average margins of underselling ranging from * * * to * * * percent.

All nine price comparisons between domestic producers and importers in California showed underselling by the imported Taiwan tubes. 1/ Five quarterly price comparisons involved product 1 and four involved product 2. In the five instances of underselling involving product 1, margins of underselling averaged * * * per hundred feet, or approximately * * * percent below domestic producers' prices. In the four instances of underselling involving product 2, margins of underselling averaged * * * per hundred feet, or approximately * * * percent below domestic producers' prices.

Both of the quarterly price comparisons between domestic producers and importers in the remaining continental United States involved product 1 only. One of these price comparisons showed underselling by the imported Taiwan tubes, with an average margin of underselling of * * * per hundred feet, or approximately * * * percent below domestic producers' prices. In the other price comparison, the price of the imported Taiwan tubes was * * * percent above domestic producers' prices.

## Transportation costs

Domestic producers of light-walled rectangular welded carbon steel pipes and tubes are concentrated along the west coast, in the Midwest, and the eastern seaboard. The pipes and tubes under investigation from Taiwan have recently entered the United States for the most part through Los Angeles, CA.

In the Los Angeles/San Francisco market area, Taiwan-produced light-walled rectangular pipes and tubes do not appear to enjoy an inland freight advantage over California mills, which account for approximately

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1/ * * *.

Table 16.--Average margins of underselling (overselling) between the domestic and imported Taiwan light-walled rectangular welded carbon steel tubes sold to steel service centers/distributors, by product categories, by geographic locations, and by quarters, January 1984-March 1985 1/

| Period | 1-inch square tubing, 0.063-wall thickness 2/ | | 2-inch square tubing, 0.063-wall thickness 3/ | |
|---|---|---|---|---|
| | California producers and importers | | | |
| | Per hundred feet | Percent | Per hundred feet | Percent |
| 1984: | | | | |
| January-March | $ *** | *** | $ *** | *** |
| April-June | *** | *** | *** | *** |
| July-September | *** | *** | *** | *** |
| October-December | *** | *** | *** | *** |
| 1985: | | | | |
| January-March | *** | *** | *** | *** |
| | Other producers and importers 4/ | | | |
| | Per hundred feet | Percent | Per hundred feet | Percent |
| 1984: | | | | |
| April-June | $ *** | *** | $ *** | *** |
| July-September | *** | *** | *** | *** |

1/ The average margins of underselling indicate that the imported Taiwan light-walled rectangular tubes were priced less than the domestically produced products. Any average margins of overselling, which indicate that U.S.-produced light-walled rectangular tubes undersold the imported Taiwan tubing, are shown in parentheses.

2/ ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 1-inch square, 0.063-inch wall thickness, 20-24 foot mill lengths.

3/ ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 2-inch square, 0.063-inch wall thickness, 20-24 foot mill lengths.

4/ Responding producers and importers in the continental United States east of the Rocky Mountains, primarily in the Midwest and Southeast United States.

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

Note: U.S. producers and importers in California generally sell to distributors and end users west of the Rocky Mountains, and the other respondents generally sell to customers east of the Rocky Mountains.

* * * percent of U.S. production of the product. * * * and * * * both estimated transportation costs to be * * * percent of the delivered price of

their pipes and tubes sold in the Los Angeles/San Francisco area. 1/ * * *, 2/ estimated transportation costs to be * * * percent of its delivered price to the Los Angeles/San Francisco market area. 3/ * * *.

* * * 4/ reported selling over * * * percent of its light-walled rectangular tubes in * * *, with the remainder in other western states. * * * estimated transportation costs from * * * to * * * to be about * * * percent of the delivered price. 5/ According to * * *, favorable locations of other domestic mills and the presence of significant transportation costs prevent his firm from being competitive east of the Rocky Mountains.

Exchange rates

Quarterly data reported by the International Monetary Fund and the Central Bank of China indicate that during January 1982-June 1985 the nominal value of the New Taiwan dollar depreciated relative to the U.S. dollar by approximately 5 percent (table 17). 6/ However, deflation of prices in Taiwan combined with a U.S. inflation rate of 3.7 percent during this period resulted in the depreciation of the New Taiwan dollar in real terms by about 11 percent relative to the U.S. dollar.

Lost sales

The Commission received lost sales allegations from * * * and * * * regarding imports of light-walled rectangular welded carbon steel pipes and tubes from Taiwan. * * * provided its lost sales allegations in the final investigation and * * * provided this information in the preliminary investigation. An industry representative indicated at the public conference in the preliminary investigation that lost sales information is virtually impossible to obtain because their customers do not inform them when they buy pipe from foreign producers and, in fact, often do not know the origin of the

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

2/ * * * accounted for * * * percent of U.S. production of light-walled rectangular tubes in 1984.

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

4/ Nationally, * * * accounted for * * * percent of U.S. production of light-walled rectangular tubes in 1984.

5/ Telephone conversation of Dec. 16, 1985.

6/ The real depreciation of the New Taiwan dollar against the U.S. dollar from the reference period January-March 1982 indicates the maximum amount that a Taiwan producer or its agent can decrease its dollar prices of foreign light-walled rectangular pipes and tubes in the U.S. market without increasing its profits, assuming it has no dollar-denominated costs or contracts. A Taiwan 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.

Table 17.—Indexes of the nominal and real exchange rates between the U.S. dollar and the New Taiwan dollar, 1/ and indexes of producer prices in the United States and Taiwan, 2/ by quarters, January 1982–June 1985

(January–March 1982=100)

| Period | Nominal-exchange-rate index | Real-exchange-rate index 3/ | U.S. producer price index | Taiwan producer price index |
|---|---|---|---|---|
| 1982: | | | | |
| January–March | 100.0 | 100.0 | 100.0 | 100.0 |
| April–June | 97.9 | 98.2 | 100.1 | 100.4 |
| July–September | 95.5 | 95.1 | 100.5 | 100.1 |
| October–December | 94.4 | 93.5 | 100.6 | 99.7 |
| 1983: | | | | |
| January–March | 95.0 | 92.4 | 100.7 | 97.9 |
| April–June | 94.7 | 92.5 | 101.0 | 98.6 |
| July–September | 94.5 | 91.6 | 102.0 | 98.9 |
| October–December | 94.3 | 91.1 | 102.5 | 99.1 |
| 1984: | | | | |
| January–March | 94.4 | 90.5 | 103.6 | 99.3 |
| April–June | 95.4 | 90.6 | 104.3 | 99.0 |
| July–September | 96.7 | 92.3 | 104.1 | 99.3 |
| October–December | 96.4 | 91.7 | 103.8 | 98.7 |
| 1985: | | | | |
| January–March | 96.4 | 91.0 | 103.6 | 97.8 |
| April–June | 95.3 | 89.2 | 103.7 | 97.0 |

1/ Based on exchange rates expressed in U.S. dollars per New Taiwan dollar.

2/ The producer price indexes are aggregate measures of inflation at the wholesale level in the subject countries. As a result, these indexes may only approximate actual price changes of light-walled rectangular pipes and tubes in the subject countries.

3/ 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. Producer prices in the United States increased by 3.7 percent during the period January 1982–June 1985 compared with a 3-percent decrease in Taiwan during this period.

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

pipe, except that it may be imported. 1/ * * * cited two customers regarding lost sales. * * * submitted a list of six firms to which it had allegedly lost sales of light-walled rectangular tube to Taiwan during * * *, but was unable to provide the requested specific information with regard to the

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

product, quantity, and relative prices involved. 1/ The Commission investigated all eight allegations. 2/

One of the firms cited by * * * reported buying the Taiwan tubing, but purchased half of the tonnage alleged. This firm stated, however, that it purchased the Taiwan tubing on a trial basis and therefore did not buy it in place of competing domestic products. The second firm cited by * * * stated that it had never purchased the subject Taiwan steel. Of the six firms that * * * alleges to have lost sales to because of competition from Taiwan, two stated that they had purchased Taiwan light-walled rectangular tube during the period alleged, but had not increased their purchases of Taiwan tube as a percentage of total purchases of this product from all sources. These two purchasers cited the lower price of the Taiwan tube as the reason for buying the imported product. Three purchasers reported that they had not purchased the Taiwan product. The remaining firm could not be contacted. Details of the allegations are discussed below.

Allegations of * * *.—* * * allegedly purchased * * * tons of Taiwan light-walled rectangular tubes in 1984 at * * * per ton, or * * * per ton less than the * * * per ton price allegedly offered by * * *. * * *, buyer for the firm, stated that the firm purchased * * * tons of the Taiwan steel at * * * per ton delivered to his warehouse. According to * * *, the competing delivered price from domestic producers in the * * * was * * * per ton. He said that the alleged * * * per ton price is much higher than any price quoted to * * * by a domestic mill. * * * stated that the * * * ton purchase was a trial order of Taiwan light-walled rectangular tubes which was not purchased instead of domestic material. * * * complained that the quality of the Taiwan tubing was marginal, having surface imperfections and tolerance problems. Because of these quality problems, * * * has not purchased any more Taiwan light-walled rectangular tubes. In terms of which suppliers affect the market, * * * identified * * *, a domestic producer, as recently depressing prices * * *. According to * * *, * * * reduced its prices of light-walled rectangular tubes by * * * per hundredweight in * * * to increase market share. * * * stated that this caused the bottom to fall out of domestic prices.

* * * indicated that the * * * market for light-walled rectangular tubes has long been dominated by the * * * tubes. The falling foreign value of the dollar, however, has caused the prices of the * * * products to rise by * * * percent since the first of the year, according to * * *. In addition, he stated that the voluntary steel restraints have reduced the supply of * * * light-walled rectangular tubes in his market area. As a result, * * * sees 1986 as a good year for domestic producers, which offer good quality and, compared with imports, more turns on inventory. 3/

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

2/ The 6 allegations submitted by * * * were investigated during the preliminary investigation.

3/ According to * * *, when * * * purchases domestic light-walled rectangular tubes, it is only necessary to purchase a * * *-day supply compared with about a * * *-month supply when it buys the foreign material.

* * * allegedly purchased * * * tons of Taiwan light-walled rectangular tubes in * * * and * * * at * * * per ton, or allegedly * * * per ton less than that offered by * * *. * * *, buyer for the firm, stated that his firm has never purchased Taiwan light-walled rectangular tubes, nor has he seen the subject foreign steel offered for sale in his market area.

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

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

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

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

* * * was cited in an unitemized aggregation of sales involving unspecified quantities of Taiwan light-walled rectangular tube during * * *. * * *, a purchaser for the firm, denied the allegation, stating that his firm had not purchased pipe or tube of Taiwan origin during this period. He stated that his firm had last purchased Taiwan tube approximately 1 year ago, citing the imported product's lower price as his primary reason.

Price suppression/depression

Domestic producers did not report any specific allegations of price suppression or depression regarding imports of light-walled rectangular welded carbon steel pipes and tubes from Taiwan. Although two domestic firms reported that they had to reduce prices because of competition with lower priced tubes from Taiwan, they were unable to identify specific instances.

# APPENDIX A

## FEDERAL REGISTER NOTICES

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

## Certain Welded Carbon Steel Pipes and Tubes From Taiwan and Venezuela

### Determinations

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

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

The Commission further determines that there is no reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Venezuela of welded carbon steel line pipes and tubes [5] which are alleged to be sold in the United States at LTFV.[6]

### Background

On December 18, 1984, counsel for the Committee on Pipe & Tube Imports (CPTI) [7] filed petitions with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is being materially injured or threatened with material injury by reason of imports from Taiwan and Venezuela of certain welded carbon steel pipes and tubes which are allegedly sold at LTFV. Accordingly, effective December 18, 1984, the Commission instituted preliminary antidumping investigations under the provisions of the Tariff Act of 1930. Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, WAshington, DC, and by publishing the notice in the Federal Register of December 27, 1984 (49 FR 50316). A public conference was held in Washington, DC on January 8, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determinations in these investigations to the Secretary of Commerce on February 1, 1985. The views of the Commission are contained in USITC Publication 1639 (February 1985), entitled "*Certain Welded Carbon Steel Pipes and Tubes from Taiwan and Venezuela*: Determinations of the Commission in Investigations Nos. 731-TA-211 and 212 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations."

Issued: February 1, 1985.

By Order of the Commission.

**Kenneth R. Mason,**

*Secretary.*

[FR Doc. 85-3102 Filed 2-6-85; 8:45 am]

BILLING CODE 7020-02-M

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

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

[3] The term "standard welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes of circular cross section, 0.375 inch or more but not over 16 inches in outside diameter, provided for in TSUSA items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3252, 610.3254, 610.3256, 610.3258, and 610.4925. Prior to April 1, 1984, these circular pipes and tubes were provided for in TSUSA items 610.3231, 6109.3232, 610.3241, 610.3244, and 610.3247.

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

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

[6] Commissioners Eckes and Lodwick dissenting.

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

[A-583-403]

**Certain Welded Rectangular Carbon Steel Pipes and Tubes From Taiwan; Preliminary Determination of Sales at Less Than Fair Value**

**AGENCY:** International Trade Administration/Import Administration Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** We have preliminarily determined that certain welded rectangular carbon steel pipes and tubes (pipes and tubes) from Taiwan are being, or are likely to be, sold in the United States at less than fair value and that "critical circumstances" do not exist with respect to imports of the merchandise under investigation. We have notified the U.S. International Trade Commission (ITC) of our determination, and we have directed the

U.S. Customs Service to suspend liquidation on all entries of the subject merchandise as described in the "Suspension of Liquidation" section of this notice. If this investigation proceeds normally, we will make a final determination by September 30, 1985.

**EFFECTIVE DATE:** July 22, 1985.

**FOR FURTHER INFORMATION CONTACT:** Karen L. Sackett, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-1273.

**SUPPLEMENTARY INFORMATION:**

**Preliminary Determination**

We have preliminarily determined that pipes and tubes from Taiwan are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733(b) (19 U.S.C. 1673b(b)) of the Tariff Act of 1930, as amended (the Act). The margin preliminarily found for the company investigated is listed in the "Suspension of Liquidation" section of this notice. We have also preliminarily determined that "critical circumstances" do not exist with respect to imports of this product from Taiwan.

If this investigation proceeds normally, we will make our final determination by September 30, 1985.

**Case History**

On December 18, 1984, we received a petition filed by the Mechanical Tubing Subcommittee of the Committee on Pipe and Tube Imports, on behalf of the U.S. industry producing certain welded rectangular carbon steel pipes and tubes. In compliance with the filing requirements of § 353.36 of Commerce Regulations (19 CFR 353.36), the petition alleged that imports of pipes and tubes from Taiwan are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that these imports are materially injuring, or are threatening material injury to, a U.S. industry.

After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate an antidumping duty investigation. We notified the ITC of our action and initiated such an investigation on January 11, 1985 (50 FR 1614). On February 1, 1985, the ITC subsequently found that there is a reasonable indication that imports of pipes and tubes from Taiwan are materially injuring or threatening to materially injure a United States industry.

The petitioner alleged that two companies in Taiwan produced pipes and tubes for export to the United States. We found that Yieh Hsing accounted for virtually all of the sales of the subject merchandise from Taiwan during the period of investigation. A questionnaire was presented to counsel for Yieh Hsing on February 14, 1985. Yieh Hsing responded to our questionnaire on April 9, 1985.

After reviewing the questionnaire response, counsel for the petitioner alleged that sales of rectangular pipe from Taiwan are being made at below the cost of production, and petitioner requested that the deadline for the preliminary determination be extended for 50 days in order to allow sufficient time for the cost of production investigation. On May 8, 1985, we postponed the preliminary antidumping duty determination for 50 days, or not later than July 16, 1985 (50 FR 20255). On May 23, 1985 we sent a cost of production questionnaire to the respondent. On June 27, 1985 we received a response to our questionnaire. The response was deficient in that it did not properly allocate costs for the various sizes of pipes and tubes under investigation, and that a theoretical instead of an actual factor weight was used for the cost of production. Therefore, we used the best information available to determine the cost of production. The best information available was cost information submitted by petitioner, which is based on costs of raw materials, labor, and general expenses, excluding profit, incurred in producing such or similar merchandise.

**Scope of Investigation**

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

Since the respondent produced and exported virtually all of the rectangular pipes and tubes from Taiwan during the period of investigatin, we limited our investigation to that one company.

We investigation sales of certain welded rectangerlar carbon steel pipes and tubes from Taiwan during the period from July 1 through December 31, 1984

**Fair Value Comparison**

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

**United States Price**

As provided in section 772 of the Act, we used the purchase price of pipes and tubes to represent the United States price for sales by the respondent because the merchandise was sold to unrelated purchasers prior to its importation into the United States.

We calculated the purchase price on the c.&f. price to unrelated purchasers in the United States. We made deductions, where appropriate, for inland freight, ocean freight, brokerage and handling, stamp tax, and export charges.

**Foreign Market Value**

In calculating foreign market value we used constructed value in accordance with section 773(e) of the Act. There was no viable home market. Petitioner alleged and we found that all sales to the largest third country market were at prices below the cost of production. For cost of production, we used the "best information available," which was based on cost data submitted by petitioner. Accordingly, we disregarded third country prices and used constructed value in making our comparisons.

Since respondent's cost of production information was deficient, cosntructed value was based on best information available. Best information available was the cost of production submitted by petitioner, which was based on the cost of materials, labor, and general expenses. To the cost of materials and labor, we added the statutory minimum of 10 percent for selling, general, and administrative expenses and the statutory minimum of 8 percent profit, as required in section 773 of the Act, since the cost information furnished by petitioner did not include general expenses and profit.

In calculating foreign market value we made currency conversions from Taiwan dollars to United States dollars in accordance with § 353.56(a)(1) of our regulations.

**Preliminary Negative Determination of Critical Circumstances**

Counsel for the petitioners alleged that imports of pipes and tubes from Taiwan present "critical circumstances." Under section 733(e) of the Act, critical circumstances exist if we have a reasonable basis to believe or suspect that (1) there is a history of dumping in the United States or elsewhere of the class or kind of the merchandise which is the subject of the investigation; or the person by whom, or

for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value; and (2) there have been massive imports of the class or kind of merchandise that is the subject of the investigation over a relatively short period.

In determining whether there is a history of dumping of pipes and tubes from Taiwan in the United States or elsewhere, we reviewed past antidumping findings of the Department of Treasury as well as past Department of Commerce antidumping duty orders. We also reviewed the antidumping actions of other countries, and found one past antidumping determination on the same product being imported into Australia. Since there is a history of dumping, we did not need to consider whether to impute knowledge of dumping.

We then considered whether there were massive imports. We generally consider the following concerning massive imports: (1) Recent trends in import penetration levels, (2) whether imports have surged recently, (3) whether the recent imports are significantly above the average calcuated over the last three years; and (4) whether the pattern of imports over that three years period may be explained by seasonal swings.

In considering this question, we analyzed recent trade statistics on import levels and import penetration ratios for pipes and tubes from Taiwan for the periods immediately preceding and subsequent to the filing of the petition. Based on our analysis of recent trade data, we find that imports of pipes and tubes from Taiwan during the period subsequent to the receipt of the petition have not been massive when compared to recent import levels and import penetration ratios.

Therefore, we preliminarily determine that critical circumstances do not exist with respect to imports of certain pipes and tubes from Taiwan.

**Suspension of Liquidation**

In accordance with section 733(d) of the Act, we are directing the United States Customs Service to suspend liquidation of all entries of pipes and tubes from Taiwan which are entered, or withdrawn from warehouse, for consumption, on or after the date of the publication of this notice in the **Federal Register**. The Customs Service shall require a cash deposit or the posting of a bond equal to the estimated weighted-average amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price. This suspension of liquidation will remain in effect until further notice. The weighted-average margins are as follows:

| Manufacturer | Dumping margins (percent) |
|---|---|
| Yieh Hsing | 34.34 |
| All other manufacturers/producers and exporters | 34.34 |

**Verification**

As provided in section 776(a) of the Act, we will verify all information used in reaching our final determination.

**ITC Notification**

In accordance with section 733(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonconfidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration. The ITC will determine whether these imports materially injure, or threaten material injury to, a U.S. industry before the later of 120 days after we make our preliminary affirmative determination or 45 days after we make our final affirmative determination.

**Public Comment**

In accordance with § 353.47 of our regulations (19 CFR 353.47), if requested, we will hold a public hearing to afford interested parties an opportunity to comment on this preliminary determination at 10:00 a.m. on August 9, 1985, at the United States Department of Commerce, Room 3708, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230. Individuals who wish to participate in the hearing must submit a request to the Deputy Assistant Secretary for Import Administration, Room B-099, at the above address within 10 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reason for attending; and (4) a list of the issues to be discussed.

In addition, prehearing briefs in at least 10 copies must be submitted to the Deputy Assistant Secretary by August 2, 1985. Oral presentations will be limited to issues raised in the briefs. All written views should be filed in accordance with 19 CFR 353.46, within 30 days of this notice's publication, at the above address and in at least 10 copies.

**Gilbert B. Kaplan,**

*Acting Deputy Assistant Secretary for Import Administration.*

July 16, 1985.

[FR Doc. 85-17334 Filed 7-19-85; 8:45 am]

BILLING CODE 35-DS-M

[Investigation No. 731-TA-211 (Final)]

## Certain Welded Carbon Steel Pipes and Tubes From Taiwan

**AGENCY:** International Trade Commission.

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

**SUMMARY:** The Commission hereby gives notice of the institution of final antidumping investigation No. 731-TA-211 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Taiwan of welded carbon steel pipes and tubes of rectangular (including square) cross section, having a wall thickness of less than 0.156 inch, provided for in item 610.4928 of the *Tariff Schedules of the United States Annotated*, which have been found by the Department of Commerce, in a preliminary determination, to be sold in the United States at less than fair value (LTFV). Unless the investigation is extended, Commerce will make its final LTFV determination on or before September 30, 1985, and the Commission will make its final injury determination by November 18, 1985 (see sections 735(a) and 735(b) of the act (19 U.S.C. 1673d(a) and 1673d(b))).

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

**EFFECTIVE DATE:** July 22 1985.

**FOR FURTHER INFORMATION CONTACT:** Cynthia Wilson (202-523-0291), 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.

**SUPPLEMENTARY INFORMATION:**

### Background

This investigation is being instituted as a result of an affirmative preliminary determination by the Department of Commerce that imports of certain welded carbon steel pipes and tubes from Taiwan are being sold in the United States at less than fair value within the meaning of section 731 of the act (19 U.S.C. 1673). The investigation was requested in a petition filed on December 18, 1984, by counsel for the Committee on Pipe and Tube Imports (CPTI). In response to that petition the Commission conducted a preliminary antidumping investigation and, on the basis of information developed during the course of that investigation, determined that there was a reasonable indication that an industry in the United States was materially injured by reason of imports of the subject merchandise (50 FR 5328, February 7, 1985).

### Participation in the investigation

Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than twenty-one (21) days after the publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairwoman, who 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 this investigation upon the expiration of the period for filing entries of appearance. In accordance with § 201.16(c) of the rules (19 CFR 201.16(c), each document filed by a party to the investigation must be served on all other parties to the investigation (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.

### Staff report

A public version of the prehearing staff report in this investigation will be placed in the public record on September 30, 1985, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

### Hearing

The Commission will hold a hearing in connection with this investigation beginning at 10:00 a.m. on October 16, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on October 1, 1985. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 9:30 a.m. on October 7, 1985 in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is October 10, 1985.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. Any written materials submitted at the hearing must be filed in accordance with the procedures described below and any confidential materials must be submitted at least three (3) working days prior to the hearing (see § 201.6(b)(2) of the Commission's rules (19 CFR 201.6(b)(2)).

### Written submissions

All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included

in prehearing briefs in accordance with § 207.22 of the Commission's rules (19 CFR 207.22). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on October 23. 1985. In addition. any person who has not entered an appearance as party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before October 23. 1985.

A signed original and fourteen (14) copies of such submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

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

**Authority** This investigation is being conducted under authority of the Tariff Act of 1930. Title VII. This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

By order of the Commission.

**Kenneth R. Mason,**

*Secretary.*

[FR Doc. 85-18749 Filed 8-6-85: 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-211 (Final)]

## Certain Welded Carbon Steel Pipes and Tubes From Taiwan

**AGENCY:** United States International Trade Commission.

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

**SUMMARY:** The Commission hereby announces the rescheduling of the hearing to be held in connection with the subject investigation from 10:00 a.m. on October 16, 1985, to 10:00 a.m. on December 17, 1985.

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

**EFFECTIVE DATE:** August 29, 1985.

**FOR FURTHER INFORMATION CONTACT:** Cynthia Wilson (202-523-0291), 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.

**SUPPLEMENTARY INFORMATION:**

### Background

On July 22, 1985, the Commission instituted the subject investigation and scheduled a hearing to be held in connection therewith for October 16, 1985 (50 FR 31930, August 7, 1985). Subsequently, the Department of Commerce extended the date for its final determination in the investigation from September 30, 1985 to December 4, 1985. The Commission, therefore, is revising its schedule in the investigation to conform with Commerce's new schedule. As provided in section 735(b)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)(2)(B)), the Commission must make its final determination in antidumping investigations within 45 days of Commerce's final determination, or in this case by January 17, 1986.

### Staff report

A public version of the prehearing staff report in this investigation will be placed in the public record on November 27, 1985, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

### Hearing

The Commission will hold a hearing in connection with this investigation beginning at 10:00 a.m. on December 17, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on December 3, 1985. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 9:30 a.m. on December 6, 1985 in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is December 10, 1985.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. Any written materials submitted at the hearing must be filed in accordance with the procedures described below and any confidential materials must be submitted at least three (3) working days prior to the hearing (see § 201.6(b)(2) of the Commission's rules (19 CFR 201.6(b)(2))).

### Written submissions

All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 of the Commission's rules (19 CFR 207.22). Prehearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on December 24, 1985. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before December 24, 1985.

A signed original and fourteen (14) copies of each submission must be filed with the Secretary of the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

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

**Authority:** This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

Issued: August 29, 1985.

By order of the Commission.

**Kenneth R. Mason,**

*Secretary.*

[FR Doc. 85-21196 Filed 9-4-85; 8:45 am]

BILLING CODE 7020-02-M

# APPENDIX B

## CALENDAR OF PUBLIC HEARING

# CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject : Certain Welded Carbon Steel Pipes and Tubes from Taiwan

Inv. No. : 731-TA-211 (Final)

Date and time: December 17, 1985 - 10:00 a.m.

Sessions were held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES:

Schagrin Associates
Washington, D.C.
on behalf of

The Committee on Pipe and Tube Imports

Manfred Eickholz, Vice President, Hughes Steel Tube

Roger B. Schagrin)
R. Alan Luberda )--OF COUNSEL

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES:

Bregman, Abell, Kay & Simon--Counsel
Washington, D.C.
on behalf of

Yieh Hsing Enterprise Co., Ltd.

David Simon--OF COUNSEL

# APPENDIX C

## FINANCIAL EXPERIENCE OF U.S. PRODUCERS ON THEIR LIGHT-WALLED RECTANGULAR PIPE AND TUBE OPERATIONS

Only 2 of the 15 responding firms furnished usable income-and-loss data relative to their operations producing light-walled rectangular pipes and tubes. * * *. Hence, data for 1982-84 are reported for one firm (* * *) accounting for * * * percent of U.S. producers' 1984 domestic shipments, and data for both interim periods are reported for two firms accounting for * * * percent of U.S. producers' 1984 domestic shipments.

The U.S. producer's net sales of light-walled rectangular pipes and tubes declined * * * by * * * percent from * * * in 1982 to * * * in 1983, then jumped to * * * in 1984, representing an increase of * * * percent from net sales in 1982 (table C-1). During the interim period ended June 30, 1985, net sales dropped to * * *, a * * * percent decrease from net sales of * * * in the corresponding period of 1984.

* * * * * * *

Table C-1.--Income-and-loss experience of 2 U.S. producers 1/ on their operations producing light-walled rectangular pipes and tubes, 1982-84, and interim periods ending June 30, 1984, and June 30, 1985

| Item | 1982 | 1983 | 1984 | Interim period to June 30-- | |
|---|---|---|---|---|---|
| | | | | 1984 | 1985 |
| Net sales----------1,000 dollars-- | *** | *** | *** | *** | *** |
| Cost of goods sold----------do---- | *** | *** | *** | *** | *** |
| Gross profit or (loss)----------do---- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses----------1,000 dollars-- | *** | *** | *** | *** | *** |
| Operating income or (loss)----------do---- | *** | *** | *** | *** | *** |
| Interest expense----------do---- | *** | *** | *** | *** | *** |
| Other (income) or expense, net----do---- | *** | *** | *** | *** | *** |
| Net income or (loss) before income taxes----------do---- | *** | *** | *** | *** | *** |
| Depreciation and amortization expense included above----------1,000 dollars-- | *** | *** | *** | *** | *** |
| Cash flow from operations----------do---- | *** | *** | *** | *** | *** |
| As a share of net sales: | | | | | |
| Cost of goods sold----------percent-- | *** | *** | *** | *** | *** |
| Gross profit or (loss)----------do---- | *** | *** | *** | *** | *** |
| General, selling, and administrative expenses----------percent-- | *** | *** | *** | *** | *** |
| Operating income or (loss)----do---- | *** | *** | *** | *** | *** |
| Net income or (loss) before income taxes----------percent-- | *** | *** | *** | *** | *** |
| Number of firms reporting operating and net losses---------- | *** | *** | *** | *** | *** |

1/ * * *.

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

# APPENDIX D

## WEIGHTED-AVERAGE NET U.S. F.O.B. SELLING PRICES AND QUANTITIES REPORTED BY U.S. PRODUCERS OF LIGHT-WALLED RECTANGULAR WELDED CARBON STEEL TUBES AND BY U.S. IMPORTERS OF THE TAIWAN LIGHT-WALLED RECTANGULAR TUBES

Table D-1.--Domestic light-walled rectangular welded carbon steel tubes: Weighted-average net selling prices and quantities of the domestically-produced tubing, 1-inch square and .063-inch wall thickness, 1/ by types of customers, by producers' locations, and by quarters, January 1982-June 1985 2/

| Period | Sales to steel service centers/distributors by— | | | | Sales to end users by— | | | |
|---|---|---|---|---|---|---|---|---|
| | California producers | | Other U.S. producers 3/ | | California producers | | Other U.S. producers 3/ | |
| | Price | Quantity | Price | Quantity | Price | Quantity | Price | Quantity |
| | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet |
| 1982: | | | | | | | | |
| Jan.-Mar— | $21.85 | 8,120 | $19.88 | 10,784 | $25.91 | 2,735 | $19.06 | 12,842 |
| Apr.-June— | 20.78 | 6,940 | 20.25 | 11,232 | 26.01 | 3,264 | 19.79 | 13,337 |
| July-Sept— | 20.16 | 2,780 | 19.94 | 10,844 | 24.99 | 6,101 | 19.50 | 12,842 |
| Oct.-Dec— | 21.50 | 5,160 | 20.22 | 11,088 | 25.44 | 3,973 | 19.50 | 12,842 |
| 1983: | | | | | | | | |
| Jan.-Mar— | 20.09 | 7,440 | 19.83 | 15,521 | 23.92 | 7,535 | 19.20 | 10,531 |
| Apr.-June— | 20.18 | 8,075 | 19.83 | 21,717 | 24.19 | 9,701 | 19.20 | 10,531 |
| July-Sept— | 19.97 | 9,008 | 20.19 | 21,566 | 23.38 | 13,711 | 19.60 | 11,511 |
| Oct.-Dec— | 19.91 | 6,520 | 20.36 | 22,007 | 22.40 | 5,549 | 19.60 | 11,511 |
| 1984: | | | | | | | | |
| Jan.-Mar— | 20.76 | 9,957 | 19.94 | 17,555 | 24.41 | 7,946 | 19.60 | 14,097 |
| Apr.-June— | 20.85 | 14,737 | 20.25 | 17,626 | 26.15 | 9,850 | 19.91 | 14,098 |
| July-Sept— | 20.81 | 10,585 | 19.86 | 17,135 | 25.41 | 9,895 | 19.52 | 13,813 |
| Oct.-Dec— | 20.56 | 7,327 | 20.00 | 17,405 | 23.41 | 10,751 | 19.20 | 13,750 |
| 1985: | | | | | | | | |
| Jan.-Mar— | 20.40 | 9,709 | 20.19 | 23,484 | 23.06 | 11,185 | 18.48 | 14,474 |
| Apr.-June— | 20.23 | 11,654 | 19.39 | 23,212 | 22.80 | 15,131 | 18.06 | 14,883 |

1/ ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 1-inch square, 0.063-inch wall thickness, 20 to 24-foot mill lengths.

2/ The price data were developed from net f.o.b., U.S. factory selling price data reported by domestic producers of light-walled rectangular welded carbon steel tubes. The reported price data were requested for domestic producers' total sales of the specified products to steel service centers/distributors and to end users, in each of the quarters requested.

3/ Responding producers in the continental United States east of the Rocky Mountains, primarily in the Midwest and Southeast United States.

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

Note: U.S. producers in California generally sell to distributors and end users west of the Rocky Mountains, and the other domestic producers generally sell to customers east of the Rocky Mountains.

Table D-2.—Domestic light-walled rectangular welded carbon steel tubes: Weighted-average net selling prices and quantities of the domestically-produced tubing, 2-inch square and .063-inch wall thickness, 1/ by types of customers, by producers' locations, and by quarters, January 1982-June 1985 2/

| Period | Sales to steel service centers/distributors by— | | | | Sales to end users by— | | | |
|---|---|---|---|---|---|---|---|---|
| | California producers | | Other U.S. producers 3/ | | California producers | | Other U.S. producers 3/ | |
| | Price | Quantity | Price | Quantity | Price | Quantity | Price | Quantity |
| | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet |
| 1982: | | | | | | | | |
| Jan.-Mar— | $44.96 | 528 | $42.73 | 1,555 | $45.67 | 414 | $37.60 | 739 |
| Apr.-June— | 46.05 | 680 | 43.41 | 1,585 | 46.20 | 318 | 37.60 | 739 |
| July-Sept— | 44.18 | 931 | 43.27 | 1,525 | 45.17 | 150 | 37.60 | 739 |
| Oct.-Dec— | 43.59 | 1,082 | 43.65 | 1,555 | 51.46 | 175 | 37.60 | 739 |
| 1983: | | | | | | | | |
| Jan.-Mar— | 43.13 | 1,712 | 41.59 | 1,067 | 43.49 | 848 | 37.00 | 702 |
| Apr.-June— | 42.66 | 2,163 | 41.87 | 1,109 | 44.77 | 960 | 37.00 | 702 |
| July-Sept— | 42.12 | 1,754 | 41.79 | 1,124 | 43.53 | 1,376 | 37.80 | 772 |
| Oct.-Dec— | 42.76 | 1,483 | 41.62 | 1,099 | 42.61 | 656 | 37.80 | 772 |
| 1984: | | | | | | | | |
| Jan.-Mar— | 43.71 | 1,669 | 44.00 | 2,017 | 43.23 | 723 | 37.80 | 812 |
| Apr.-June— | 43.14 | 1,556 | 44.50 | 2,092 | 43.77 | 1,442 | 38.40 | 812 |
| July-Sept— | 43.22 | 1,861 | 44.71 | 1,967 | 43.46 | 1,650 | 38.20 | 786 |
| Oct.-Dec— | 43.31 | 1,610 | 44.34 | 1,945 | 43.45 | 899 | 37.61 | 786 |
| 1985: | | | | | | | | |
| Jan.-Mar— | 43.87 | 2,551 | 44.19 | 2,322 | 43.61 | 1,180 | 36.20 | 847 |
| Apr.-June— | 42.62 | 2,727 | 44.03 | 2,553 | 45.40 | 1,661 | 35.38 | 847 |

1/ ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 2-inch square, 0.063-inch wall thickness, 20 to 24-foot mill lengths.

2/ The price data were developed from net f.o.b., U.S. factory selling price data reported by domestic producers of light-walled rectangular welded carbon steel tubes. The reported price data were requested for domestic producers' total sales of the specified products to steel service centers/distributors and to end users, in each of the quarters requested.

3/ Responding producers in the continental United States east of the Rocky Mountains, primarily in the Midwest and Southeast United States.

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

Note: U.S. producers in California generally sell to distributors and end users west of the Rocky Mountains, and the other domestic producers generally sell to customers east of the Rocky Mountains.

Table D-3.--Imported Taiwan light-walled rectangular welded carbon steel tubes: Weighted-average net selling prices and quantities of the imported Taiwan tubing sold to steel service centers/distributors, by importers' locations, by product categories, and by quarters, January 1982-March 1985 1/

| Period | Sales to steel service centers/distributors by importers located in-- | | | | | |
|---|---|---|---|---|---|---|
| | California | | Other continental U.S. 2/ | | Puerto Rico | |
| | Price | Quantity | Price | Quantity | Price | Quantity |
| | 1-inch square tubing with 0.063-inch wall thickness 3/ | | | | | |
| | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet |
| 1982: | | | | | | |
| Jan.-Mar. | $ *** | *** | $ *** | *** | $ *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| 1983: | | | | | | |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| 1984: | | | | | | |
| Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| 1985: | | | | | | |
| Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| | 2-inch square tubing with 0.063-inch wall thickness 4/ | | | | | |
| | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet | Per hundred feet | Hundred feet |
| 1982: | | | | | | |
| Apr.-June | $ *** | *** | $ *** | *** | $ *** | *** |
| 1983: | | | | | | |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| 1984: | | | | | | |
| Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| 1985: | | | | | | |
| Jan.-Mar. | *** | *** | *** | *** | *** | *** |

1/ The price data were developed from net f.o.b., U.S. warehouse or net landed c.i.f., duty-paid selling price data reported by U.S. importers of light-walled rectangular welded carbon steel tubes. The reported price data were requested for U.S. importers' total sales of the specified products to steel service centers/distributors and to end users, in each of the quarters requested.

2/ Importers in the continental United States east of the Rocky Mountains.

3/ ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 1-inch square, 0.063 inch wall thickness, 20 to 24-foot mill lengths.

4/ ASTM A-513 (mechanical) or A-500 grade A (ornamental) tubing, carbon welded, black, 2-inch square, 0.063 inch wall thickness, 20 to 24-foot mill lengths.

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

Note: U.S. importers in California generally sell to distributors and end users in states west of the Rocky Mountains, and importers in the continental United States east of the Rocky Mountains generally sell to customers in this latter area. Importers in Puerto Rico generally sell to customers in Puerto Rico.

UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

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